Company Registration No. 196300098Z

PRESS RELEASE

RECORD PERFORMANCE IN 2009

Singapore, February 22, 2010: Sembcorp Marine delivered record performance in 2009 amid challenging operating environment that prevailed during the year. Group attributable profit after tax increased by 63% to $700.1 million, the highest ever achieved.

Group turnover rose by 13% or $660.8 million to $5,724.7 million with the rig building sector registering an increase of 28% due to progressive recognition of rig building projects.

Group operating profit at $862.4 million was 72% higher than the corresponding period in 2008.

At pre-tax profit level, Group earnings increased 67% to $907.6 million from $545.0 million in 2008, attributable mainly to higher operating margins from rig building projects.

4Q 2009 vs 4Q 2008

On a quarterly basis, Group attributable profit after tax for 4Q 2009 at $297.2 million was the highest quarter ever recorded. This was 328% higher as compared with $69.4 million recorded in 4Q 2008.

Group turnover at $1,343.2 million for 4Q 2009 was 17% lower as compared with $1,617.5 million for the corresponding period in 2008. Turnover was higher in 4Q 2008 due to the variation order settlement for a turnkey conversion project

Group operating profit at $387.0 million was 129% higher than 4Q 2008's $168.8 million.

At pre-tax profit level, Group earnings increased 348% to $394.8 million in 4Q 2009 as compared with $88.2 million in 4Q 2008. The record 4Q 2009 profit was attributable to combination of operational efficiency, execution of projects ahead of schedule, resulting in better margins and resumption of margin recognition for some of the projects.

Financial Highlights

Description ($'m) / Year	FY 2009	FY 2008	% Change	4Q 2009	4Q 2008	% Change
Turnover	5,725	5,064	13	1,343	1,618	(17)
Gross Profit	986	655	51	440	262	68
EBITDA	938	572	64	409	188	118
Operating Profit	862	502	72	387	169	129
Pre-tax Profit	908	545	67	395	88	348
PATMI	700	430	63	297	69	328
PATMI, exclude NoI	712	474	50	301	113	166
EPS, basic (cents)	34.02	20.83	63	14.41	3.38	326
NAV (cents)	91.3	64.1	42	-	-	-

Dividend

The Directors have recommended a total final cash one-tier tax-exempt dividend of 10.00 cents per share comprising a final ordinary dividend of 6.00 cents plus a special dividend of 4.00 cents per share in view of the exceptional results in respect of the financial year ended 31 December 2009.

Including the interim one-tier tax-exempt cash dividend of 5.00 cents per share paid on 1st September 2009, the total dividend for FY 2009 will be 15.00 cents per share, an increase of 36% over the 11.00 cents per share in FY 2008.

The proposed final dividend, if approved at the Annual General Meeting to be held on 20 April 2010, will be paid on 10 May 2010.

Dividend per share (cents)

Year ended 31 December	2009	2008	% change
Final (one-tier tax-exempt)	6.00	6.00	-
Final Special (one-tier tax-exempt)	4.00	-	-
Interim (one-tier tax-exempt)	5.00	5.00	-
Total Dividend	**15.00**	**11.00**	**36**

Outlook

The Group has a net order book of $5.5 billion with completion and deliveries stretching till early 2012. This includes the $1.25 billion in new orders secured in FY 2009.

The year ahead sees increasing confidence with the global economy showing signs of recovery albeit at different speeds in the various regions, driven largely by Asia. Demand for energy is also expected to grow. Fundamentals for the offshore oil and gas sector remain intact with prices of oil stabilising within the range of US$70 to US$80 a barrel. Long-term fundamentals driving deepwater exploration and production activities are expected to continue in order to replenish declining oil and gas reserves and to increase production to meet growing energy demand. Although the Group's order book may benefit from this growth, we will face severe competition from other shipyards.

For ship repair, the bigger docks are well-booked due to the strong support from the Group's Alliance/FCC and regular customers and its niche market segment of LNG carriers' refurbishment. Demand for our bigger docks remains strong.

