



Company Registration Number: 196300098Z

PRESS RELEASE

SEMBCORP MARINE DELIVERS A DOUBLE DIGIT 1Q 2009 GROWTH

- **PATMI grew by 32% to \$120.2 million**

Singapore, May 8, 2009 : Sembcorp Marine today reported a 32% growth in PATMI from \$91.3 million in 1Q 2008 to \$120.2 million in 1Q 2009. Group turnover for the first quarter of 2009 registered a 49% increase to \$1.4 billion as compared with \$916.1 million for the corresponding period in 2008. The increase came mainly from higher ship conversion & offshore and rig building activities.

Group operating profit increased by 69% from \$79.5 million in 1Q 2008 to \$134.6 million in 1Q 2009. At pre-tax level, Group profit at \$151.3 million was 31% higher than the \$115.1 million achieved in the first quarter of last year. The increased contribution came mainly from the higher operating margins from rig building and ship repair businesses and offset by the lower contribution from Cosco Shipyard Group Co. Ltd.

Financial Highlights

Year Description (\$'m)	1Q 2009	1Q 2008	% Change
Revenue	1,363.5	916.1	48.8
Gross Profit	146.2	96.8	51.1
EBITDA	152.2	95.2	59.9
Operating Profit	134.6	79.5	69.4
Pre-tax Profit	151.3	115.1	31.4
PATMI	120.2	91.3	31.6
EPS, basic (cents)	5.85	4.41	32.7
NAV (cents)	67.9	76.3	(11.0)
ROE – annualised (%)	35.4	22.4	58.0

OUTLOOK

The Group has a net order book of S\$8.42 billion with completion and deliveries stretching till early 2012. This includes the S\$378 million rig order contract secured in early April 2009 from SeaDragon Offshore Limited for an ultra-deepwater harsh environment semi-submersible rig from a bare-deck hull for delivery by end 2010.

The long-term fundamentals driving the future deepwater activities continue to be strong with the futures market pointing toward a rebound in oil and gas prices. Overall, the macro situation has not affected the deepwater rig activity with many of the major players (oil majors and national oil companies) in the sector having announced their intentions to increase or maintain E&P spending according to their long-term plan.

For ship repair, Singapore's strategic location and its reputation as an international maritime centre coupled with the Group's strategic alliances and partnerships fostered with long-term customers will provide a stable base-load to cushion the impact of the current economic turmoil.

The market for large FPSO units and production platforms is expected to remain strong based on owners' long-term commercial viability of the projects. Such projects have longer gestation periods and constitute part of the owners' investment portfolio designed to provide future output to replace depleting reserves.

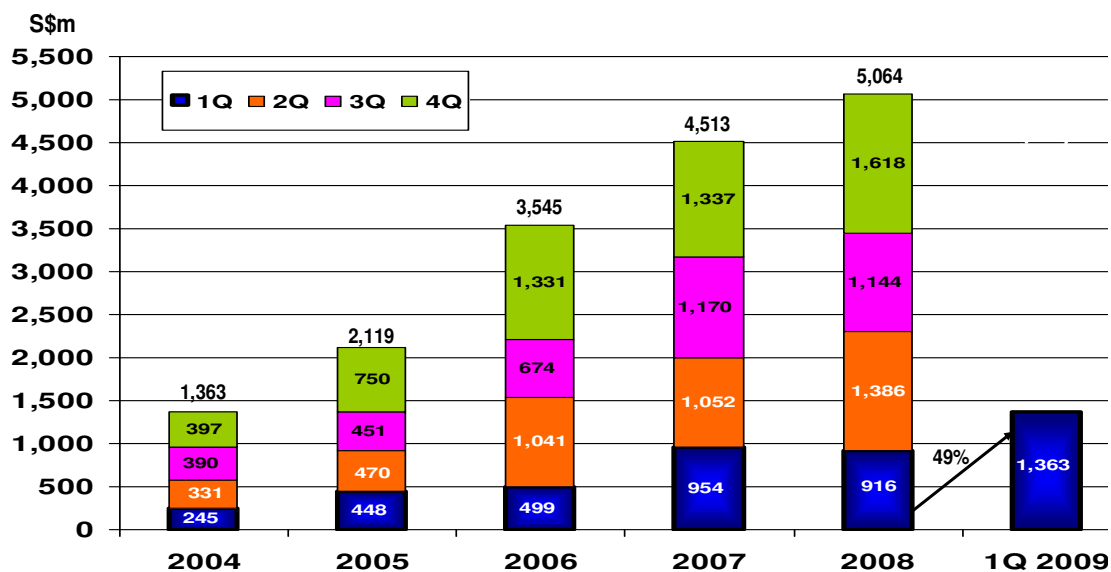
Notwithstanding the current challenges due to the economic downturn and the credit crunch leading to the possibility of some deferments and cancellations, the Group does not expect any material adverse impact on its performance.

