Company Registration Number: 196300098Z

PRESS RELEASE

1Q 2011 NET PROFIT UP 1.2% TO $151 MILLION

Singapore, May 9, 2011: Sembcorp Marine achieved a net profit of $150.6 million in 1Q 2011. This was 1.2% higher as compared with $148.8 million for the corresponding period in 2010. This increase was attributable mainly to improved margins driven by higher operational efficiency and productivity gains through execution of repeat rig orders.

Group turnover of $828.9 million was 39% lower as compared with $1.4 billion in 1Q 2010. The lower turnover was due to lower revenue recognition in the rig building sector as new jack-up rigs secured last year are still in the planning stage as compared with more turnkey semi-submersible rig building projects and the resumption of revenue recognition on the completion and delivery of *PetroRig III* for the corresponding period in 2010.

Group operating profit of $166.1 million was 4.1% higher as compared with $159.6 million in 1Q 2010.

At pre-tax level, Group profit at $180.1 million was 2.6% down as compared with $184.9 million in 1Q 2010.

Financial Highlights

Year / Description ($'m)	1Q 2011	1Q 2010	% change
Turnover	829	1,359	(39)
Gross Profit	195	191	2
EBITDA	186	180	3
Operating Profit	166	160	4
Pre-tax Profit	180	185	(3)
Net Profit	151	149	1
EPS, basic (cents)	7.25	7.21	1
NAV (cents)	130.7	125.1	4

OUTLOOK

The Group has a net order book of S$5.2 billion with completion and deliveries stretching till first quarter of 2014. This includes S$1.5 billion in contract orders secured since the start of 2011, excluding ship repair contracts.

The fundamentals driving the offshore oil industry remain intact given the increase in the exploration and production (E&P) spending budgets of major oil companies and firm oil prices. While the world economy is showing signs of steady improvement that provides support for increasing longer-term energy demand, short-term demand may be affected by recent events in the Middle East, North Africa and Japan.

The market for premium jack-up rigs continues to improve with oil companies remaining focused on safety and efficiency gains offered by newer and higher specification units. The bifurcation in utilisation and pricing between older jack-ups and newer premium jack-ups is expected to continue with the trend of replacing older equipment with new equipment holding strong. The Group has secured 4 units of high specification jack-up rigs in 1Q 2011 for a total value of US$1.1 billion. This together with the 7 units secured in 4Q 2010, results in a total value of US$2.4 billion, excluding the value of 8 rig options.

With the resumption of the issue of deepwater drilling permits for the US Gulf of Mexico, deepwater drilling activities in the region are expected to resume and improve, albeit slowly. Deepwater drilling activities for the rest of the world are expected to increase with strong growth in demand for development drilling in Brazil and West Africa. With oil companies continuing to focus on new technically superior dynamically positioned deepwater units, Sembcorp Marine will leverage on the opportunities in this sector given its strong track record and proven expertise.

The ship repair market continues to improve with continued demand for bigger docks. The Group has secured several additional long-term contracts from existing and new customers which will provide a stable base-load for the Group's ship repair sector.

