



Company Registration No. 196300098Z

PRESS RELEASE

ANOTHER QUARTER OF CONTINUOUS GROWTH

Singapore, August 4, 2009 : Sembcorp Marine delivered another quarter of continuous growth with an 8% increase in Group attributable profit to \$138.1 million from \$128.3 million in 2Q 2008. Group turnover registered an 8% increase to \$1,497.6 million as compared with \$1,386.1 million for the corresponding period in 2008.

Group operating profit at \$166.7 million was 50% higher than the same quarter in the previous year. Group pre-tax profit increased 11% to \$178.9 million from \$160.7 million in 2Q 2008 attributable to higher operating margins from rig building projects, offset mainly by the lower contribution from Cosco Shipyard Group.

For the half year, Group turnover at \$2,861.1 million was 24% above the \$2,302.2 million for the corresponding period in 2008. Group operating profit increased 58% to \$301.3 million as compared with \$190.9 million the previous year. At the pre-tax level, Group profit increased 20% to \$330.1 million from \$275.9 million in 1H 2008. The increase was due mainly to higher operating margins from rig building, offshore and ship conversion projects offset by the lower contribution from the Cosco Shipyard Group.

Group attributable profit for 1H 2009 at \$258.3 million was 18% higher as compared with \$219.6 million recorded in 1H 2008.

Financial Highlights

Description (\$'m)	Year		% Change	Year		% Change
	2Q 2009	2Q 2008		1H 2009	1H 2008	
Revenue	1,497.6	1,386.1	8.0	2,861.1	2,302.2	24.3
Gross Profit	193.0	137.9	39.9	339.2	234.7	44.5
EBITDA	184.8	128.3	44.0	336.9	223.6	50.7
Operating Profit	166.7	111.5	49.6	301.3	190.9	57.8
Pre-tax Profit	178.9	160.7	11.3	330.1	275.9	19.7
PATMI	138.1	128.3	7.6	258.3	219.6	17.6
EPS, basic (cents)	6.71	6.23	7.7	12.56	10.62	18.3

Interim Dividend

In line with the Group's strong performance for 1H 2009 and the need to conserve cash for growth opportunities, the Board of Directors is recommending an interim one-tier tax-exempt dividend of 5.00 cents per share.

The one-tier interim dividend will be paid to shareholders on 1st September 2009.

Outlook

The Group has a net order book of S\$7.91 billion with completion and deliveries stretching till early 2012. This includes the S\$1.12 billion order contracts secured to-date since the end of 2008 comprising the building-up of two units of ultra-deepwater harsh environment semi-submersible rigs from bare-deck hulls for subsidiaries of SeaDragon Offshore Limited, two offshore platforms for Premier Oil Natuna Sea and an FPSO conversion for Modec.

Notwithstanding the current economic downturn and the restricted financing and liquidity environment for owners, the long-term fundamentals for the marine and offshore industry remain resilient with oil prices back to the US\$60 to US\$70/bbl range.

For ship repair, the near term prospect is challenging. Nevertheless, our bigger docks are at present well-booked due to the strong support of the Group's Alliance/FCC and regular customers and its niche market segment of LNG carriers.

The market for FPSO units and production platforms is expected to remain unchanged as these projects have longer gestation periods and constitute part of the owners' investment portfolio designed to provide future output to replace depleting reserves.

