Company Registration Number: 196300098Z

PRESS RELEASE

FULL YEAR 2011 NET PROFIT AT $752 MILLION

Singapore, February 23, 2012: Sembcorp Marine recorded full year net profit at $752 million amid a volatile and uncertain macroeconomic environment that affected the global markets.

Group net profit was 13% lower than in 2010 with earnings per share at 36.13 cents. Return on equity was 30%.

Group turnover at $3,960 million was 13% lower compared with that in 2010. This was attributable to the timing, number and value of the projects in varying progressive revenue recognition stages in the three different sectors of rig building, ship conversion & offshore and ship repair.

For the rig building sector, revenue was down 28% from $3.05 billion to $2.21 billion. Three turnkey semi-submersible rigs and two non-turnkey semi-submersible rigs, the resumption of revenue recognition on delivery of ***Petro Rig III*** semi-submersible rig and the sale of a CJ-70 harsh environment jack-up rig contributed to the higher turnover in 2010. In comparison, 2011 saw seven of a total of thirteen new jack-up rigs achieving revenue recognition and one unit semi-submersible rig, the ***Songa Eclipse*** resuming revenue recognition upon completion and delivery in 3Q.

The ship conversion and offshore sector registered a 31% increase in revenue from $820 million to $1,073 million. The sector saw a total of five deliveries with six other projects in varying stages of construction and five units in the planning stage.

Ship repair revenue in 2011 was $644 million, comparable to the $646 million previously achieved. 264 vessels were repaired with an average value of $2.44 million per vessel.

Group operating profit at $737 million was 22% lower as compared with $943 million due mainly to fewer rig projects especially semi-submersible rigs. The lower operating profit in 4Q 2011 was due mainly to the margin recognition of the initial few units of the newly launched designs for rig building projects as compared to the higher margin recognition from the repeated rig building projects in 4Q 2010.

Group pre-tax profit at $860 million was lower by 20% as compared with $1,078 million in 2010.

Group net profit for 2011 at $752 million was 13% lower as compared with $860 million in 2010 due to lower operating profit from rig building projects as well as the receipt of the full and final amicable settlement of the disputed foreign exchange transactions with Societe Generale in 2010. This was offset by the higher interest income received in 2011 for deferred payment granted to customers and write-back of prior years' tax over-provisions.

Financial Highlights

Year / Description ($'m)	FY 2011	FY 2010	% change	4Q 2011	4Q 2010	% change
Turnover	3,960	4,555	(13)	998	983	2
Gross Profit	866	1,129	(23)	217	368	(41)
EBITDA	821	1,026	(20)	224	319	(30)
Operating Profit	737	943	(22)	201	298	(33)
Pre-tax Profit	860	1,078	(20)	223	314	(29)
Net Profit	752	860	(13)	229	239	(4)
Net Profit, exclude NoI*	700	807	(13)	177	239	(26)
EPS, basic (cents)	36.13	41.55	(13)	10.99	11.54	(5)
NAV (cents)	115.9	125.1	(7)			

* NoI : non-operating items & tax write-backs

4Q 2011 versus 4Q 2010

On a quarterly basis, Group net profit at $229 million was 4% lower as compared with $239 million for the corresponding period in 2010. The lower net profit was attributable mainly to lower operating profit from rig building projects.

Group turnover at $998 million was 2% higher as compared with $983 million registered in 4Q 2010. The higher turnover was due mainly to revenue recognition from ship conversion and offshore projects, offset by lower revenue recognition from rig building projects.

Group operating profit at $201 million was 33% lower as compared with $298 million in 4Q 2010. The lower operating profit in 4Q 2011 was due mainly to the margin recognition of the initial few units of the newly launched designs for the rig building projects as compared to the higher margin recognition from the repeated rig building projects in 4Q 2010.

Group pre-tax profit at $223 million was 29% lower as compared with $314 million for the corresponding period in 2010.