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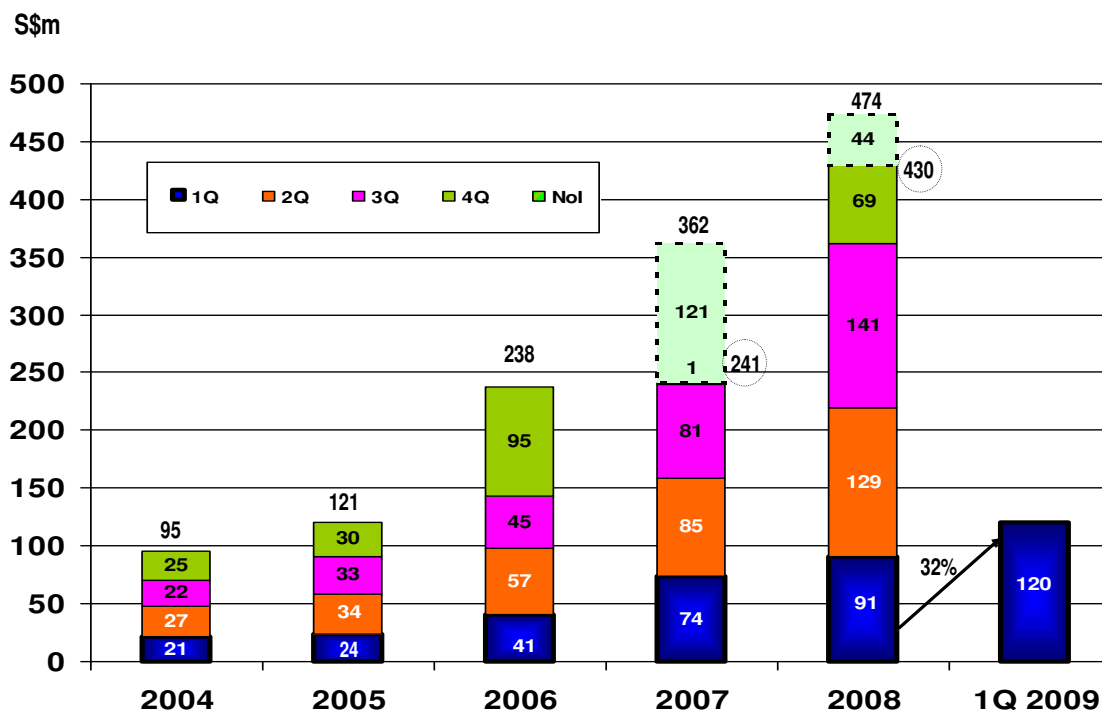
QUARTERLY REVENUE (2004 TO 1Q 2009)

- Group revenue for 1Q 2009 registered a 49% increase to \$1.4 billion attributable to higher ship conversion & offshore and rig building activities



