Company Registration Number: 196300098Z

PRESS RELEASE

A STRONG 3Q 2010 GROWTH WITH

- **A 105% INCREASE IN 3Q 2010 NET PROFIT TO $296 MILLION**
- **NET PROFIT, EXCLUDING ONE-OFF WRITE-BACK OF $53 MILLION GREW 68% TO $243 MILLION**

Singapore, November 4, 2010: Sembcorp Marine achieved a 105% increase in net profit to $296 million from $145 million in 3Q 2009. Excluding the one-off write-back of $53 million in the consolidated income statement arising from the full and final amicable settlement with Societe Generale on the disputed foreign exchange transactions, net profit at $243 million in 3Q 2010 was 68% higher as compared with $145 million for the corresponding period in 2009.

Group turnover at $1,115 million was 27% lower as compared with $1,520 million in 3Q 2009. The lower turnover was attributable mainly to lower progressive revenue recognition of the rig building, ship conversion and offshore projects. There was no major initial revenue recognition in 3Q 2010 as compared with 3Q 2009 where a unit each of semi-submersible, jack-up and FPSO achieved 20% initial recognition.

Group operating profit at $283 million was 63% higher as compared with $174 million in 3Q 2009. The increase was due to the resumption of margin recognition arising from the sale of the CJ70 harsh environment jack-up rig as well as the execution of repeat rig orders for customers.

At pre-tax level, Group profit increased 94% to $355 million from $183 million in 3Q 2009. The increase was attributable to higher profit margin and the receipt on the full and final amicable settlement of the disputed foreign exchange transactions with Societe Generale.

Financial Highlights

Description ($'m) / Year	3Q 2010	3Q 2009	% Change	9M 2010	9M 2009	% Change
Turnover	1,115	1,520	(27)	3,572	4,382	(19)
Gross Profit	332	207	61	761	546	39
EBITDA	304	192	58	707	529	34
Operating Profit	283	174	63	645	475	36
Pre-tax Profit	355	183	94	764	513	49
Net Profit	296	145	105	621	403	54
Net Profit, exclude NoI*	243	145	68	568	410	39
EPS, basic (cents)	14.29	7.02	104	30.01	19.58	53
NAV (cents)				111.7	91.3**	22

*NoI Non-operating items

** December 2009

9M 2010 versus 9M 2009

On a 9M basis, Group net profit increased 54% to $621 million as compared with $403 million for the corresponding period in 2009. Excluding the one-off write-back in the consolidated income statement arising from the amicable settlement with Societe Generale on the disputed foreign exchange transactions, net profit at $568 million in 9M 2010 was 39% higher as compared with $410 million in 2009.

Group turnover at $3,572 million was 19% lower as compared with $4,382 million registered in 2009. The decline was due mainly to lower progressive revenue recognition of the rig building, ship conversion and offshore projects on a 9M 2010 to 9M 2009 basis.

Group operating profit at $645 million was 36% higher as compared with $475 million in 2009. At pre-tax level, Group profit increased 49% to $764 million in 2010 as compared with $513 million for the corresponding period in 2009.

Outlook

The Group has a net order book of S$4.7 billion with completion and deliveries stretching till first quarter of 2013. This includes S$2.3 billion in contract orders secured this year to-date. Contracts secured include the Ekofisk North Sea accommodation topside, the P-62 pre-FPSO conversion, incremental adjustment to CJ-70 harsh-environment jack-up drilling rig, 3 FPSO/FPU conversions, 2 Pacific Class 400 jack-up rigs and 2 Friede & Goldman JU2000E jack-up rigs.

Although worldwide economic recovery remains fragile and uneven across different regions, Asia continues to lead in steering the upturn. The fundamentals driving the oil and gas sector remain intact with oil prices having improved significantly from the trough level to around US$80 per barrel.

The market for premium and high-specification jack-up rigs has improved in recent months with strong enquiries for such rigs. The Group has secured four firm orders for such high-specification premium rigs with options for another seven units. The long-term prospects for such jack-ups are strong, given the highly skewed age profile of the world's jack-up fleet with 70% of the fleet estimated to be older than 25 years by 2012.

With the recent lifting of the US Government moratorium on drilling in the Gulf of Mexico, market sentiments for deepwater drilling have turned positive. New regulations requiring operators to clear the new and higher bar for safety and environmental protection have been introduced, which includes stricter blowout preventor requirements and certification of each well by the operator's Chief Executive Officer. Although the certification processes have the immediate impact of slowing down drilling activities, for the mid to longer term, existing rigs that do not comply with such stringent standards will need to be upgraded and outfitted. New rig orders, in particular high-specification rigs, will be required to replace the aging fleet for drilling in deep waters.