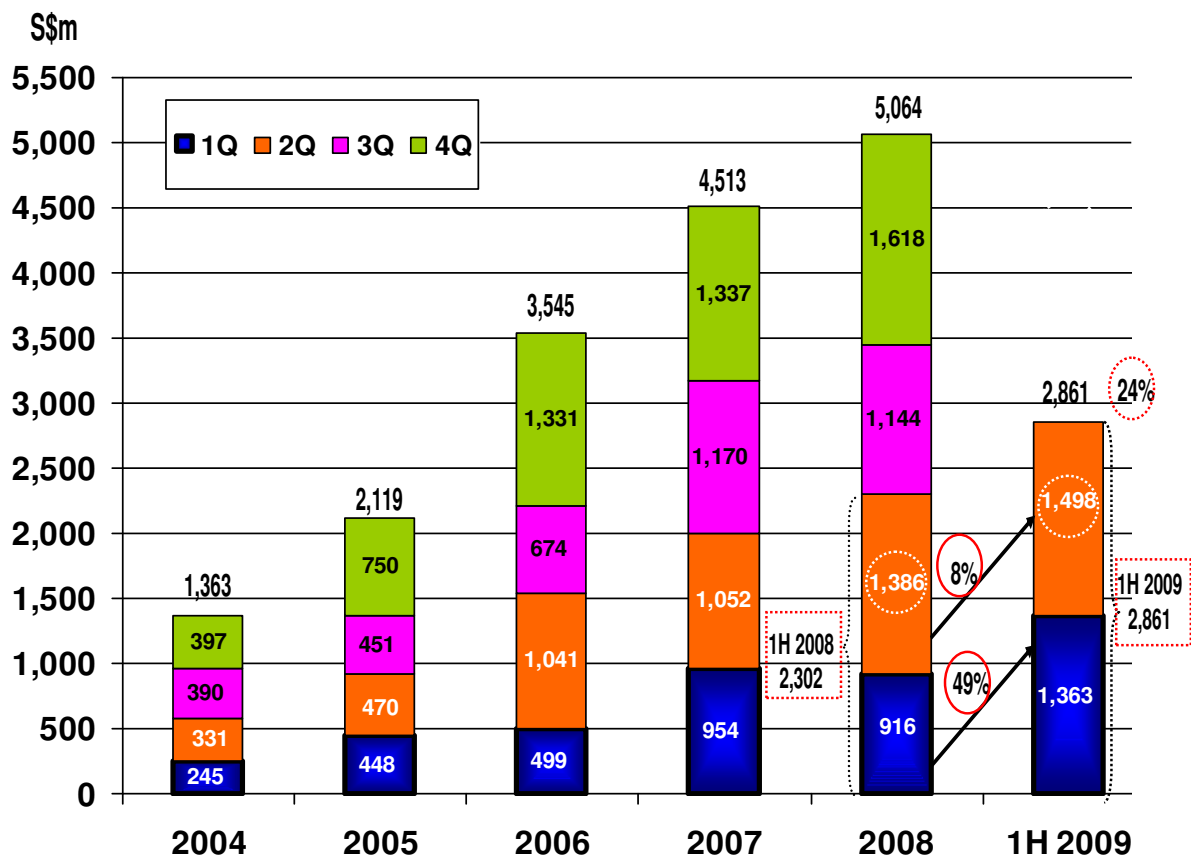
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APPENDIX