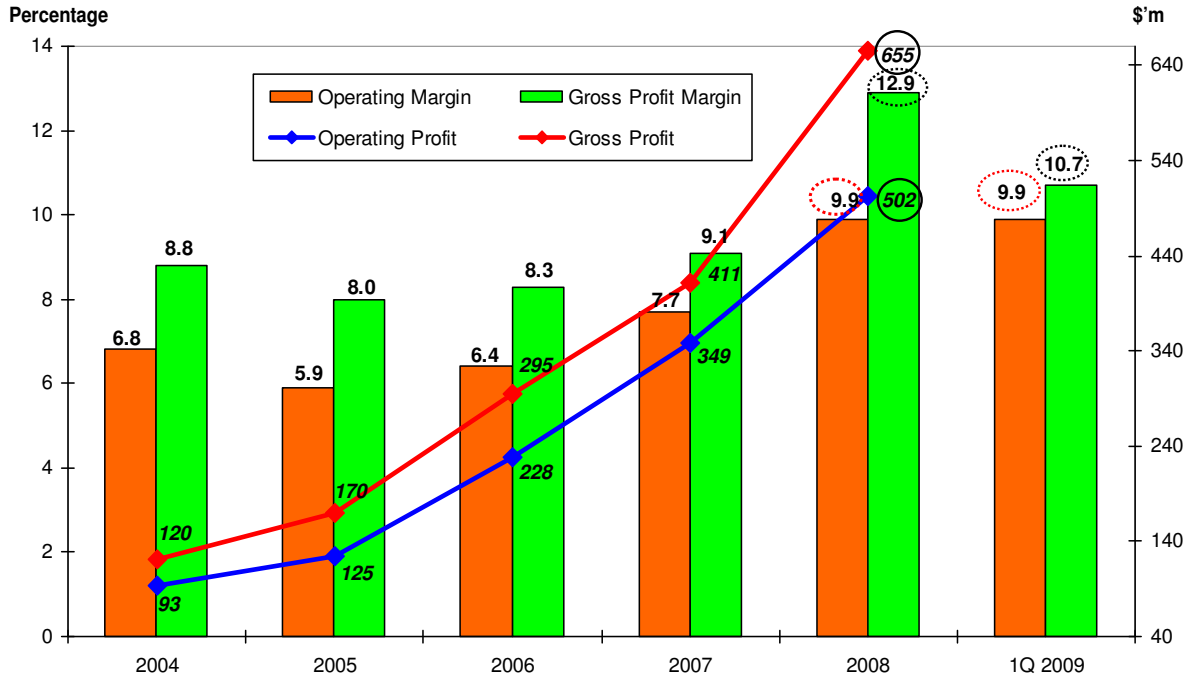
QUARTERLY PATMI (2004 TO 1Q 2009)

- PATMI grew by 32% to \$120.2 million in 1Q 2009 as compared with \$91.3 million in 1Q 2008 attributable to rig building, ship conversion & offshore and ship repair businesses
- A record first quarter growth as compared with all previous first quarters