While enquiries for jack-ups and floaters have improved, competition is very keen.

For ship repair, the market outlook continues to improve with the bigger docks well-booked into early next year. The Group has signed several long-term contracts with its customers, in particular in the niche segments for the repair, upgrading and life extension of LNG carriers and passenger/cruise vessels. These long-term customers will continue to provide a stable base-load for the Group's ship repair sector.

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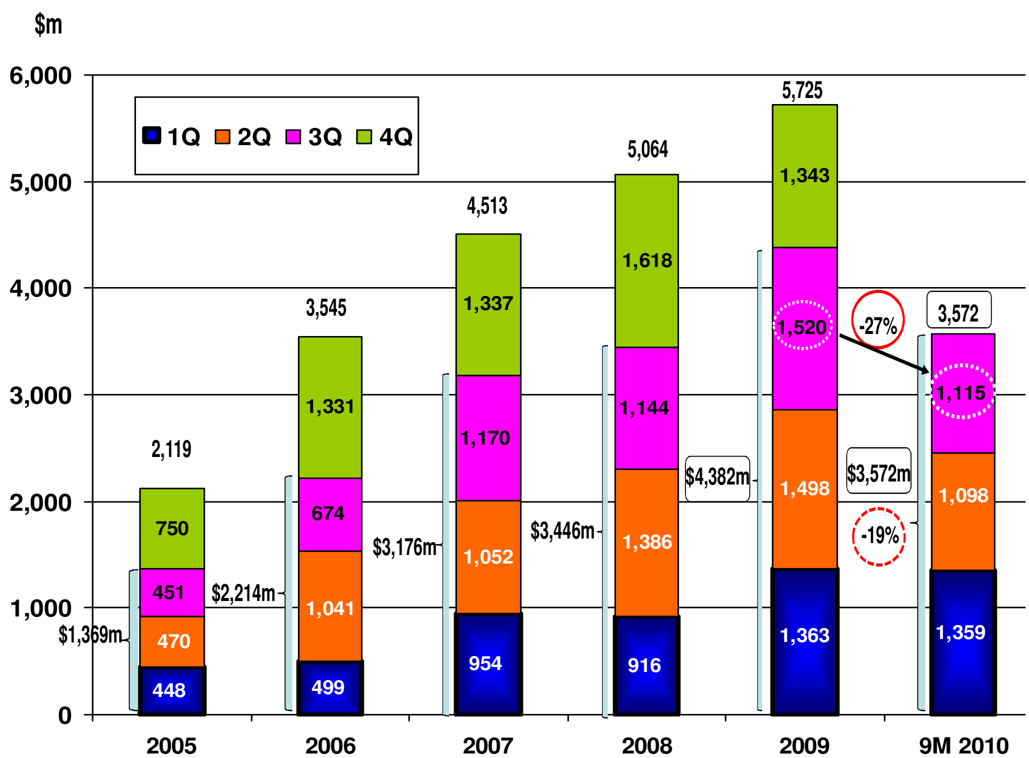
APPENDIX

QUARTERLY TURNOVER (2005 to 9M 2010)