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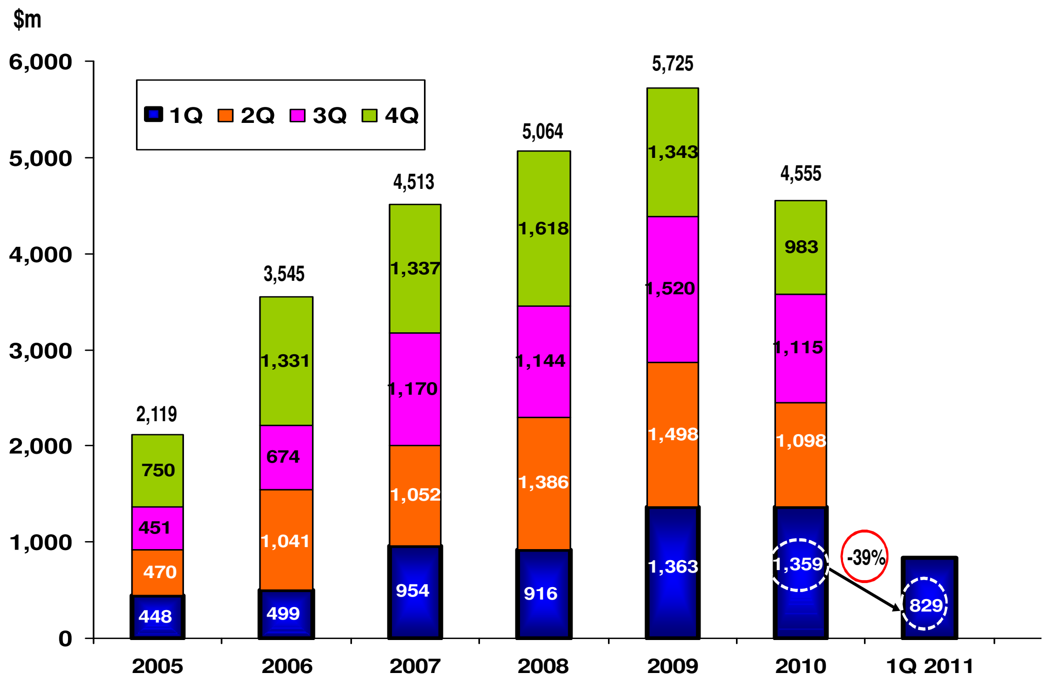
APPENDIX

TURNOVER

- Group turnover for 1Q 2011 declined 39% from $1.4 billion in 1Q 2010 to $828.9 million mainly due to lower revenue recognition in the rig building sector. Factors contributing to lower turnover are as follows:

  - New jack-up rigs secured since 4Q 2010 are still in the planning stage and as such accounted for the lower revenue recognition
  - There was more revenue recognition from turnkey semi-submersible rigs in 1Q 2010 as compared with 1Q 2011
  - The resumption of revenue recognition on the completion and delivery of semi-submersible rig *PetroRig III* contributed to the higher revenue in 1Q 2010

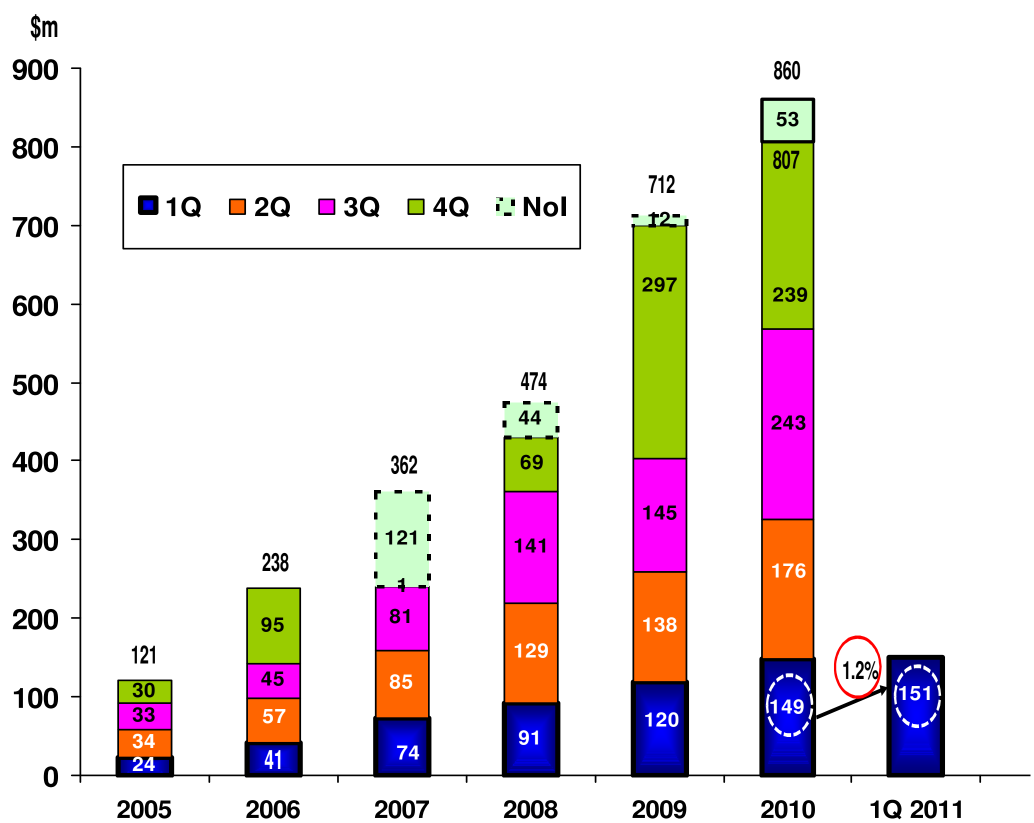
Group Turnover (2005 to 1Q 2011)



