Company Registration Number: 196300098Z

PRESS RELEASE

FIRST NINE MONTHS 2011 NET PROFIT AT $523 MILLION

Singapore, November 3, 2011: Sembcorp Marine achieved a net profit of $523 million for the first nine months of 2011 with Earnings per share at 25.14 cents. Return on equity was 29.2%.

For the nine months, Group turnover at $2,963 million was 17% lower as compared with the same period in 2010. The lower turnover was attributable to the timing in progressive revenue recognition of projects in the three different sectors. The rig building sector saw a 33% decline in turnover as nine of the thirteen new jack-up rigs secured since the fourth quarter of last year are still in the planning stage (with no revenue recognition). The corresponding period in 2010 saw more turnkey semi-submersible rig building projects, the resumption of revenue recognition on the delivery of semi-submersible *PetroRig III* and the sale of CJ-70 harsh environment jack-up rig whereas in 3Q 2011, one semi-submersible rig unit, the *Songa Eclipse,* saw revenue recognition upon completion and delivery.

The lower turnover from the rig building sector was partially offset by the higher revenue recognition from the ship conversion/offshore sector which registered a 27% increase in turnover to $847 million as compared with the same period in 2010. The sector saw a total of four deliveries comprising FPSOs, fixed platform and offshore projects as at nine months 2011 with seven other projects in varying stages of construction and four units in the planning stage.

The first nine months of 2011 saw our ship repair sector at $485 million which was comparable to the $488 million achieved for the corresponding period in 2010. A total of 188 vessels were repaired with an average value per vessel at $2.38 million.

Group operating profit at $536 million was 17% lower as compared with $645 million for the corresponding period in 2010. The semi-submersible rig, *Songa Eclipse* saw resumption of revenue and profit on completion and delivery in the third quarter of 2011 as compared with the same period in 2010 which saw the resumption of margin recognition arising from the sale of the CJ-70 harsh environment jack-up rig.

At pre-tax level, Group profit at $637 million was 17% lower as compared with $764 million in 2010.

Group profit attributable to Shareholders of the Company for the first nine months and third quarter 2011 was lower attributable mainly to lower operating profit from jack-up rigs and the receipt on the full and final amicable settlement of the disputed foreign exchange transactions with Societe Generale in 3Q 2010. This was partially offset by the higher interest income received in 3Q 2011 for deferred payment granted to customers.

Financial Highlights

Year / Description ($'m)	3Q 2011	3Q 2010	% Change	9M 2011	9M 2010	% Change
Turnover	1,302	1,115	17	2,963	3,572	(17)
Gross Profit	257	332	(23)	649	761	(15)
EBITDA	231	304	(24)	597	707	(16)
Operating Profit	211	283	(25)	536	645	(17)
Pre-tax Profit	275	355	(22)	637	764	(17)
Net Profit	223	296	(25)	523	621	(16)
Net Profit, exclude NoI*	223	243	(9)	523	568	(8)
EPS, basic (cents)	10.69	14.29	(25)	25.14	30.01	(16)
NAV (cents)				104.2	125.1**	(17)

* Non-operating Items

** 31 December 2010

3Q 2011 versus 3Q 2010

Group turnover at $1,302 million was 17% higher as compared with $1,115 million in 2010 due to resumption of revenue recognition of *Songa Eclipse* as well as higher contributions from the ship conversion/offshore projects.

Group operating profit at $211 million was 25% lower as compared with $283 million in 3Q 2010 due mainly to margin recognition on lesser number of jack-up and semi-submersible rig projects, as nine of the thirteen new jack-up rigs secured since the fourth quarter of last year are still in the planning stage.

At pre-tax level, Group profit at $275 million was 22% lower as compared with $355 million for the corresponding period in 2010. Group net profit, excluding non-operating items at $223 million was 9% lower than $243 million for the corresponding period in 2010.

OUTLOOK

The Group has a net order book of S$5.2 billion with completion and deliveries stretching till second quarter of 2014. This includes S$3.2 billion in contract orders secured since the start of 2011, excluding ship repair contracts.