DIVIDEND

The Directors are pleased to recommend a total final one-tier tax-exempt cash dividend of 20 cents per share for the financial year ended 31 December 2011 comprising:

i) A final ordinary one-tier tax-exempt cash dividend of 6 cents per share &

ii) A final special one-tier tax-exempt cash dividend of 14 cents per share

Including the interim one-tier tax-exempt cash dividend of 5 cents per share paid on 31 August 2011, the total dividend will be 25 cents per share, which translates to a payout ratio of 69% for 2011.

The proposed final and special cash dividend, if approved at the Annual General Meeting to be held on 20 April 2012, will be paid on 11 May 2012.

Dividend per share (cents)

Year ended 31 December	2011	2010	% change
Interim (one-tier tax-exempt)	5	5	-
Final (one-tier tax-exempt)	6	6	-
Final Special (one-tier tax-exempt)	14	25	(44)
Total Dividend	25	36	(31)

OUTLOOK

The Group has a net order book of $6.3 billion with completion and deliveries stretching till the second quarter of 2015. This includes $3.72 billion in contract orders secured in 2011 and $1.3 billion worth of contracts secured since the start of 2012, excluding ship repair contracts.

Despite the global macro-economic uncertainty, fundamentals for the offshore oil and gas industry remain intact underpinned by healthy oil prices and projected increases in exploration and production spending. The offshore market continues to display signs of cyclical improvement, especially in the deep and ultra-deepwater segments fuelled by the growing needs of operators in multiple regions, in particular the "Golden Triangle" of Brazil, the Gulf of Mexico and West Africa.

In Brazil, Estaleiro Jurong Aracruz, Sembcorp Marine's wholly owned Brazilian shipyard secured its first drillship contract from a subsidiary of Sete Brasil. Located close to the rich oil and gas basin of Espirito Santo, one of Brazil's giant pre-salt reservoirs, Estaleiro Jurong Aracruz is strategically positioned to support developments in one of the world's fastest growing offshore oil and gas exploration markets. The order win for this ultra-deepwater drillship based on Jurong Shipyard's proprietary Jurong Espadon design will be among the first of many orders in Sete Brasil's drillship expansion programme to develop Brazil's giant pre-salt oil fields.

In the US Gulf of Mexico, deepwater drilling activities remain robust as operators continue to move ahead with drilling programmes. Dayrates for both jack-up and semi-submersible rigs have been strengthening. With offshore drilling moving towards deeper waters, Sembcorp Marine, with its proven track record in rig building, will be well-positioned to capture new orders for high-specification deepwater rigs which meet the industry's most stringent operating requirements.

Ship repair continues to see strong demand for the Goup's bigger docks. Several long-term partnerships which have been forged with renowned international ship owners and operators, in particular in the niche segments for the repair, upgrading and life extension of LNG carriers and passenger/cruise vessels. These alliance and long-term customers will continue to provide a stable and steady base-load for the Group's repair business.

With the Integrated New Yard facility in Tuas View Extension becoming operational in 2013, Sembcorp Marine's ship repair and ship conversion and offshore capacity will nearly double from the current 1.9 million deadweight tonnes.

Overall, competition is intense though enquiries for the various segments of the market remain robust.