NET PROFIT

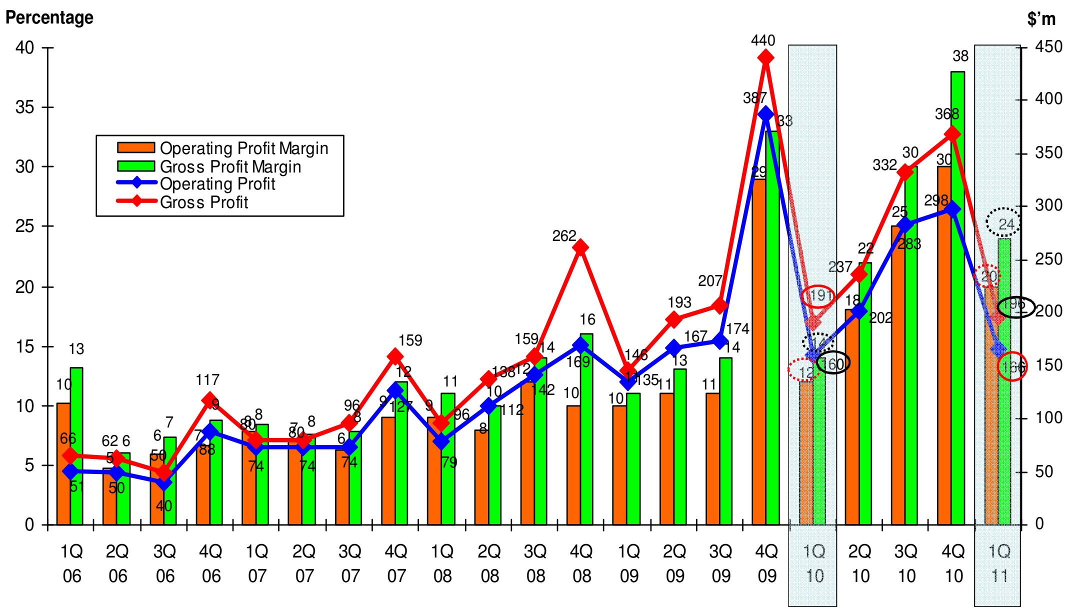
- The Group achieved a net profit of $150.6 million in 1Q 2011. This was 1.2% higher as compared with $148.8 million for the corresponding period in 2010
- The increase was attributable mainly to higher operational efficiency and productivity gains through execution of repeat rig orders

Net Profit (2005 to 1Q 2011)