FY 2009 was an exceptional year in terms of profit. With the existing orders, the Group expects to achieve satisfactory results for FY 2010.

"FY 2009 was a solid year with strong operational growth for the Sembcorp Marine Group. Despite the challenging operating environment which also affected our customers in 2009, we remained focused in executing and delivering our projects on time or ahead of schedule. This strategy paid off with operating margin increasing from 9.9% in 2008 to 15.1% in 2009. We will continue to build on our order book and further enhance our operational efficiencies and leading edge as a globally competitive Group for sustainable growth."

Mr Wong Weng Sun
President and CEO

For media and analysts enquiries, please contact:

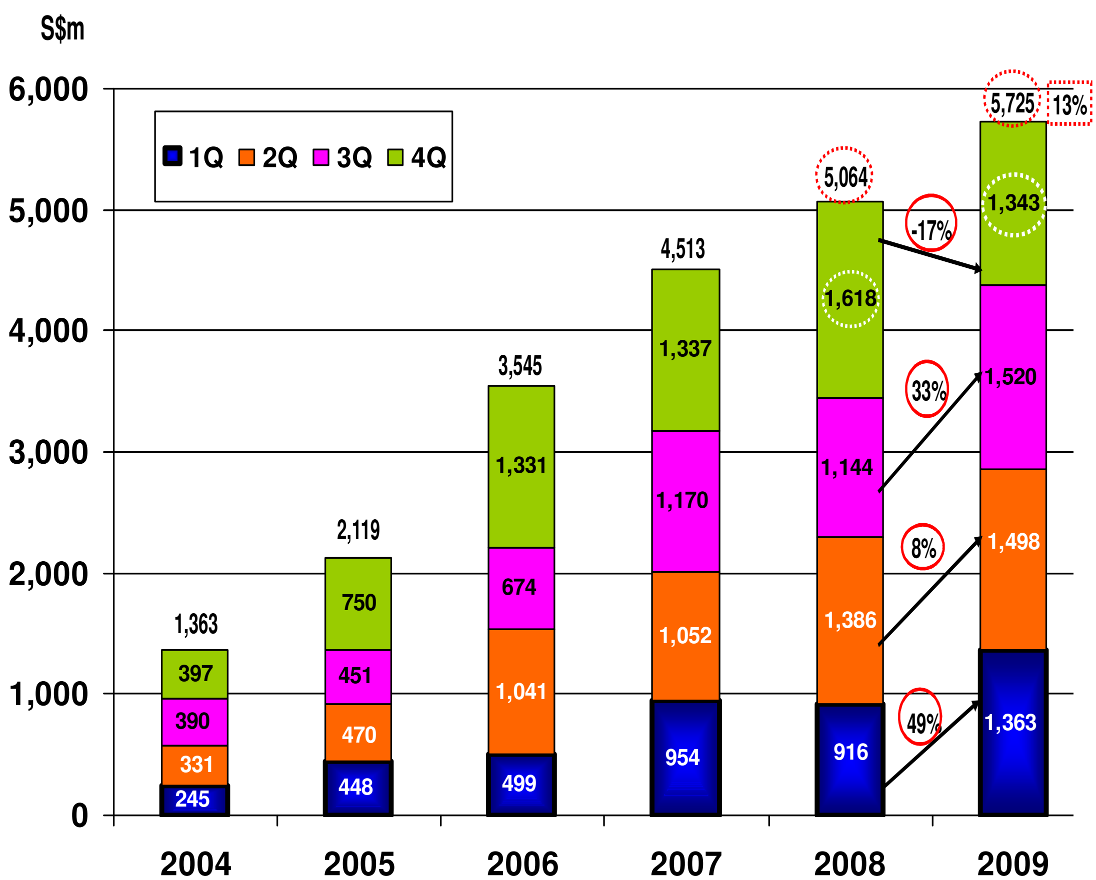
Ms Judy Han
Senior Vice President
Investor Relations & Communications
Tel No : (65) 6262 7203
Fax No : (65) 6261 0738
Email : judy@sembcorpmarine.com.sg
Website : www.sembcorpmarine.com.sg