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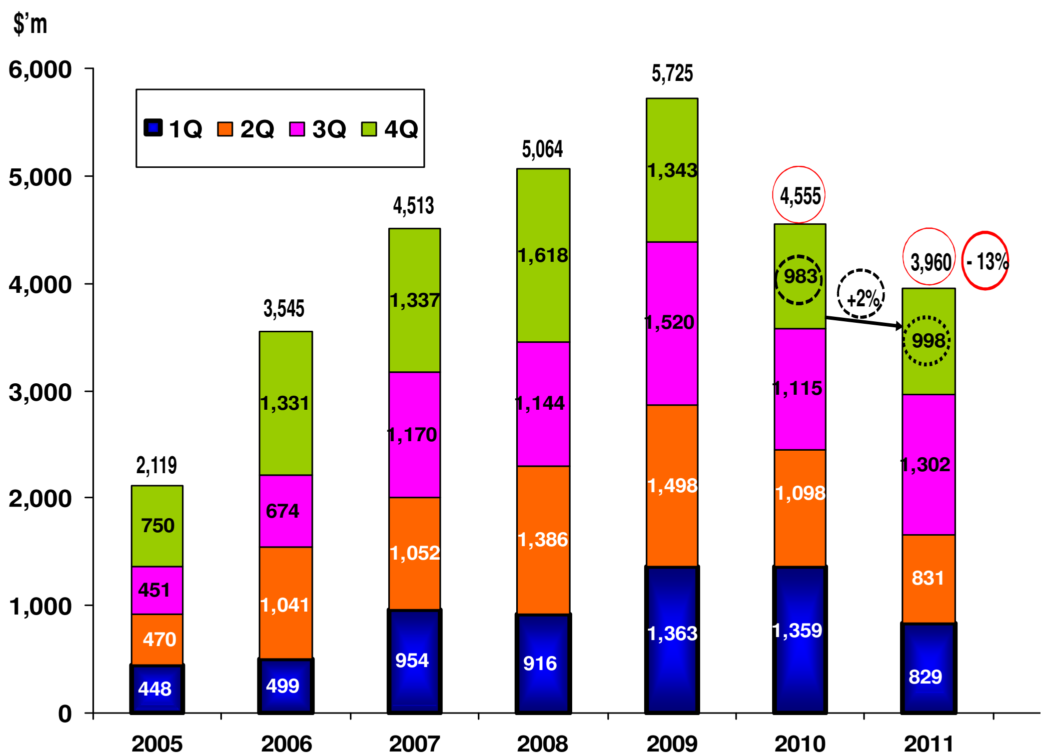
APPENDIX

TURNOVER

- Group turnover for 2011 declined 13% from $4.6 billion in 2010 to $4.0 billion mainly attributable to the timing, number and value of the projects in varying progressive revenue recognition stages in the three different sectors of rig building, ship conversion & offshore and ship repair
- On a q-on-q basis, Group turnover at $998 million was 2% higher as compared with $983 million in 2010 due to higher contributions arising from revenue recognition from ship conversion and offshore projects and offsetted by lower revenue recognition from rig building projects

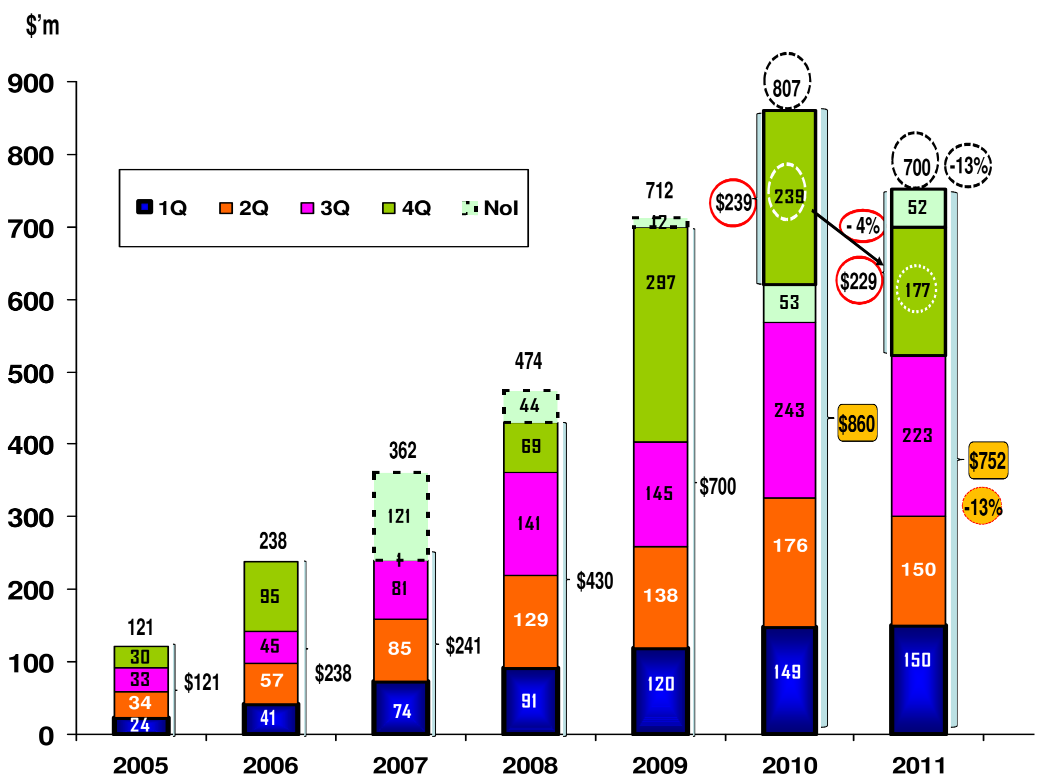
Group Turnover (2005 to 2011)