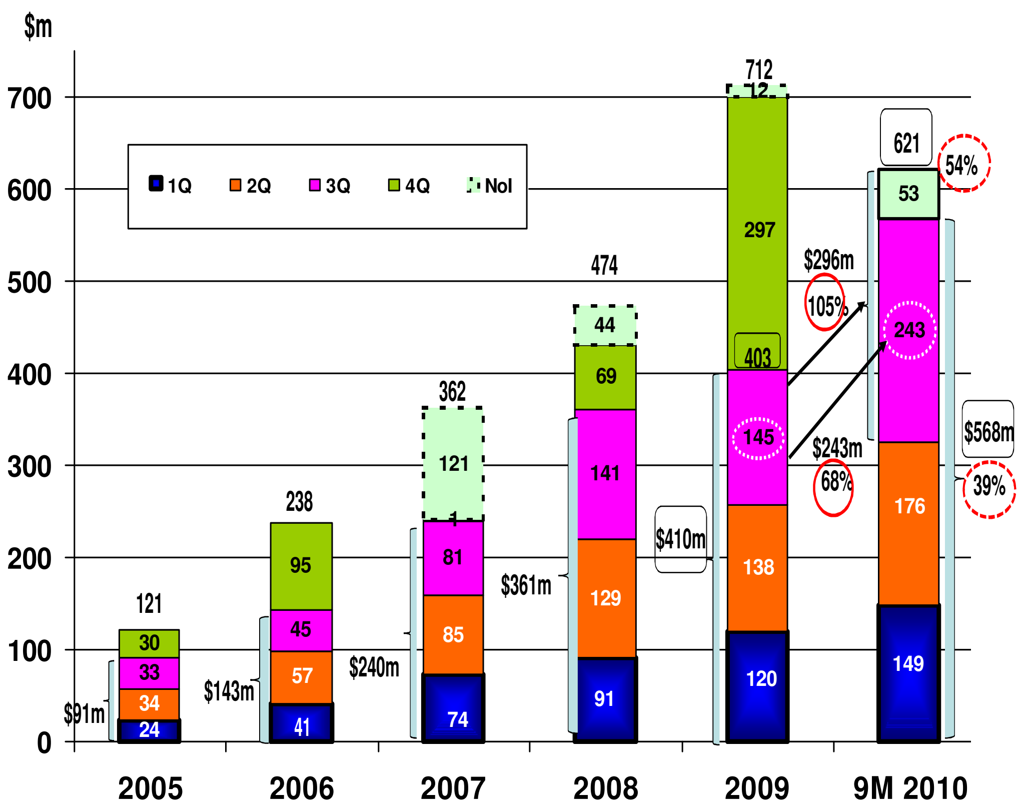
- Group turnover for 3Q 2010 declined 27% to $1.12 billion mainly attributable to lower progressive revenue recognition of the rig building, ship conversion and offshore projects

- At 9M level, Group turnover at $3.57 billion was 19% lower as compared with $4.38 billion in 2009



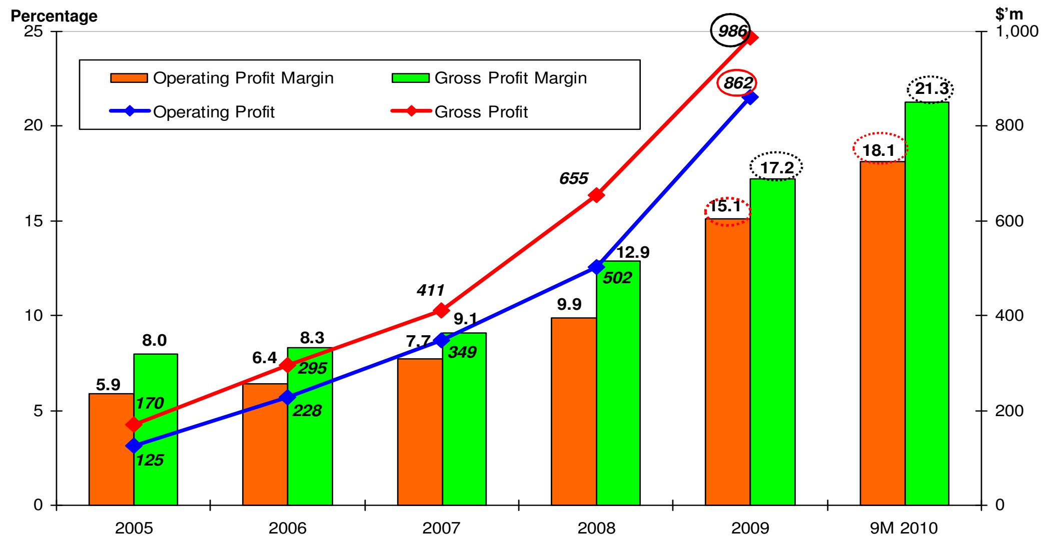
QUARTERLY NET PROFIT (2005 to 9M 2010)

- Net profit at $296 million in 3Q 2010 was 105% higher as compared with $145 million in 3Q 2009
- Excluding the one-off write-back of $53 million in 3Q 2010, net profit increased 68% to $243 million
- On a 9M basis, net profit at $621 million in 2010 was 54% higher as compared with $403 million in 2009
- Excluding the one-off write-back of $53 million in 3Q 2010, net profit increased 39% to $568 million in 9M 2010