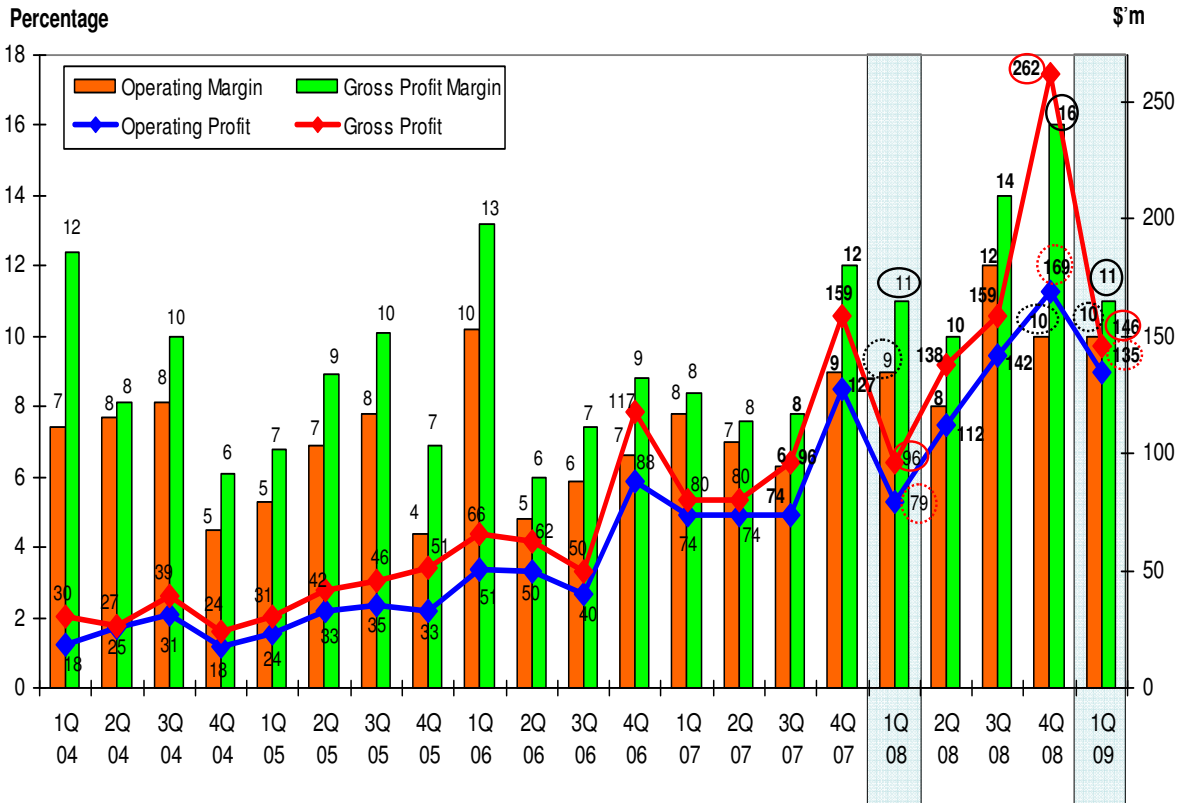
OPERATING MARGIN & OPERATING PROFIT

- Margin for FY 2009 is expected to improve



QUARTERLY OPERATING MARGIN

- Quarter-to-quarter Operating Margin and Operating Profit vary due to the product mix and timing of revenue recognition



PERFORMANCE OF ASSOCIATES & JVs (Profit before tax)

- Contributions from Associates and JVs declined 55% due mainly to lower contribution from Cosco Shipyard Group Co. Ltd

Description	Year (\$'m)		% Δ	4Q 2008	4Q 2007	% Δ
	1Q 2009	1Q 2008				
Cosco Shipyard Group	13.3	31.4	(57.6)	(43.6)	21.2	n.m.
Màua-Jurong Shipyard Inc	-	-	n.m.	-	0.2	n.m.
Pacific Workboats	2.0	2.2	(9.1)	0.9	3.5	(74.3)
Others	-	0.6	n.m.	0.2	-	n.m.
Share of Associates & JVs Results	15.3	34.2	(55.3)	(42.5)	24.9	n.m.

STRONG POSITIVE CASHFLOW

- Net cash remains strong at \$1.9 billion
- The Group will continue to strive towards delivering credible performance and value to shareholders. The strategy to ride through these challenging times is to maintain a strong balance sheet and to be in a net cash position

Description (\$'m)	1Q 2009	1Q 2008	% change	1Q 2009	4Q 2008	% change
Cashflow from operation before reinvestment in working capital	162.5	90.6	79.4	162.5	224.2	(27.5)
Net cash inflow from operating activities	92.6	857.5	(89.2)	92.6	331.2	(72.0)
Net cash outflow from investing activities	(38.9)	(24.2)	60.7	(38.9)	(27.1)	43.5
Net cash inflow/(outflow) from financing activities	1.7	(94.2)	(101.8)	1.7	(132.5)	(101.3)
Cash & cash equivalents	2,109.4	1,479.6	42.6	2,109.4	2,054.0	2.7
Net Cash (net of borrowings)	1,885.1	1,073.1	75.7	1,885.1	1,831.8	2.9
<i>Progress Billing > WIP</i>	1,212.5	958.7	26.5	1,212.5	967.0	25.4