The global economy remains fragile and uncertain. The outlook has been affected by events in Europe, economic slowdown in the United States and concerns over China.

Despite the macro conditions, the medium to long-term fundamentals for the offshore oil and gas industry remain intact with exploration and production (E&P) expenditure by oil majors and national oil companies expected to increase further into 2013, especially for the deep and ultra-deepwater segments.

Outlook for the fixed and floating production market remains positive supported by increasing long-term demand for oil and sustainable oil prices. With the Brent crude oil prices expected to remain firm, demand for fixed platforms and FPSOs is expected to be strong with more projects moving towards development phase.

For ship repair, the Group has secured several long-term contracts from its customers, in particular in the niche segments for 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.

Overall, enquiries remain healthy but competition is keen.

Construction of the Phase I Integrated New Yard facility in Tuas View Extension is progressing on schedule with two VLCC drydocks due for operations by end of 2012. The Group's ship repair and ship conversion/offshore capacity will increase substantially when the remaining two VLCC drydocks and ancillary facilities are completed and operational by the second half of 2013.

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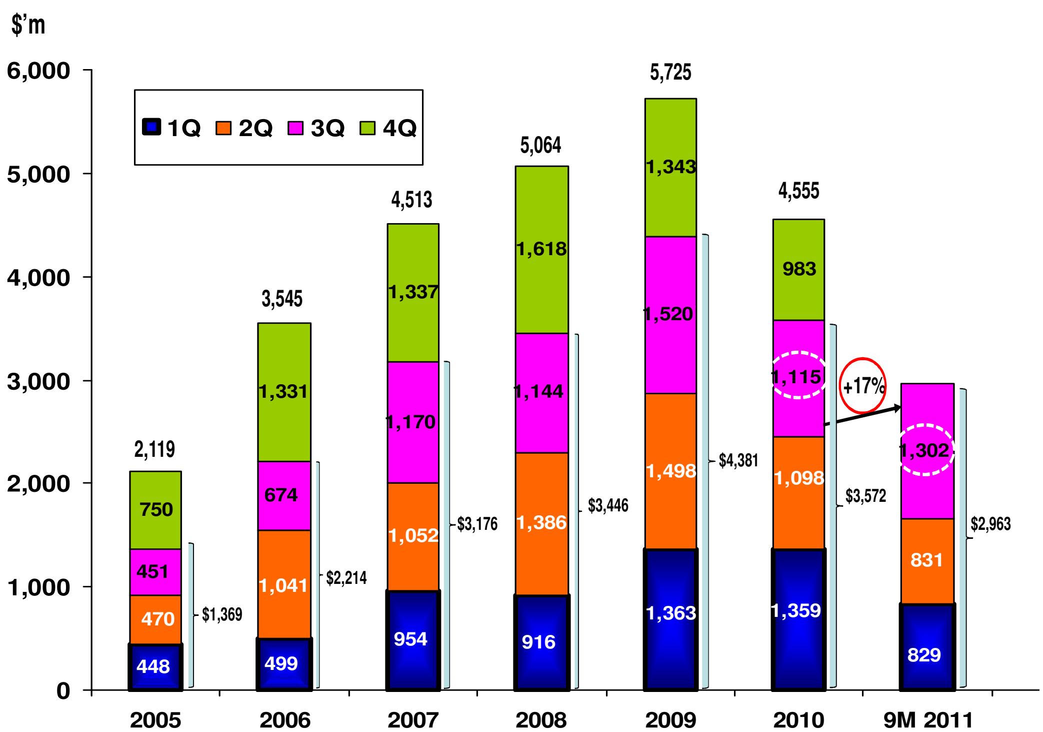
APPENDIX

TURNOVER

- Group turnover for 9M 2011 declined 17% from $3.6 billion in 9M 2010 to $3.0 billion mainly attributable to timing in progressive revenue recognition of projects, in particular in the two main sectors of rig building and ship conversion/offshore

- On a quarterly basis, Group turnover for 3Q 2011 at $1.3 billion was 17% higher as compared with same period in 2010 due mainly to resumption of revenue recognition of *Songa Eclipse* and higher revenue recognition from the ship conversion/offshore projects