APPENDIX

QUARTERLY TURNOVER (2004 to 2009)

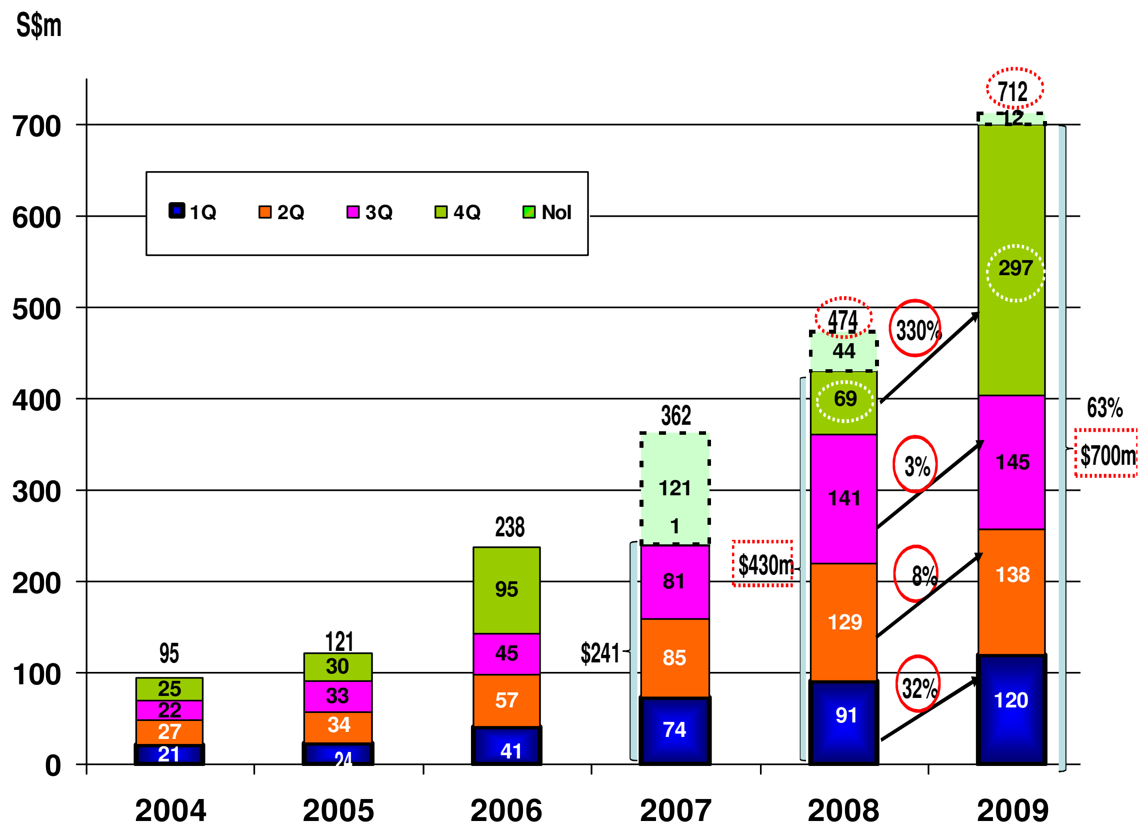
- Group turnover for FY 2009 increased 13% to $5.7 billion attributable to higher rig building activities

- On a quarterly basis, 4Q 2009 Group turnover at $1.3 billion was 17% lower compared with $1.6 billion in 4Q 2008. The lower turnover was due to the timing of revenue recognition for ship conversion and offshore projects in 4Q 2009. In 4Q 2008, the higher turnover was due to the settlement of variation order for a turnkey conversion project.