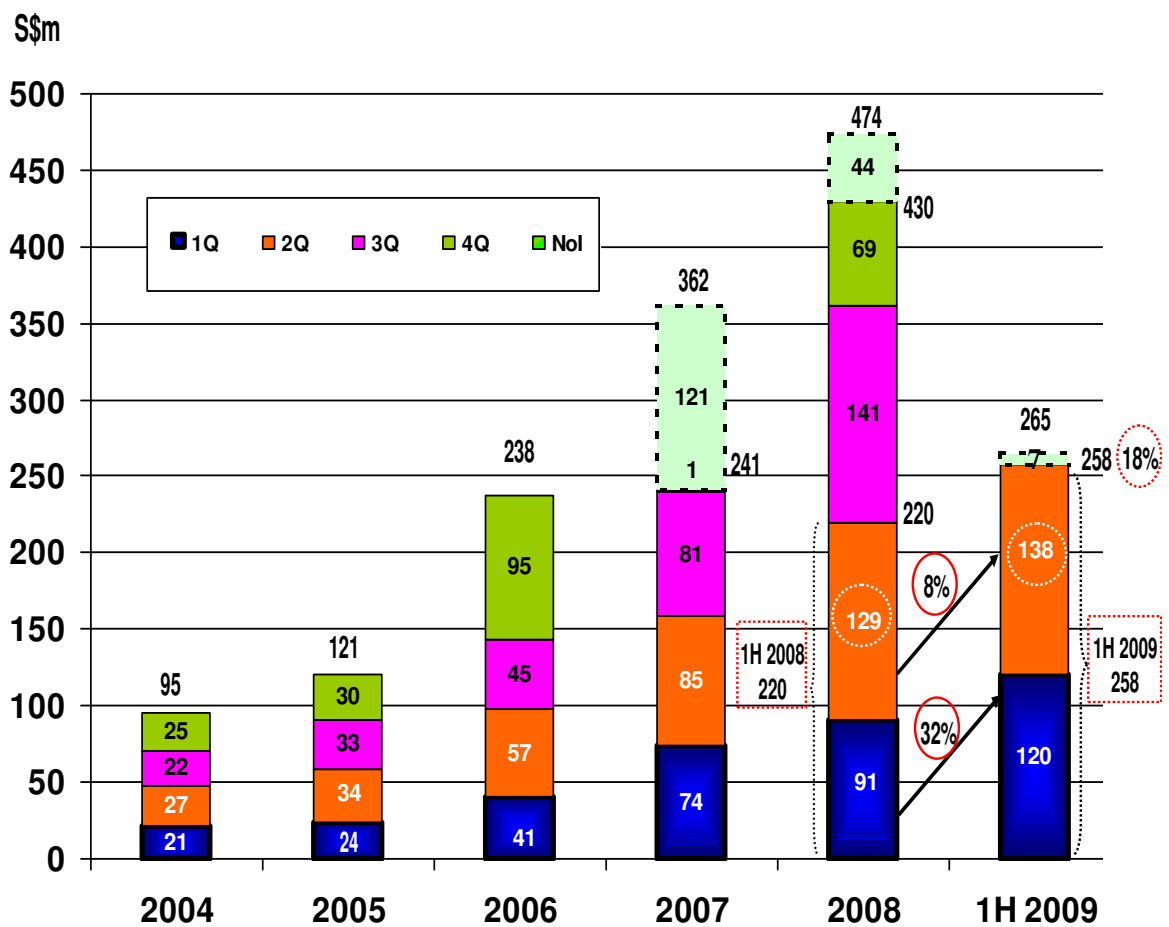
QUARTERLY REVENUE (2004 to 1H 2009)

- Group revenue for 2Q 2009 increased 8% to \$1.5 billion attributable to higher rig building activities
- For the half year, Group revenue at \$2.9 billion was 24% higher as compared with \$2.3 billion registered in 1H 2008



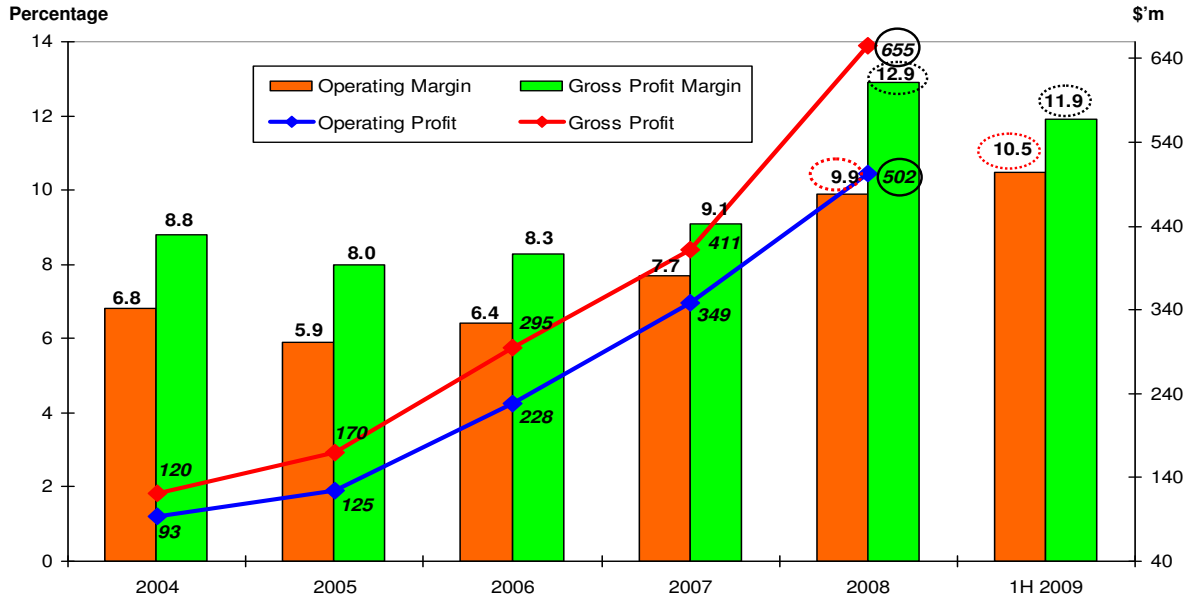
QUARTERLY PATMI (2004 to 1H 2009)