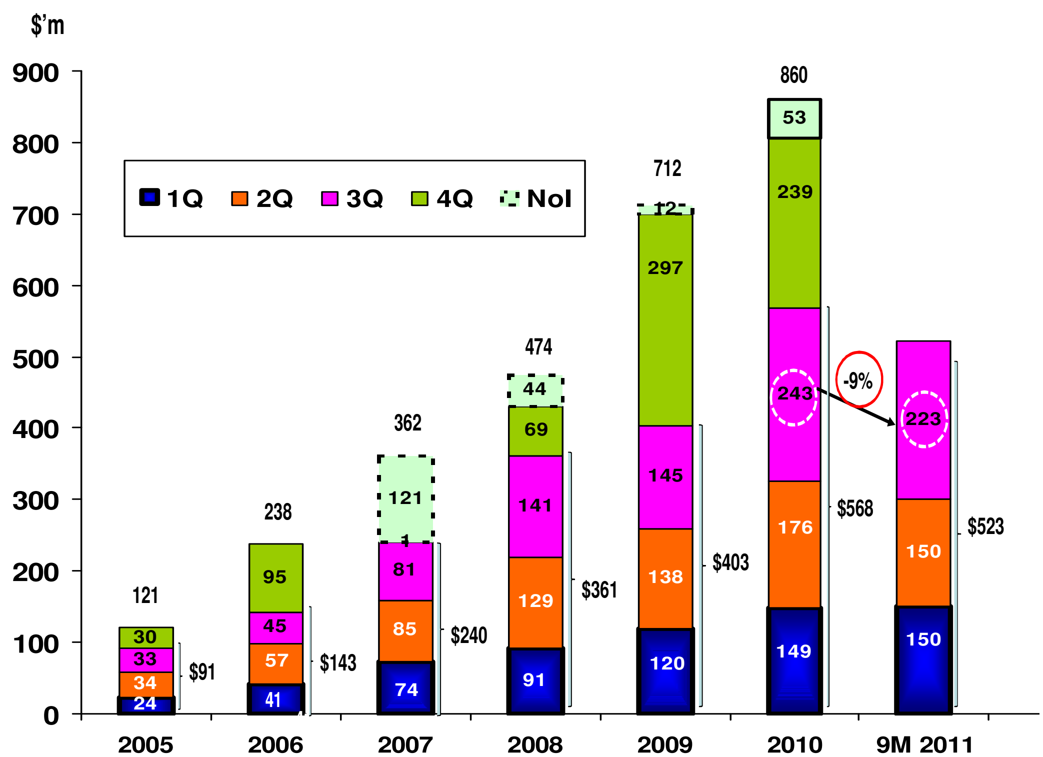
Group Turnover (2005 to 9M 2011)



NET PROFIT

- Net profit for 9M 2011 was $523 million. This was 8% lower as compared with $568 million for the corresponding period in 2010, excluding the one-off non-operating item in 3Q 2010 of a credit of $53 million that was consolidated into the income statement arising from the full and final amicable settlement of the disputed foreign exchange transactions with Societe Generale
- On a quarterly basis, net profit for 3Q 2011 was $223 million. This was 9% lower as compared with $243 million in 3Q 2010, excluding the non-operating item