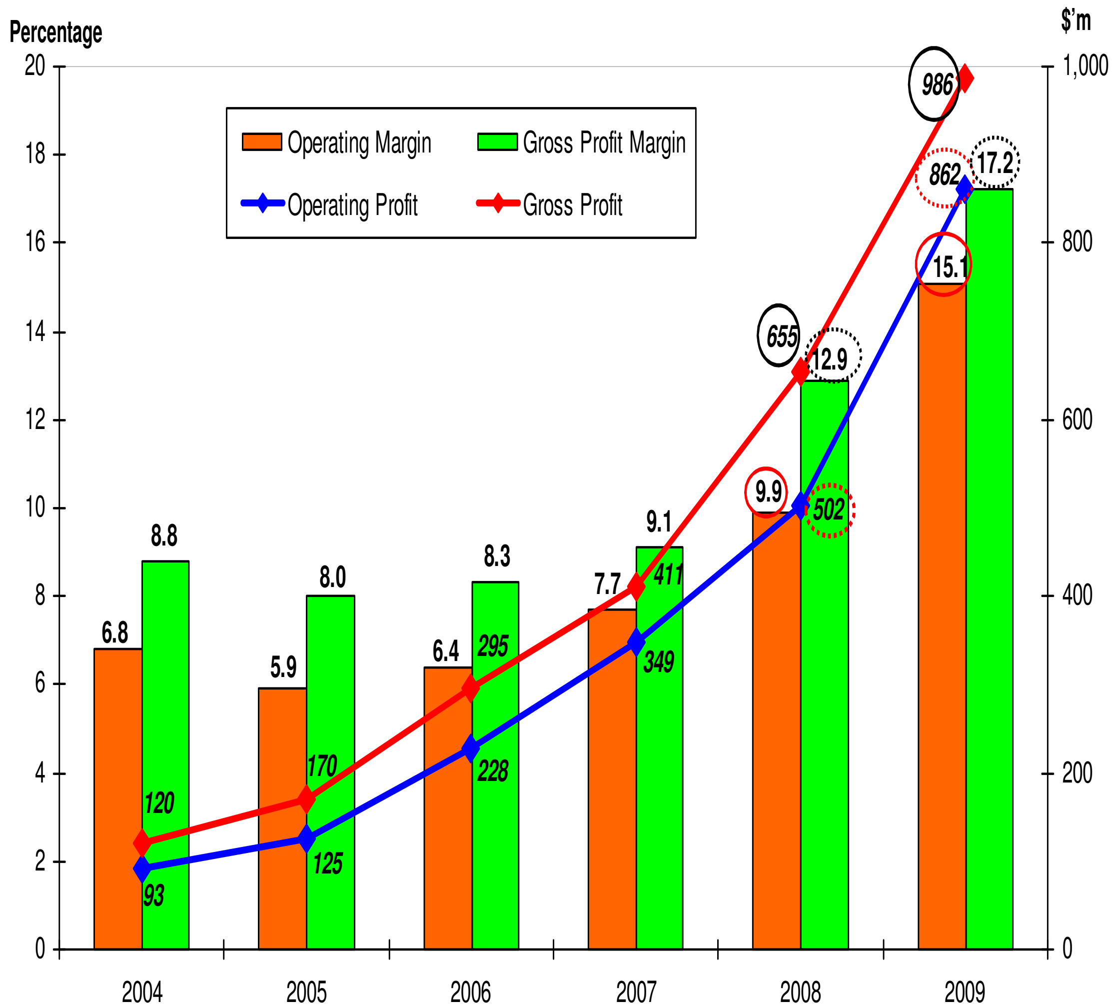
QUARTERLY PATMI (2004 to 2009)

- PATMI for FY 2009 grew by 63% to $700.1 million, the highest ever achieved by the Group.
- The record PATMI was attributable to the record 4Q 2009 PATMI of $297 million, the highest quarter ever recorded.
- The record 4Q 2009 PATMI was attributable to a combination of factors:
  - Operational efficiency and execution of projects on schedule or ahead of schedule
  - Resumption of margin recognition for a unit of BMC 375 jack-up rig and a Heavy Lift vessel