- PATMI grew by 8% to \$138.1 million in 2Q 2009 as compared with \$128.3 million in 2Q 2008
- Excluding non-operating items, PATMI increased by 13% to \$145.2 million
- On a half yearly basis, PATMI at \$258.3 million was 18% higher than \$219.6 million achieved in 1H 2008
- Excluding non-operating items, PATMI increased by 21% to \$265.4 million



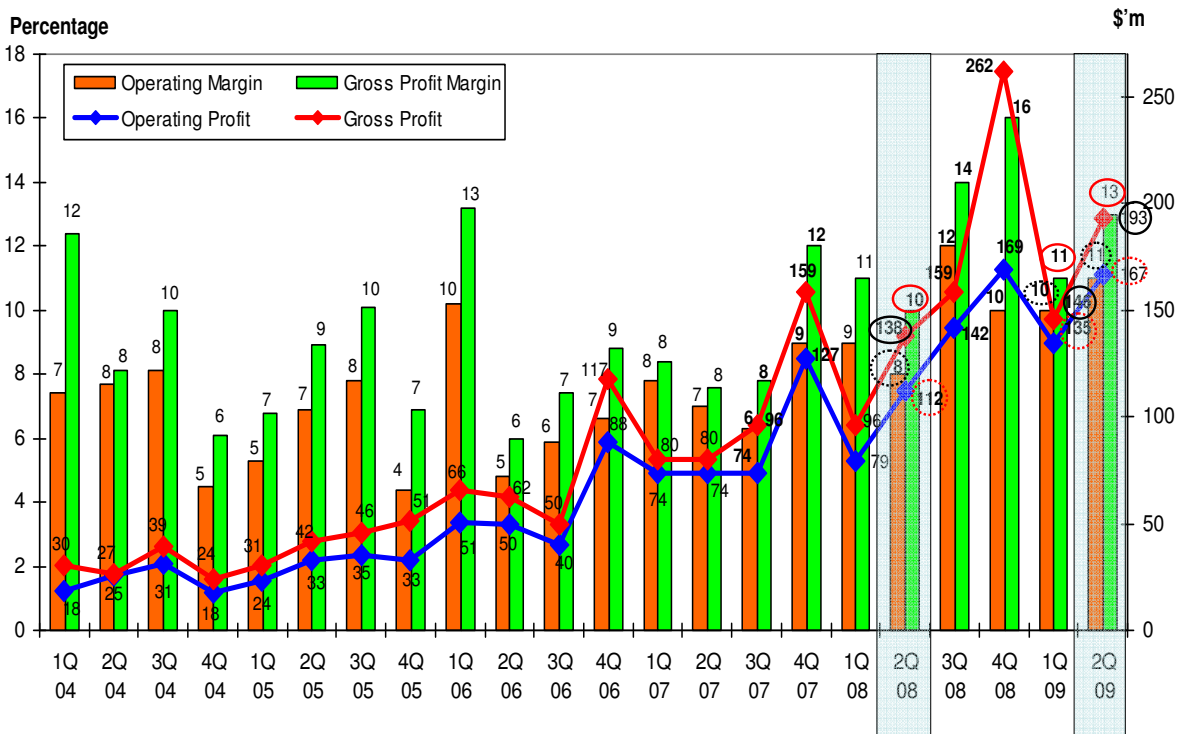
GROSS & OPERATING MARGIN

- On a half yearly basis, operating margin increased to 10.5% attributable to better operating efficiencies and the execution of repeat rig orders for customers