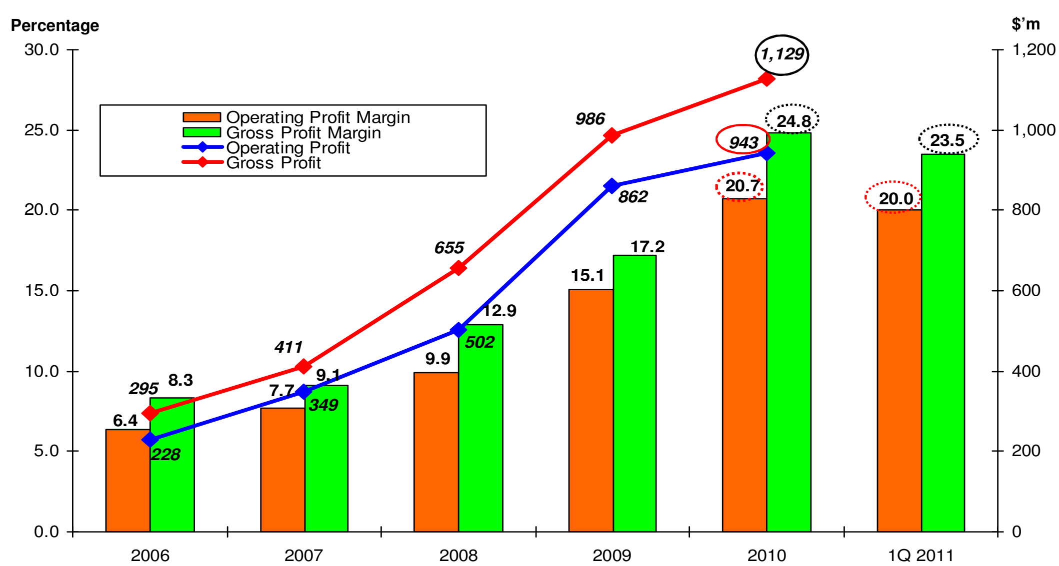
QUARTERLY GROSS & OPERATING PROFIT MARGIN

- Quarter to quarter margin variation is dependent on the business mix
- 1Q 2011 operating profit margin at 20% was higher than the 12% recorded for the corresponding period in 2010
- Gross profit margin at 24% in 1Q 2011 was higher than the 14% recorded in 1Q 2010



GROSS & OPERATING PROFIT MARGIN

- Operating profit margin in 1Q 2011 at 20.0% was comparable to the 20.7% achieved in 2010. Gross profit margin in 1Q 2011 was 23.5% as compared with 24.8% in 2010.



PERFORMANCE OF ASSOCIATES & JVs (Profit before tax)

- Contributions from Associates and JVs increased 2% q-on-q due mainly to higher contributions from Cosco Shipyard Group

Description ($'m) / Year	1Q 2011	1Q 2010	% change
Cosco Shipyard Group	12.4	11.6	6.9
Pacific Workboats	0.3	0.8	(62.5)
Others	(0.1)	-	n.m
Share of Associates & JV's Results	12.6	12.4	1.6

n.m. : not meaningful

STRONG POSITIVE CASHFLOW

- Net cash position continues to remain strong at $2.7 billion

Description ($'m) / Year	1Q 2011	1Q 2010	% change
Cashflow from operation before reinvestment in working capital	188.7	182.6	3.3
Net cash (used in)/provided by operating activities	(80.0)	361.5	n.m.
Net cash used in investing activities	(66.0)	(6.5)	915.4
Net cash (used in)/provided by financing activities	(41.8)	0.9	n.m.
Cash & cash equivalents	2,713.4	2,337.1	16.1
Net Cash (net of borrowings)	2,708.4	2,320.1	16.7
Progress Billing > WIP	*582.4*	*845.9*	*(31.2)*

n.m. : not meaningful

CAPITAL, EVA, GEARING AND ROE

- ROE at 23%
- Economic Value Added (EVA) at $100.3 million
- The Group will continue to strive towards delivering creditable performance and value creation for shareholders. We will continue to maintain a strong balance sheet
- 31 cents dividends (6 cents final and 25 cents special dividend) will be paid on 11 May 2011

Description ($'m) / Year	1Q 2011	FY 2010	% change
Shareholders' Funds	2,718.6	2,599.4	5
Net Cash	2,708.4	2,907.1	(7)
ROE – annualised (%)	22.7	38.4	(41)
Net Asset Value (cents)	130.7	125.1	4
RoTA – annualised (%)	11.3	17.3	(35)
Economic Value Added (100%)	100.3	113.1*	(11)