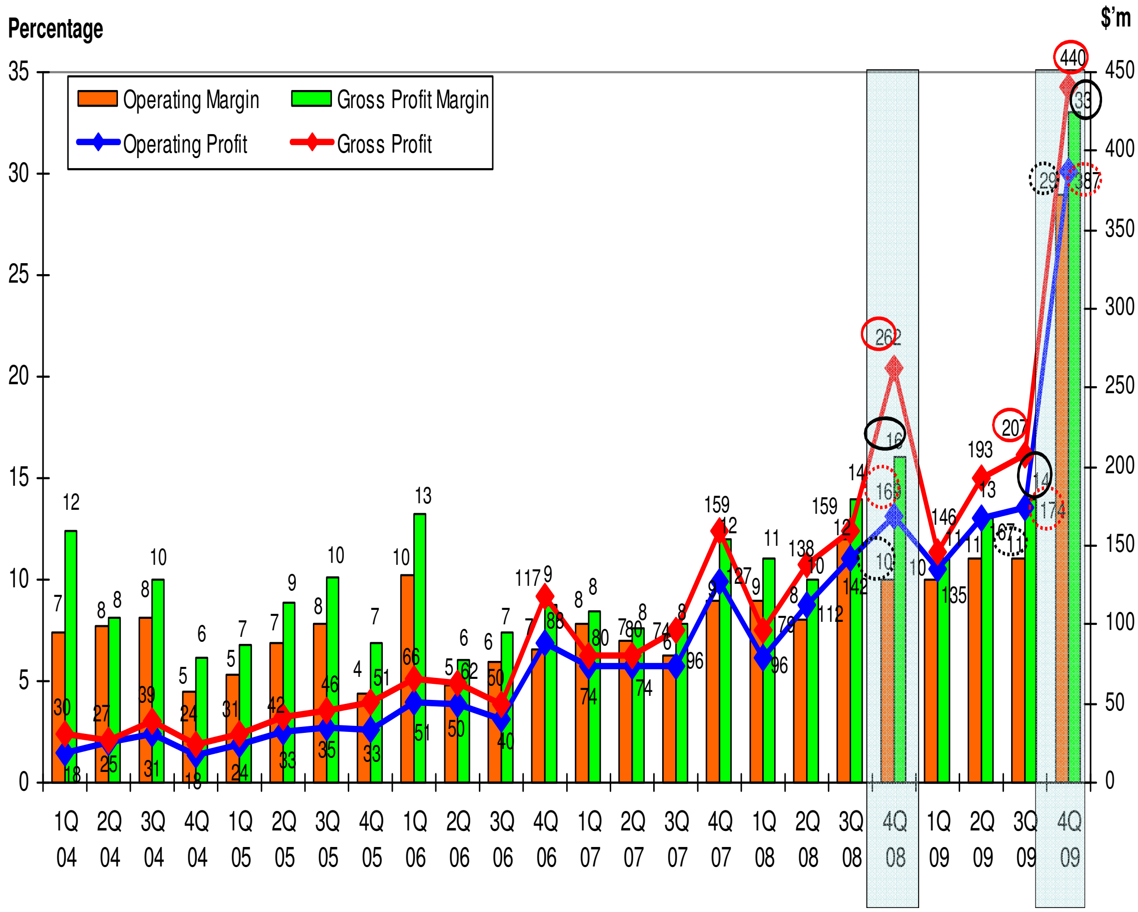
GROSS & OPERATING MARGIN

- Operating margin increased from 9.9% in 2008 to 15.1% in 2009
- The increase in operating margin is due to better operating efficiencies and the execution of repeat rig orders



QUARTERLY GROSS & OPERATING MARGIN

- Quarterly variation due to business mix and timing of revenue recognition
- 4Q 2009 operating margin at 29% was the highest quarterly margin ever recorded
- 4Q 2009 gross margin at 33% was also a record
- The record margin expansion in 4Q 2009 was due to operational efficiency, execution of repeat rig orders and resumption of profit margin recognition for a jack-up rig and a heavy lift vessel.