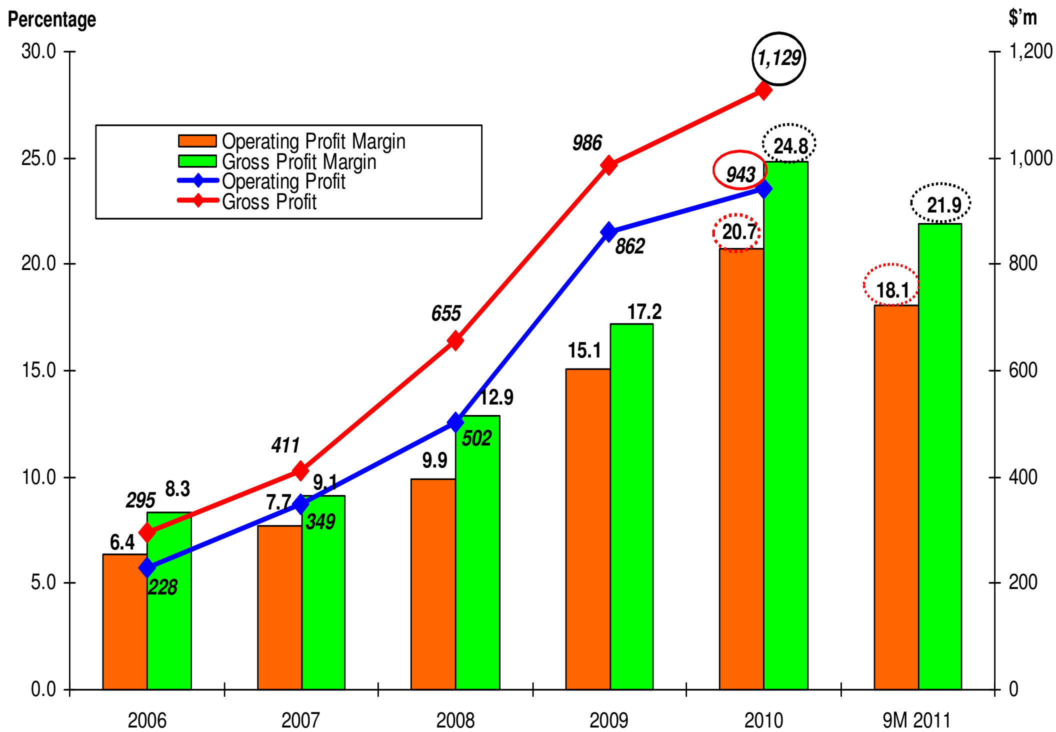
Net Profit (2005 to 9M 2011)



GROSS & OPERATING PROFIT MARGIN

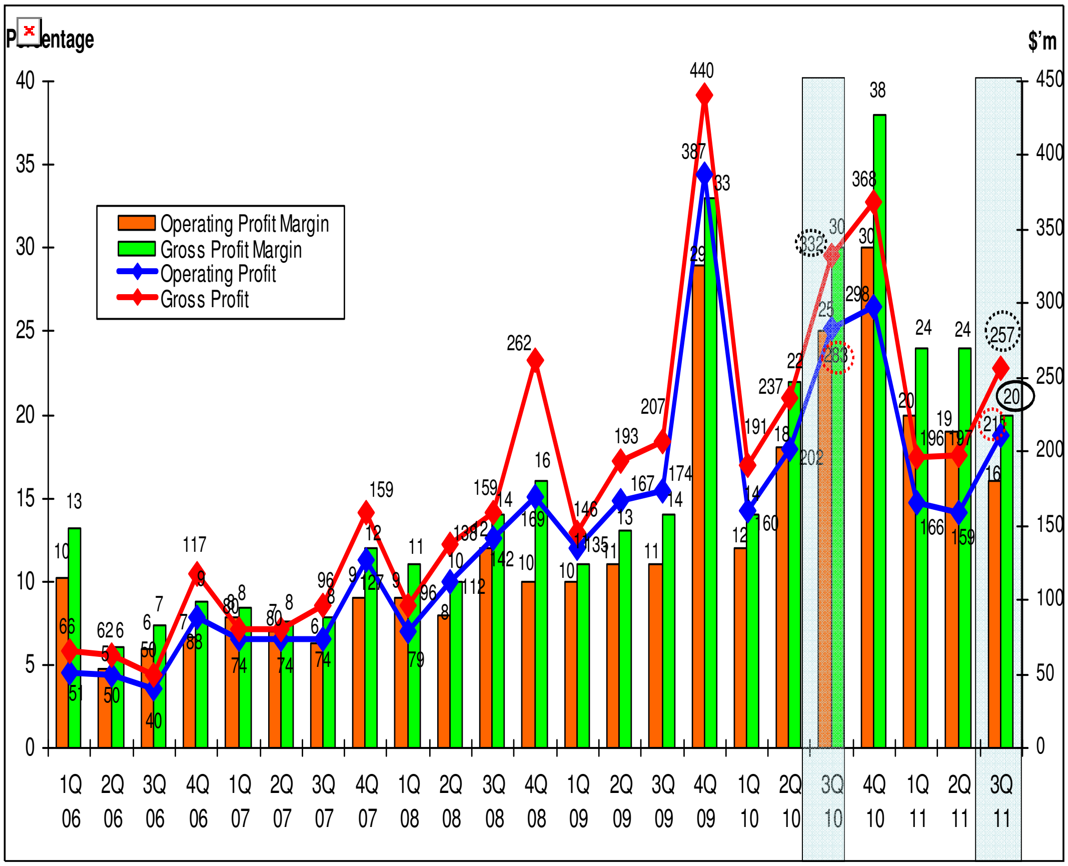
- Operating profit margin at 9M 2011 at 18.1% was lower as compared with 20.7% for FY 2010. On a 9M basis for 2010, operating profit margin at 18.1% was comparable to 9M 2011.