CAPITAL, GEARING AND ROE

- ROE (annualised) at record high at 35%
- Economic Value Added (EVA) increased by 40% to \$93.8 million as compared with \$66.8 million in 1Q 2008

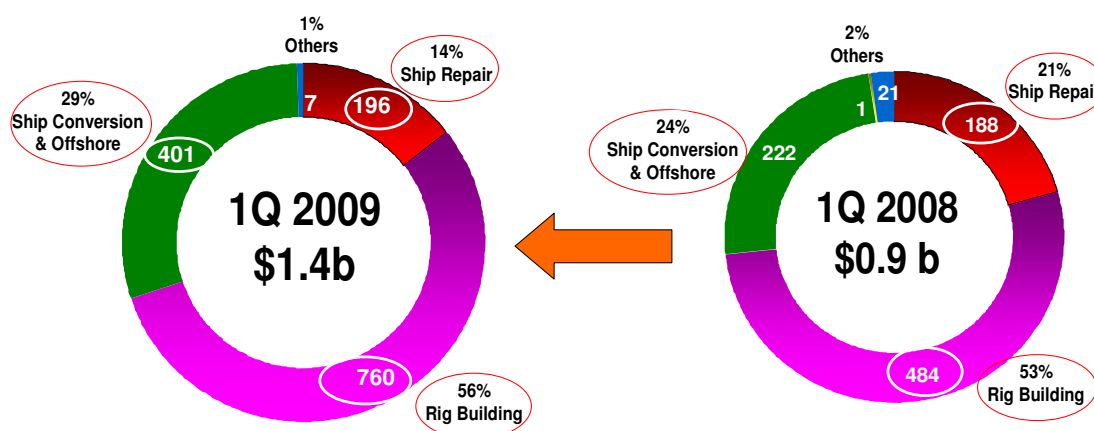
ROE (annualised) at 35%

Description (\$'m)	1Q 2009	FY 2008	% change
Shareholders' Funds	1,398.1	1,318.0	6
Net Cash	1,885.1	1,831.8	3
Economic Value Added (EVA)	93.8	66.8*	40
ROE – annualised %	35.4	28.7	23
ROE – exclude AFS & Hedging Reserves (%)	33.4	33.5	0
Net Asset Value (cents)	67.9	64.1	6
RoTA – annualised %	9.8	9.5	3

* 1Q 2008

REVENUE CONTRIBUTIONS BY SECTORS (1Q 2009 vs 1Q 2008)

By Value & Percentage Contributions



Revenue (S\$m)	1Q 2009	1Q 2008	% Change	4Q 2008	4Q 2007	% Change
Ship repair	196.0	188.4	4.0	201.2	195.7	2.8
Rig building	759.5	484.1	56.9	862.8	736.2	17.2
Ship Conversion/offshore	401.0	222.3	80.4	534.2	364.0	46.8
Shipbuilding	-	0.8	n.m	-	10.9	n.m.
Others	7.0	20.5	(65.9)	19.3	29.9	(35.5)
TOTAL	1,363.5	916.1	48.8	1,617.5	1,336.7	21.0