PERFORMANCE OF ASSOCIATES & JVs (Profit before tax)

- Contributions from Associates and JVs declined 61% from $65.3 million in 2008 to $25.4 million with lower contributions from Cosco Shipyard Group by 69%, Pacific Workboats by 4% and others by 75%

- For 4Q 2009, the contribution from Cosco Shipyard Group was lowered by 76% followed by others by 50% and Pacific Workboats by 22%

Description / Year ($'m)	FY 2009	FY 2008	% Δ	4Q 2009	4Q 2008	% Δ
Cosco Shipyard Group	17.1	55.5	(69)	(10.5)	(43.6)	(76)
Pacific Workboats	7.9	8.2	(4)	0.7	0.9	(22)
Others	0.4	1.6	(75)	0.1	0.2	(50)
Share of Associates & JV's Results	25.4	65.3	(61)	(9.7)	(42.5)	(77)

STRONG POSITIVE CASHFLOW

- Net cash position remains strong at $1.96 billion
- The Group will continue to strive towards delivering creditable performance and value creation to shareholders.
- We will continue to maintain a strong balance sheet to capitalise on future opportunities for sustainable growth

Year / Description ($'m)	FY 2009	FY 2008	% change
Cashflow from operation before reinvestment in working capital	960.5	634.3	51.4
Net cash provided by operating activities	413.7	2,010.4	(79.4)
Net cash used in investing activities	(60.6)	(85.0)	(28.8)
Net cash used in financing activities	(428.7)	(518.4)	(17.3)
Cash & cash equivalents	1,978.5	2,054.0	(3.7)
Net Cash (net of borrowings)	1,958.5	1,831.8	6.9
Progress Billing > WIP	*696.0*	*967.0*	*(28.0)*

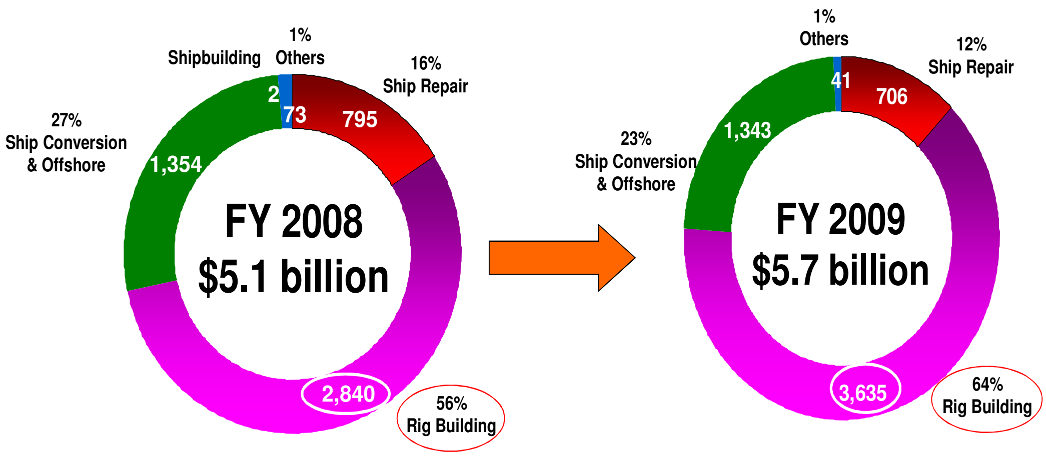
CAPITAL, EVA, GEARING AND ROE

- ROE of 44% was a new record high
- Net Asset Value increased 42% to 91.3 cents
- Economic Value Added (EVA) 2009 increased 86% to $662.0 million as compared with $355.7 million in 2008

Year / Description ($'m)	FY 2009	FY 2008	% change
Shareholders' Funds	1,884.1	1,318.0	43
Net Cash	1,958.5	1,831.8	7
ROE (%)	43.7	28.7	52
Net Asset Value (cents)	91.3	64.1	42
RoTA (%)	15.1	9.5	59
Economic Value Added	662.0	355.7	86

REVENUE CONTRIBUTIONS BY SECTORS

By Value & Percentage Contributions



Revenue (S$'m)	FY 2009	FY 2008	% Change	4Q 2009	4Q 2008	% Change
Ship repair	705.9	794.8	(11.2)	160.5	201.2	(20.2)
Rig building	3,634.7	2,839.6	28.0	934.3	862.8	8.3
Ship Conversion/offshore	1,343.3	1,354.4	(0.8)	235.3	534.2	(56.0)
Shipbuilding	-	2.0	n.m.	-	-	-
Others	40.8	73.1	(44.2)	13.1	19.3	(32.1)
TOTAL	5,724.7	5,063.9	13.0	1,343.2	1,617.5	(17.0)