QUARTERLY GROSS & OPERATING MARGIN

- 2Q 2009 operating margin at 11% was higher than the 8% recorded in 2Q 2008
- Gross margin at 13% in 2Q 2009 was higher as compared with the 10% recorded for the same period in 2008



PERFORMANCE OF ASSOCIATES & JVs (Profit before tax)

- Contributions from Associates and JVs declined 69% q-on-q due mainly to lower contribution from Cosco Shipyard Group by 71%
- On a half year basis, the contribution from Cosco Shipyard Group was lower by 65%

Description	Year (\$'m)		% Δ	1H 2009	1H 2008	% Δ
	2Q 2009	2Q 2008				
Cosco Shipyard Group	10.2	35.8	(71.4)	23.5	67.2	(65.0)
Pacific Workboats	1.8	2.9	(37.9)	3.9	5.1	(24.3)
Others	-	-	-	-	0.6	n.m.
Share of Associates & JVs Results	12.0	38.7	(68.9)	27.4	72.9	(62.4)

STRONG POSITIVE CASHFLOW

- Net cash position remains strong at \$1.8 billion
- The Group will continue to strive towards delivering credible performance and value creation to shareholders. We continue to maintain a strong balance sheet and to be in a net cash position during these challenging times

Description (\$'m)	1H 2009	1H 2008	% change
Cashflow from operation before reinvestment in working capital	339.6	230.5	47.3
Net cash inflow from operating activities	183.4	911.7	(79.9)
Net cash outflow from investing activities	(48.9)	(38.3)	27.4
Net cash outflow from financing activities	(133.9)	(181.7)	(26.3)
Cash & cash equivalents	2,054.7	1,432.1	43.5
Net Cash (net of borrowings)	1,843.1	1,018.2	81.0

Progress Billing > WIP

1,182.6

839.4

40.9

CAPITAL, GEARING AND ROE

- ROE (annualised) and excluding non-operating items at a record high at 37%

Year Description (\$'m)	1H 2009	FY 2008	% change
Shareholders' Funds	1,528.4	1,318.0	16
Net Cash	1,843.1	1,831.8	1
*ROE – annualised %	37.3	31.6	18
*ROE – exclude AFS & Hedging Reserves (%)	36.9	36.9	0
Net Asset Value (cents)	74.2	64.1	16
*RoTA – annualised %	10.7	10.4	3

* Excludes Non-Operating Items

CAPITAL, GEARING AND ROE

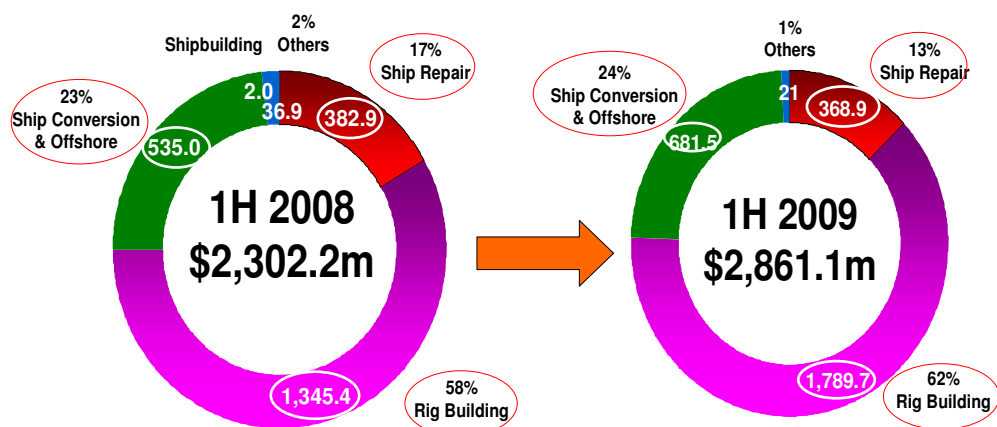
- Economic Value Added (EVA) as at 1H 2009 increased 10% to \$195.0 million as compared with \$177.8 million in 1H 2008
- ROE (annualised) was 36%