- Gross profit margin as at 9M 2011 at 21.9% was lower than the 24.8% achieved for FY 2010 due to the business and product mix. On a 9M basis, gross profit margin at 21.9% was marginally higher as compared with 21.3% achieved in 9M 2010



QUARTERLY GROSS & OPERATING PROFIT MARGIN

- Quarter to quarter margin variation is dependent on the business mix
- 3Q 2011 operating profit margin at 16%
- Gross profit margin for 3Q 2011 was 20%



PERFORMANCE OF ASSOCIATES & JVs (Profit before tax)

- Contributions from Associates and JVs improved 13% on nine month basis due mainly to higher contributions from Cosco Shipyard Group and Pacific Workboats

Year / Description ($'m)	3Q 2011	3Q 2010	% Change	9M 2011	9M 2010	% Change
Cosco Shipyard Group	13.8	11.8	16.9	41.1	35.8	14.8
Pacific Workboats	2.5	0.9	177.8	4.3	2.6	65.4
Others	1.2	2.1	(42.9)	1.2	3.0	(60.0)
Share of Associates & JVs Results	17.5	14.7	19.0	46.6	41.4	12.7

POSITIVE CASHFLOW

- Net cash position continues to remain strong at $1.9 billion

Year / Description ($'m)	9M 2011	9M 2010	% change
Cashflow from operation before reinvestment in working capital	621.0	715.4	(13.2)
Net cash inflow from operating activities	69.4	866.6	(92.0)
Net cash outflow from investing activities	(280.3)	(33.2)	743.1
Net cash outflow from financing activities	(798.4)	(323.5)	146.8
Cash & cash equivalents	1,863.7	2,525.6	(26.2)
Net Cash (net of borrowings)	1,863.7	2,514.5	(25.9)
Progress Billing > WIP	*422.2*	*544.5*	*(22.5)*

CAPITAL, EVA, GEARING AND ROE

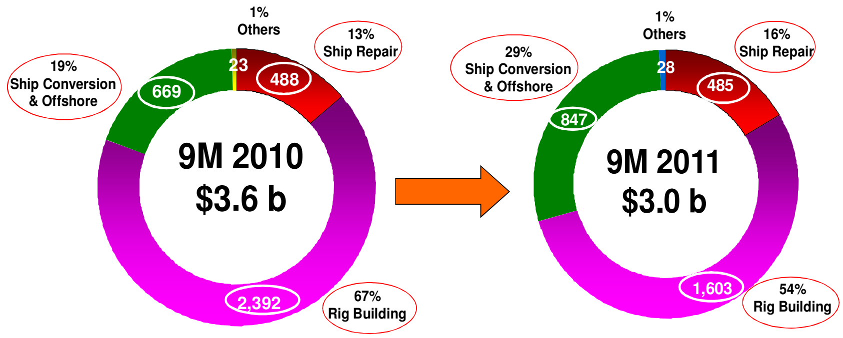
- ROE (annualised) at 29%
- Economic Value Added (EVA) at $368.2 million was 32% lower as compared with 9M 2010
- The Group will continue to strive towards delivering creditable performance and value creation to shareholders. We will continue to maintain a strong balance sheet