- The rig building sector registered the highest growth at 28%, increasing from $2.8 billion in 2008 to $3.6 billion in 2009. Rig Building accounted for 64% of the total revenue followed by the Ship Conversion & Offshore sector at 23%, Ship Repair at 12% and Others at 1%

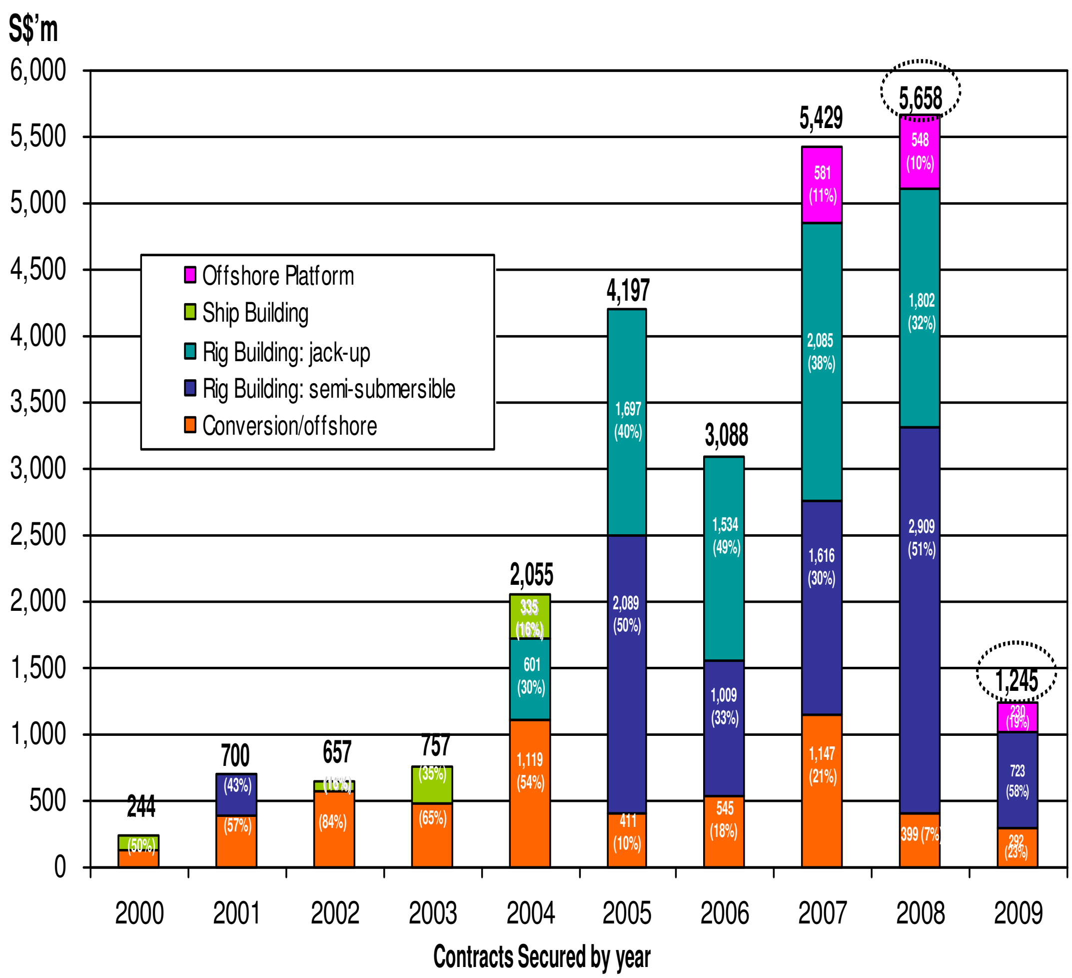
- Increase in rig building revenue due to 2 units of jack-up rigs and 1 unit semi-submersible rig (SeaDragon I) achieving initial 20% revenue recognition in 4Q 2009