* 1Q 2010

TURNOVER CONTRIBUTIONS BY SECTORS

By Value & Percentage Contributions

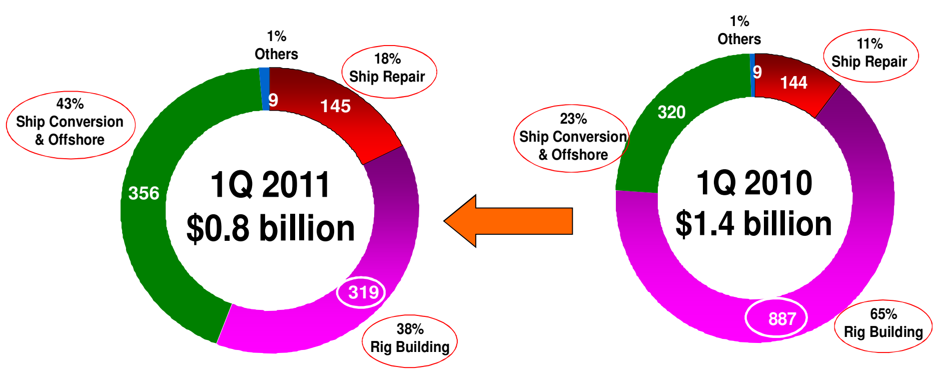
- Total turnover for 1Q 2011 at $829 million was 39% lower as compared with $1,359 million in 1Q 2010

- The ship conversion & offshore sector was the largest sector, contributing 43% to total turnover in 1Q 2011 followed by the rig building sector at 38%, ship repair at 18% and others at 1%

- The lower turnover was attributable to lower revenue recognition in the rig building sector with turnover down from $887 million in 1Q 2010 to $319 million for the corresponding period in 2011

- The ship repair turnover registered an increase from $144 million in 1Q 2010 to $145 million in 1Q 2011. Alliance/FCC partners and regular customers continue to support the Group with steady base-load

- The ship conversion and offshore sector registered the highest increase from $320 million in 1Q 2010 to $356 million for the same period in 2011 attributable to timing in recognition of an offshore platform project