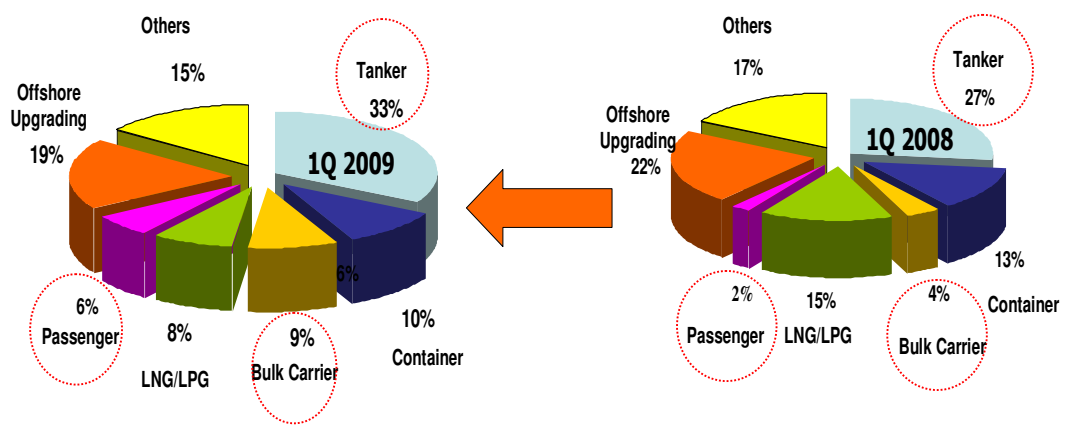
- All three core businesses grew in the first quarter of 2009 with Group revenue increasing 49% from \$916.1 million to \$1,363.5 million. Rig building accounted for 56% of total revenue followed by ship conversion & offshore at 29%, ship repair at 14% and others at 1%
- The ship conversion & offshore sector registered the highest growth at 80% from \$222.3 million in 1Q 2008 to \$401.0 million for the corresponding quarter in 2009
- Rig building recorded a 57% increase from \$484.1 million to \$759.5 million
- Ship repair registered marginal growth at 4.0% from \$188.4 million to \$196.0 million

SECTOR OPERATIONS REVIEW

SHIP REPAIR

Year	1Q 2009	1Q 2008	% change
No of vessels repaired	71	66	8
Average value per vessel (\$'m)	2.76	2.85	(3)
Revenue contributions (\$'m)	196	188	4

Ship Repair by Vessel Types



- Ship repair revenue registered a 4% increase to \$196.0 million in 1Q 2009
- Number of vessels repaired increased by 8% to 71 vessels versus 66 repaired in 1Q 2008
- Average value per vessel was marginally down by 3% from \$2.85 million to \$2.76 million due to the increase in the number of vessels repaired in 1Q 2009
- Tankers constituted the bulk of the repairs at 33% and is 6% higher as compared with 1Q 2008 at 27%. Bulk carriers saw an increase from 4% in 1Q 2008 to 9% for the corresponding period in 2009. Passenger vessels also increased from 2% to 6% in 1Q 2009

SHIP CONVERSION & OFFSHORE

No. completed in 1Q 2009	1	<ul style="list-style-type: none"> • Joides Resolution (Drillship)
No. of projects in work-in-progress stages	9	<ul style="list-style-type: none"> • Noble Danny Adkins semi-submersible conversion • CPOC offshore platform integrated deck • Offshore Platforms for Tunu Field • Montara Venture FPSO conversion • Noble Jim Day semi-submersible conversion • DPs Heavy Lift Crane vessel • Conversion of DP2 Accommodation & repair vessels • HBD Offshore Platform • FDPSO conversion
In planning & engineering stages	2	<ul style="list-style-type: none"> • DP2 Fallpipe Rock Dumping vessel • PSVM FPSO conversion
Percentage Completion (\$'m)	401	

- Ship conversion & offshore revenue registered an 80% increase at \$401 million as compared with 1Q 2008's revenue at \$222 million
- FY 2009 is expected to be strong

RIG BUILDING : JACK-UP RIGS

No. completed in 1Q 2009	1	<ul style="list-style-type: none"> • Jack-up rig WilConfidence for COSL
No. of projects in work-in-progress stages	7	<ul style="list-style-type: none"> • Jack-up rig Sapphire Driller for Vantage Energy • Jack-up rig barge for Aramco • Jack-up rig Aquamarine Driller for Vantage Drilling • Jack-up rig Topaz Driller for Vantage Drilling • Jack-up rig for Egyptian Drilling 1st unit • Jack-up rig for PetroProd • Jack-up for Seadrill 1st unit
In planning & engineering stages	5	<ul style="list-style-type: none"> • Jack-up rig for Egyptian Drilling 2nd unit • Jack-up rig for Seadrill 2nd unit • Jack-up rig for Egyptian Offshore 1st unit • Jack-up rig for Egyptian Offshore 2nd unit • Jack-up rig for Sinopec
Percentage Completion (\$'m)	388	