Year / Description ($'m)	9M 2011	FY 2010	% change
Shareholders' Funds	2,169.7	2,599.4	(17)
Net Cash	1,863.7	2,907.1	(36)
ROE – annualised (%)	29.2	38.4	(24)
Net Asset Value (cents)	104.2	125.1	(17)
RoTA – annualised (%)	14.1	17.3	(18)
Economic Value Added	368.2	538.5*	(32)

* as at 9M 2010

TURNOVER CONTRIBUTIONS BY SECTORS

By Value & Percentage Contributions



Turnover ($'m)	3Q 2011	3Q 2010	% Change	9M 2011	9M 2010	% Change
Ship repair	175.3	189.0	(7.2)	485.0	488.1	(0.6)
Rig building	884.2	768.2	15.1	1,602.6	2,392.1	(33.0)
Ship Conversion/offshore	232.0	150.8	53.8	846.8	668.5	26.7
Others	10.9	6.7	62.7	28.2	23.3	21.0
TOTAL	1,302.4	1,114.7	16.8	2,962.6	3,572.0	(17.1)

- Total turnover for 9M 2011 at $3.0 billion was 17% lower as compared with $3.6 billion in 9M 2010

- The rig building sector was the largest sector, constituting 54% to total turnover as at 9M 2011 followed by ship conversion & offshore sector at 29%, ship repair at 16% and others at 1%

- The lower turnover was attributable to timing in progressive revenue recognition of projects in the three sectors.

- The rig building sector saw a 33% decline in turnover as 9 of the total of 13 jack-ups secured since 4Q 2010 are still in planning stage as compared with the corresponding period in 2010 which saw more turnkey semi-submersible rig building projects, resumption of revenue recognition on delivery of semi-submersible PetroRig III and the sale of CJ-70 harsh environment jack-up rig in 3Q 2010. In 3Q 2011, one unit of semi-submersible rig the *Songa Ecipse* which saw revenue recognition upon completion and delivery in 3Q 2011

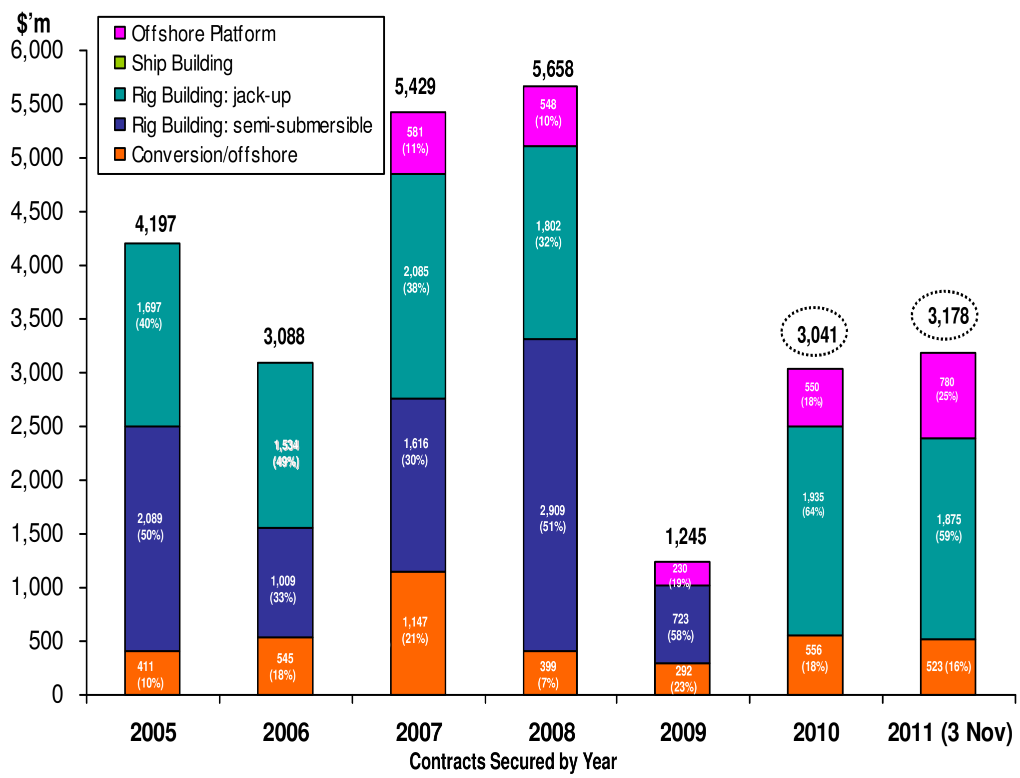
- The ship conversion and offshore sector saw higher revenue recognition and accounted for the 27% increase in turnover from $669 million in 9M 2010 to $847 million for the same period in 2011