Year Description (\$'m)	1H 2009	FY 2008	% change
Shareholders' Funds	1,528.4	1,318.0	16
Net Cash	1,843.1	1,831.8	1
ROE – annualised %	36.3	28.7	26
ROE – annualised exclude AFS & Hedging Reserves (%)	35.9	33.5	7
Net Asset Value (cents)	74.2	64.1	16
RoTA – annualised %	10.4	9.5	9
Economic Value Added	195.0	177.8*	10

* 1H 2008

REVENUE CONTRIBUTIONS BY SECTORS

By Value & Percentage Contributions

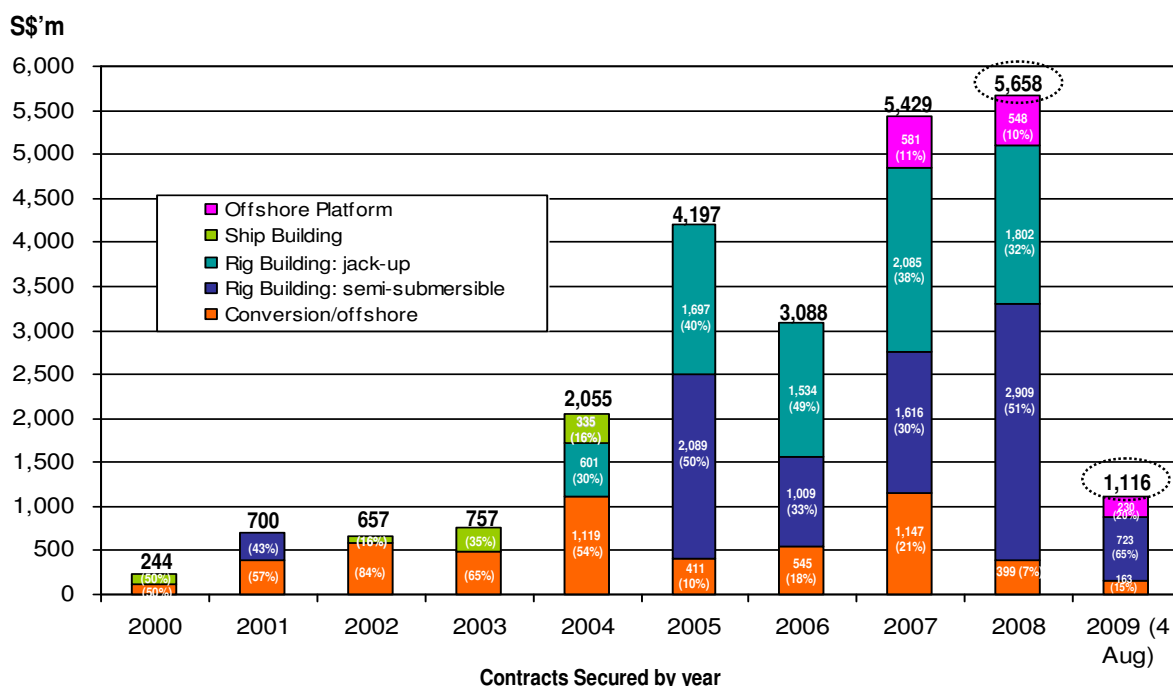


Revenue (\$m)	2Q 2009	2Q 2008	% Change	1H 2009	1H 2008	% Change
Ship repair	173.0	194.5	(11.1)	368.9	382.9	(3.7)
Rig building	1,030.2	861.3	19.6	1,789.7	1,345.4	33.0
Ship Conversion/offshore	280.4	312.7	(10.3)	681.5	535.0	27.4
Shipbuilding	-	1.2	n.m.	-	2.0	n.m.
Others	14.0	16.4	(14.6)	21.0	36.9	(43.1)
TOTAL	1,497.6	1,386.1	8.0	2,861.1	2,302.2	24.3