- 1 unit of jack-up rig WilConfidence was delivered to owner COSL 4½ months ahead of schedule in 1Q 2009
- 2 units of jack-up rigs achieved initial 20% recognition in 1Q 2009
- All projects received progressive payment
- On 14th April 2009, Sembcorp Marine announced that its wholly-owned subsidiary Jurong Shipyard received notice that Petroprod Ltd is placed under provisional liquidation in the Cayman Islands. Petroprod Ltd is the parent company of Petroprod D&P I Ltd which has contracted with Jurong Shipyard to build an MSC CJ70 Jack-up drilling rig. Based on best known information, the event is unlikely to have any material impact on the contract.

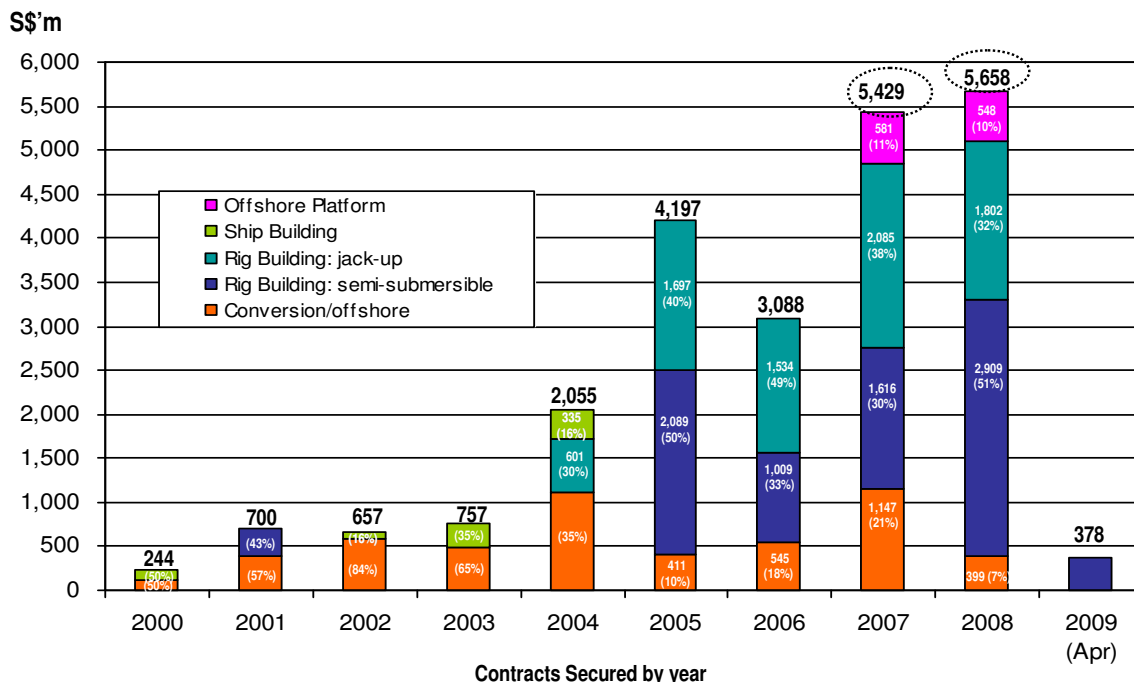
RIG BUILDING : SEMI-SUBMERSIBLE RIGS

No. completed in 1Q 2009	Nil	
No. of projects in work-in-progress stages	4	<ul style="list-style-type: none"> • Semi-submersible rig for PetroRig I • Semi-submersible rig for PetroRig II for PetroMena • Semi-submersible rig for PetroRig III for PetroMena • Semi-submersible rig West Orion for Seadrill
In planning & engineering stages	5	<ul style="list-style-type: none"> • Semi-submersible rig 1 for Atwood Oceanics • Semi-submersible rig West Capricorn for Seadrill • Semi-submersible rig for Larsen Oil & Gas • Semi-submersible rig 2 for Atwood Oceanics • Semi-submersible rig for SeaDragon
Percentage Completion (\$'m)	372	