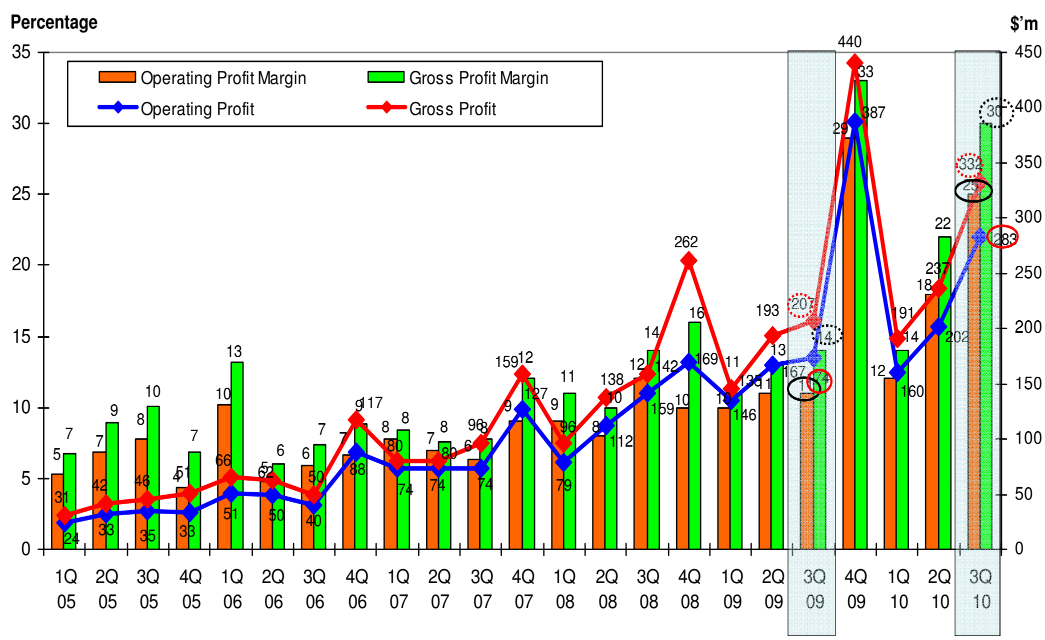
GROSS & OPERATING PROFIT MARGIN

- Operating profit margin as at 9M 2010 was 18.1% with gross profit margin at 21.3%, attributable to operational efficiencies and project execution ahead of schedule



QUARTERLY GROSS & OPERATING PROFIT MARGIN

- 3Q 2010 operating profit margin at 25% was higher than the 11% recorded for the corresponding period in 2009
- Gross profit margin at 30% in 3Q 2010 was higher than the 14% recorded in 2009



PERFORMANCE OF ASSOCIATES & JVs (Profit before tax)

- Contributions from Associates and JVs improved 91% q-on-q due mainly to higher contributions from Cosco Shipyard Group
- At 9M level, the increase was 18%

Description / Year ($'m)	3Q 2010	3Q 2009	% Change	9M 2010	9M 2009	% Change
Cosco Shipyard Group	11.8	4.1	187.8	35.8	27.6	29.7
Pacific Workboats	0.9	3.3	(72.7)	2.6	7.2	(63.9)
Others	2.1	0.3	n.m.	3.0	0.3	n.m.
Share of Associates & JVs Results	14.7	7.7	90.9	41.4	35.1	17.9

STRONG POSITIVE CASHFLOW

- Net cash position continues to remain strong at $2.5 billion

Description ($'m) / Year	9M 2010	9M 2009	% change
Cashflow from operation before reinvestment in working capital	715.4	535.5	34
Net cash inflow from operating activities	851.2	107.0	695
Net cash outflow from investing activities	(33.2)	(60.2)	(45)
Net cash outflow from financing activities	(323.5)	(425.1)	(24)
Cash & cash equivalents	2,525.6	1,675.8	51
Net Cash (net of borrowings)	2,514.5	1,652.8	52
Progress Billing > WIP	*544.5*	*1,009.9*	*(46)*

CAPITAL, EVA, GEARING AND ROE

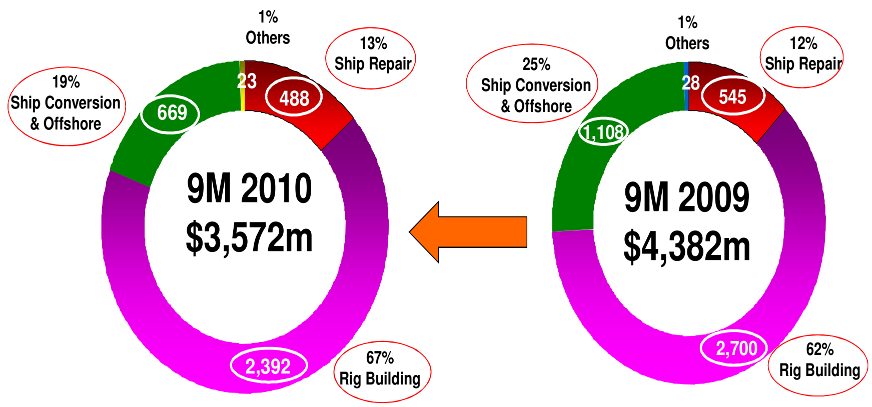
- ROE (annualised) at 39%
- Economic Value Added (EVA) at $538.5 million
- The Group will continue to strive towards delivering creditable performance and value creation to shareholders. We will continue to maintain a strong balance sheet.