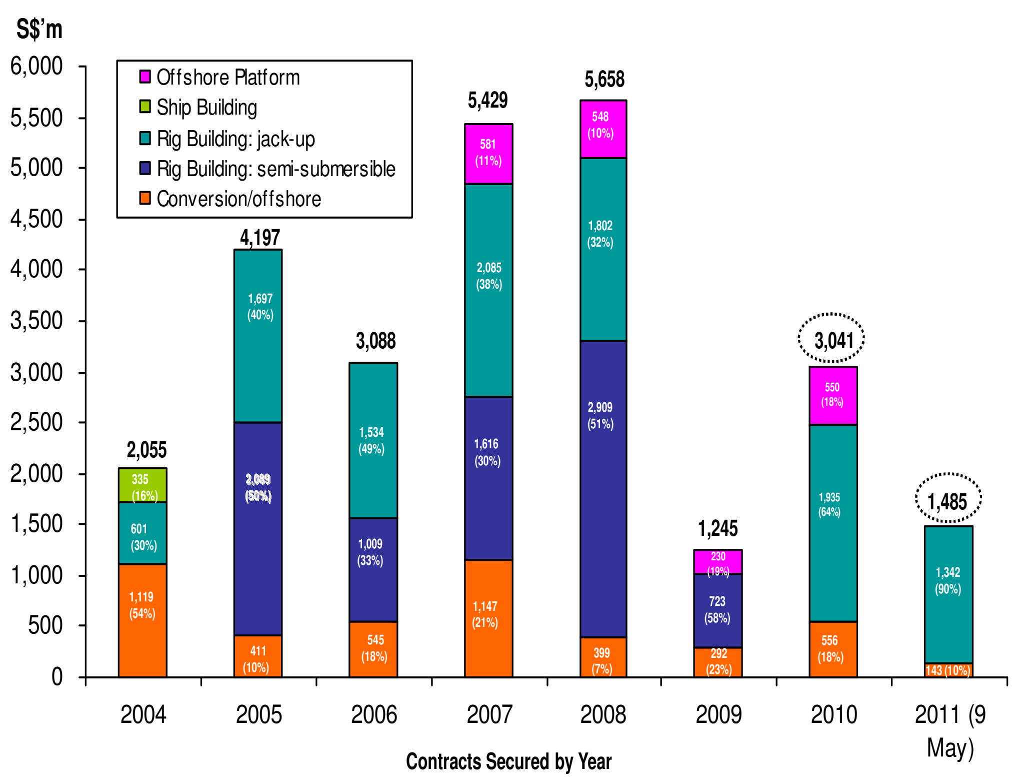


Turnover (S$'m)	1Q 2011	1Q 2010	% Change
Ship repair	145.1	143.7	1.0
Rig building	318.7	886.5	(64.0)
Ship Conversion/offshore	356.2	319.8	11.4
Others	8.9	9.4	(5.3)
TOTAL	828.9	1,359.4	(39.0)

CONTRACTS SECURED BY YEAR (excluding ship repair)

- Contracts secured to-date stand at $1.5 billion, excluding ship repair
- A total of 4 firm orders in jack-up rigs with a total value of US$1.1 billion were secured in 1Q 2011. Including the 7 jack-up rigs secured in 4Q 2010, total number of jack-up rigs to-date stands at 11 with a total value of US$2.4 billion, excluding the value of 8 jack-up rig options
- Ship conversion and offshore projects secured since January 2011 to-date stands at S$143 million
- Market fundamentals remain strong. The Group expects to build up its order flow for FY 2011

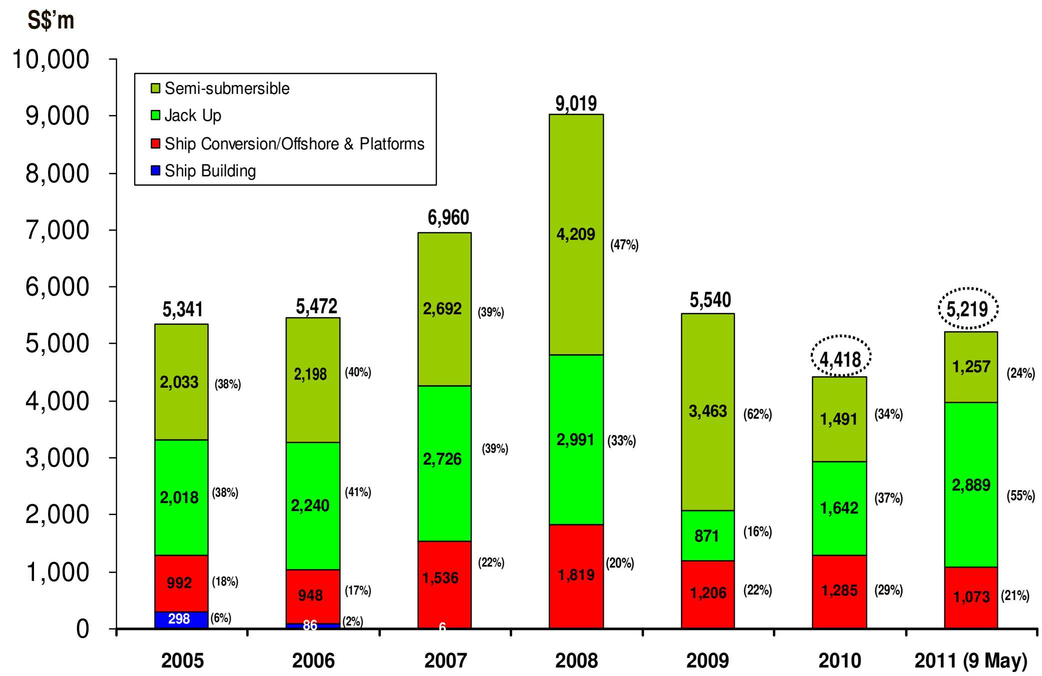
Contracts Secured By Year (2004 to 9 May 2011)



NET ORDER BOOK (excluding ship repair)

- Net order book, including new contracts secured to-date, stands at S$5.2 billion with completion and deliveries till 2014
- Going forward, the Group expects to grow its net order book

Net Order Book By Year (2005 to 9 May 2011)



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 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.