- Turnover for the ship repair sector as at 9M 2011 at $485 million was comparable to $488 million in 9M 2010

CONTRACTS SECURED BY YEAR (excluding ship repairs)

- Contracts secured as at to-date stands at S$3.2 billion, excluding ship repair & upgades
- A total of 5 firm orders of jack-up rigs and 1 unit of harsh environment CJ-70 jack-up rig with worth a total value of S$1.9 billion were secured in 2011 to-date, excluding options for an additional 8 jack-up rigs
- Ship conversion and offshore projects secured in 2011 to-date stand at to S$1.3 billion with ship conversion/offshore projects at S$523 million and offshore platform/LNG at $780 million
- Market fundamentals remain strong. The Group expects to build up its order flow

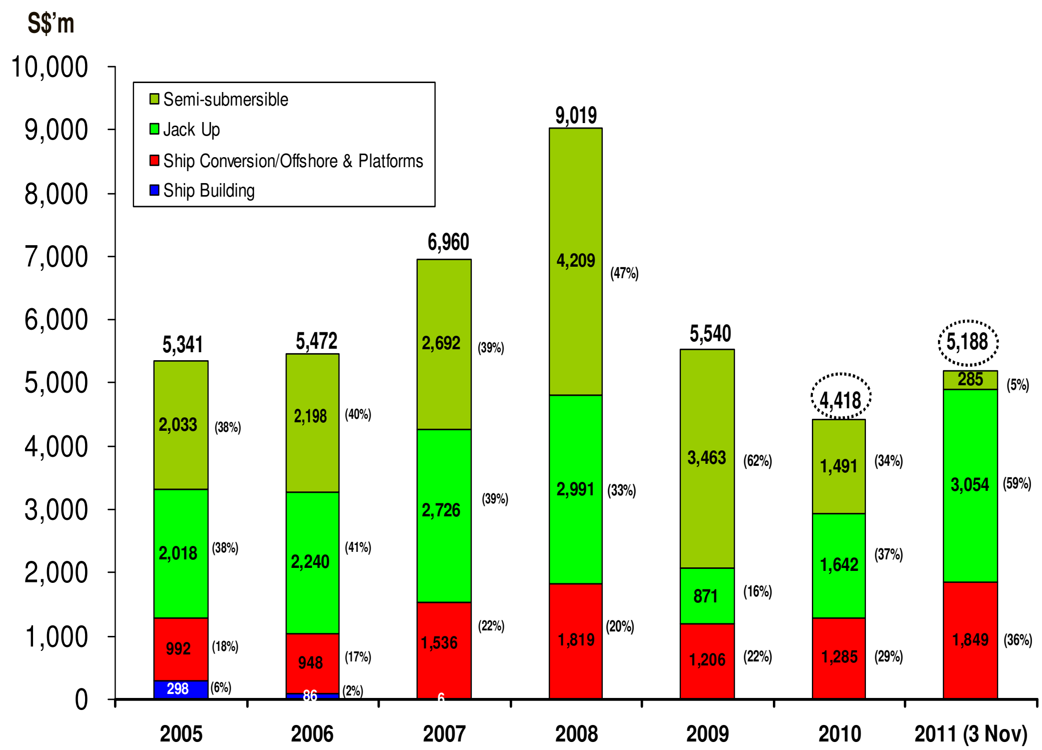
Contracts Secured By Year (2005 to 3 November 2011)



NET ORDER BOOK (excluding ship repairs)

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

Net Order Book By Year (2005 to 3 November 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.