Year / Description ($'m)	9M 2010	FY 2009	% change
Shareholders' Funds	2,318.8	1,884.1	23
Net Cash	2,514.5	1,958.5	28
ROE – annualised (%)	39.4	43.7	(10)
Net Asset Value (cents)	111.7	91.3	22
RoTA – annualised (%)	17.4	15.1	15
Economic Value Added	538.5	335.6*	60

* 9M 2009

TURNOVER CONTRIBUTIONS BY SECTORS

By Value & Percentage Contributions



Turnover ($'m)	3Q 2010	3Q 2009	% Change	9M 2010	9M 2009	% Change
Ship repair	189.0	176.5	7.1	488.1	545.4	(10.5)
Rig building	768.2	910.7	(15.6)	2,392.1	2,700.4	(11.4)
Ship Conversion/offshore	150.8	426.5	(64.6)	668.5	1,108.0	(39.7)
Others	6.7	6.7	-	23.3	27.7	(15.9)
TOTAL	1,114.7	1,520.4	(26.7)	3,572.0	4,381.5	(18.5)

- Total turnover for 9M 2010 at $3,572 million was 19% lower as compared with $4,382 million in 2009

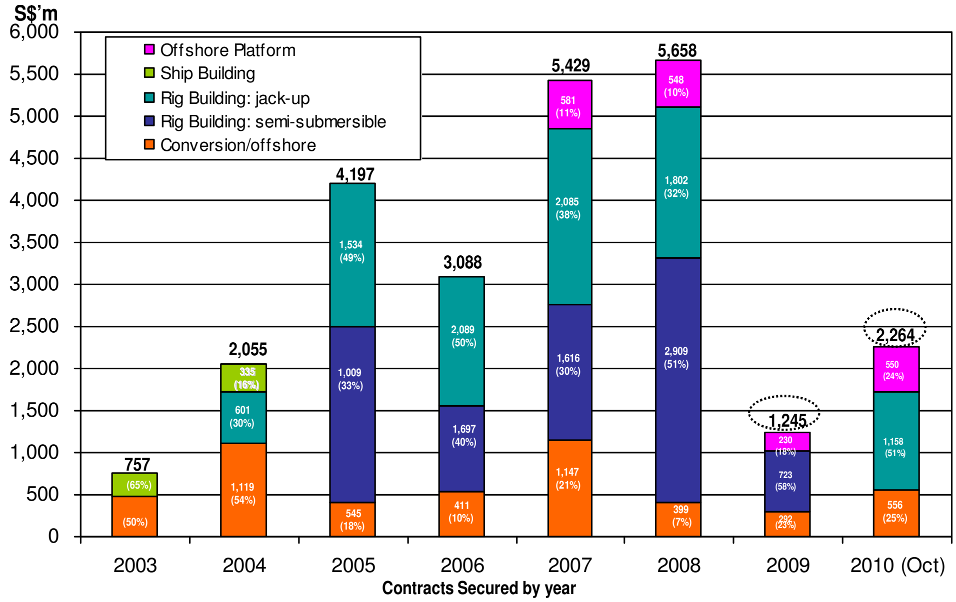
- The rig building sector was the largest sector, constituting 67% to total turnover as at 9M 2010 followed by ship conversion & offshore sector at 19%, ship repair at 13% and others at 1%

- There was no major initial recognition for rig building, ship conversion and offshore projects in 3Q 2010 and that accounted for the lower turnover contributions for the rig building and ship conversion/offshore sectors

- Ship repair turnover also declined due to timing in recognition of some major ship repair contracts. Alliance/FCC partners and regular customers continue to support the Group with steady base-load

CONTRACTS SECURED BY YEAR (excluding ship repairs)

- Contracts secured to-date stand at S$2.3 billion



NET ORDER BOOK (excluding ship repairs)

- Net order book, including new contracts secured to-date, stands at S$4.7 billion with completion and deliveries till 2013

Disclaimer

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 googs 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.