- No major revenue recognition for semi-submersible rig in 1Q 2009
- All projects received progressive payment
- On 29 April 2009, Sembcorp Marine announced that its wholly-owned subsidiary Jurong Shipyard has completed the construction of the semi-submersible rig, PetroRig I
- PetroRig I was ready for delivery to PetroRig I Pte Ltd, a wholly-owned subsidiary of PetroMena ASA in early April 2009. However, as final payment was not made to Jurong Shipyard under the construction contract, Jurong Shipyard terminated the contract with effect from 29 April 2009.
- In accordance to its rights under the contract, Jurong Shipyard has now proceeded to sell the rig. Based on best known information, Jurong Shipyard is confident that it will be able to sell the rig and to recover all outstanding amounts owed to the shipyard. The event will not have any material impact on Sembcorp Marine.

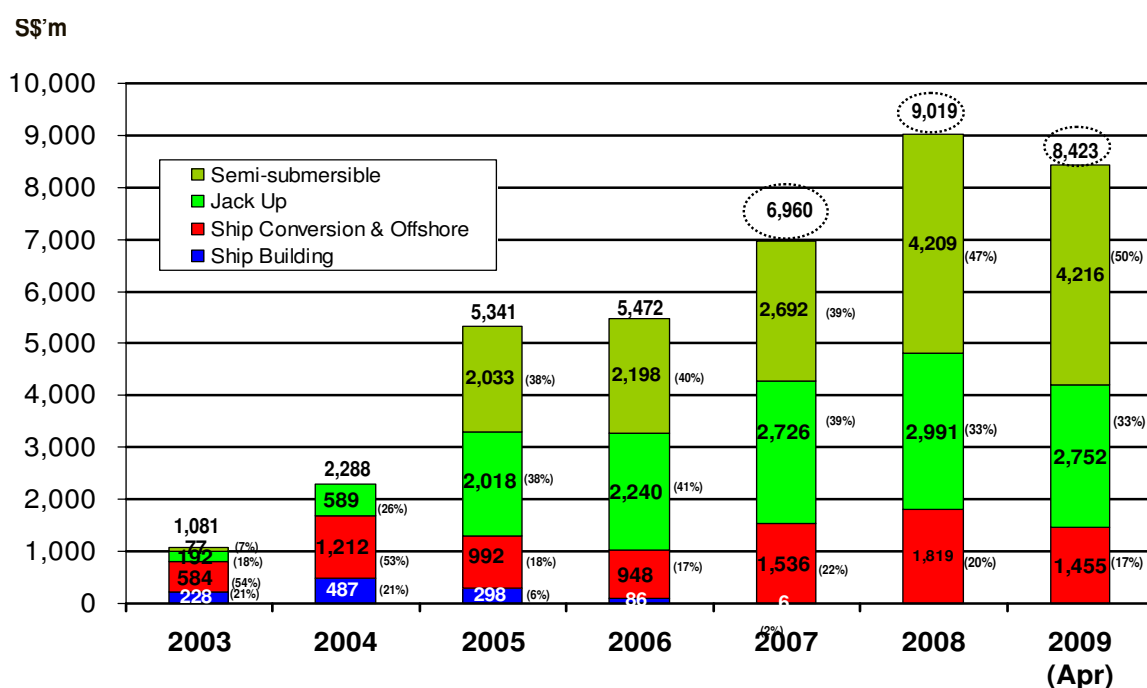
CONTRACTS SECURED BY YEAR (exclusive of ship repair)

- Contract secured to-date stands at S\$378 million
- Fundamentals driving future deepwater activities continue to be strong
- We expect to build up our order book



NET ORDER BOOK

- Net order book to-date stands at S\$8.42 billion with deliveries and completion till early 2012



This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, exchange rate movement, cost of capital and capital availability, competition from other companies and venues for sale and distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes. The forward looking statements reflect the current views of Management on future trends and developments.