- The ship repair sector registered a decline of 11% in revenue attributable to a slow-down in seaborne trade in 2009. Nevertheless Alliance/FCC partners and regular customers continue to support the Group with steady base-load during such challenging market conditions

- FY 2009 registered a slight decline in ship conversion and offshore revenue of 0.8%. On a quarter-to-quarter basis, 4Q 2009 revenue at $235.3 million was 56% lower as compared with $534.2 million in 4Q 2008. The higher 4Q 2008 revenue was mainly due to the variation order settlement for a turnkey conversion project

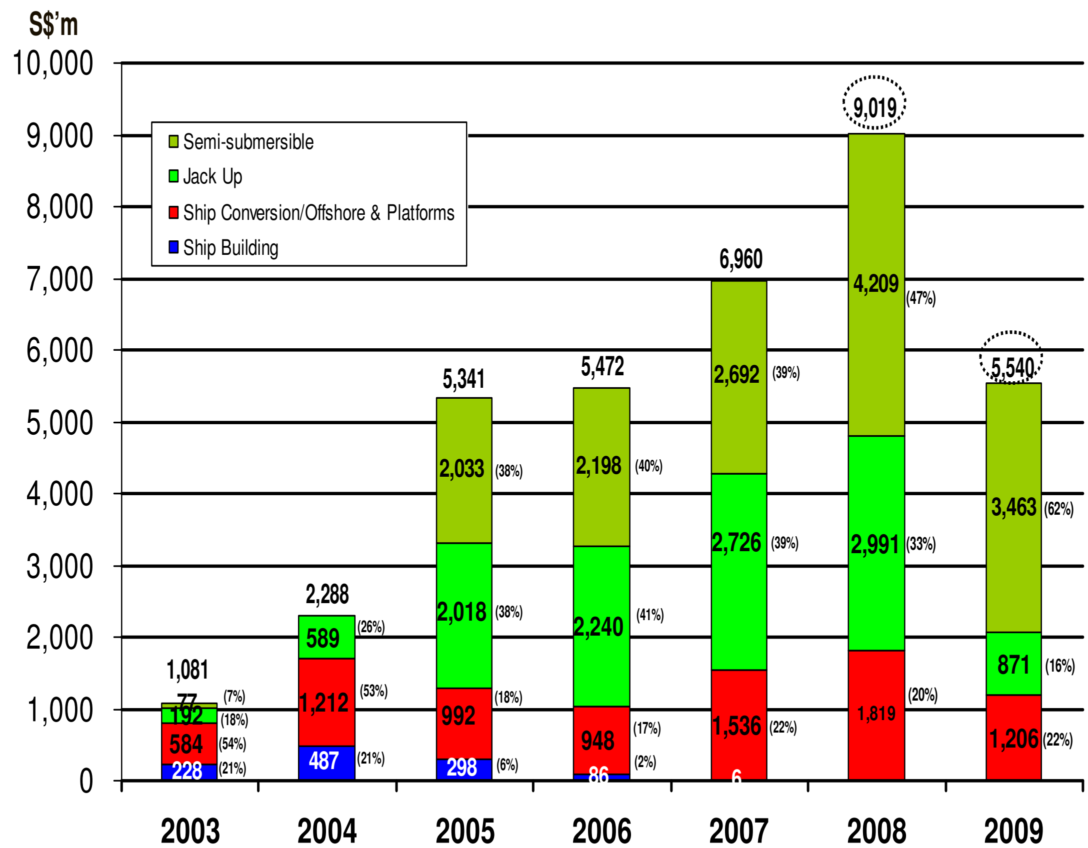
CONTRACTS SECURED BY YEAR (excluding ship repairs)

- Contracts secured in FY 2009 was $1.25 billion
- Fundamentals driving deepwater activities remain strong
- We are confident of building up our order book in 2010



NET ORDER BOOK (excluding ship repairs)

- Net order book to-date stands at S$5.5 billion with completion and deliveries stretching to early 2012
- This is expected to grow in 2010



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.