- The rig building sector registered the highest growth at 33%, from \$1,345.4 million in 1H 2008 to \$1,789.7 million in 1H 2009. Rig Building accounted for 62% of the total revenue followed by the Ship Conversion & Offshore sector at 24%, Ship Repair at 13% and Others at 1%
- Increase in rig revenue due to initial 20% recognition of 1 unit semi-submersible rig and 2 jack-up rigs in 2Q 2009
- For ship repair, marginal decline in revenue as Alliance/FCC partners and regular customers continue to support the Group with steady base-load during such challenging market conditions
- Lower 2Q 2009 ship conversion and offshore activities due to no major recognition during the quarter. On a half yearly basis, the increase was 27% at \$681.5 million

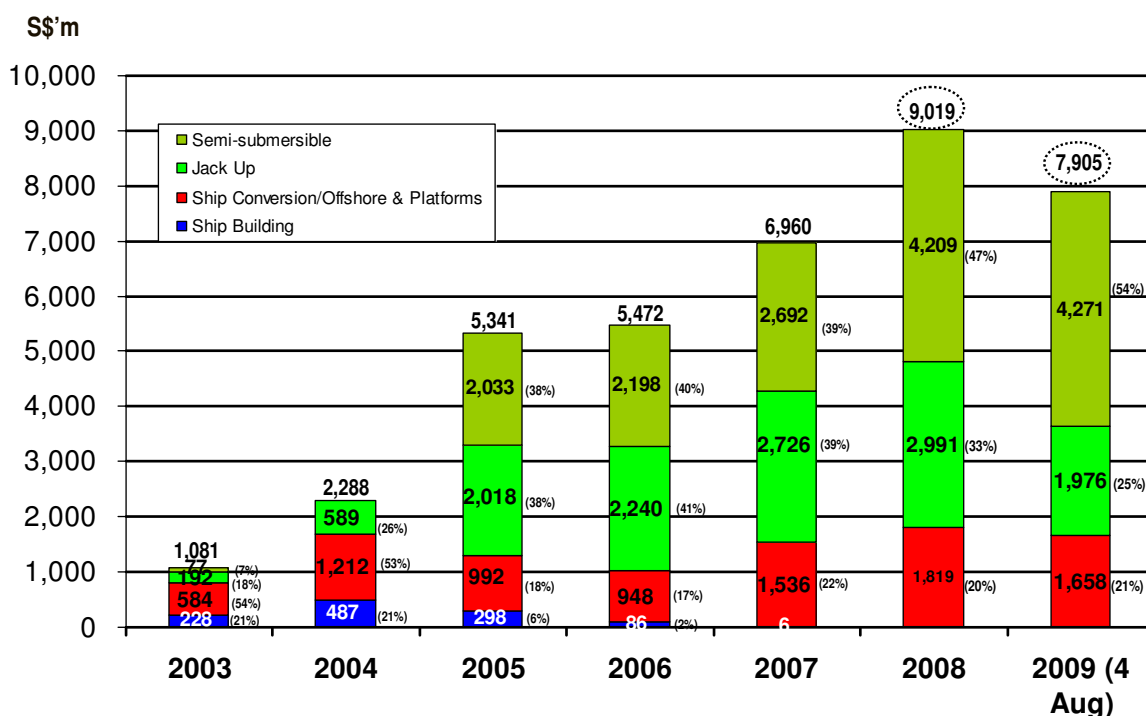
CONTRACTS SECURED BY YEAR (exclude ship repairs)

- Contracts secured to-date stand at S\$1.12 billion
- Fundamentals driving deepwater activities remain strong
- We will continue to build up our order book



NET ORDER BOOK (exclude ship repairs)

- Net order book, including new contracts secured to-date remains strong at S\$7.91 billion with completion and deliveries stretching to 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.