NET PROFIT

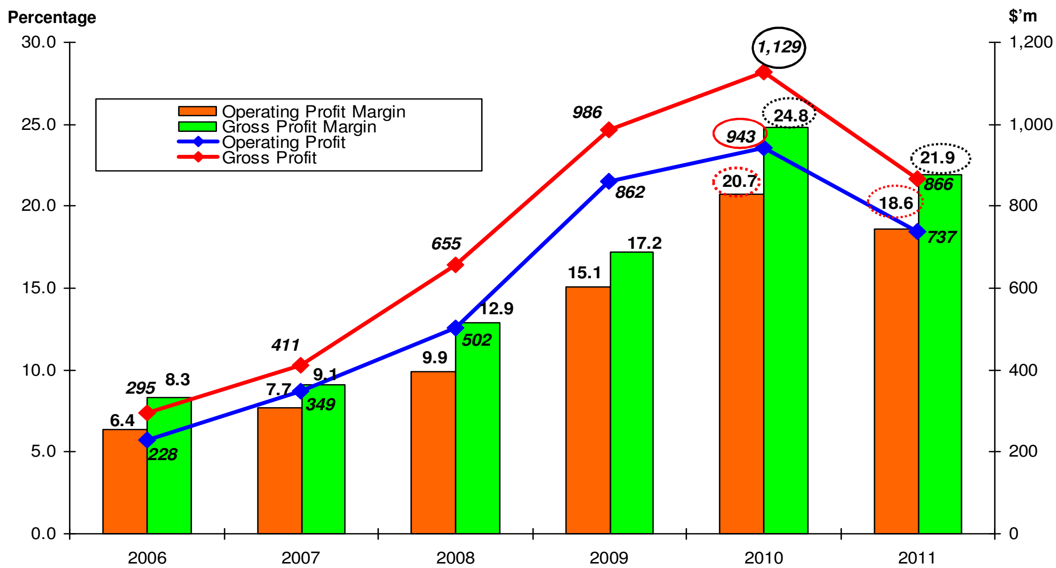
- Net profit at $752 million in 2011 was 13% lower as compared with $860 million recorded in 2010
- Excluding the one-off items totalling $52 million comprising mainly of the write-back of prior years tax over-provisions, net profit at $700 million was 13% lower as compared to $808 million in 2010
- On a quarterly basis, net profit at $229 million in 4Q 2011 was 4% lower as compared with $239 million for the corresponding period in 2010
- Excluding the non-operating item & tax write-backs, net profit at $177 million was 26% lower as compared with $239 million in 4Q 2010

Net Profit (2005 to 2011)



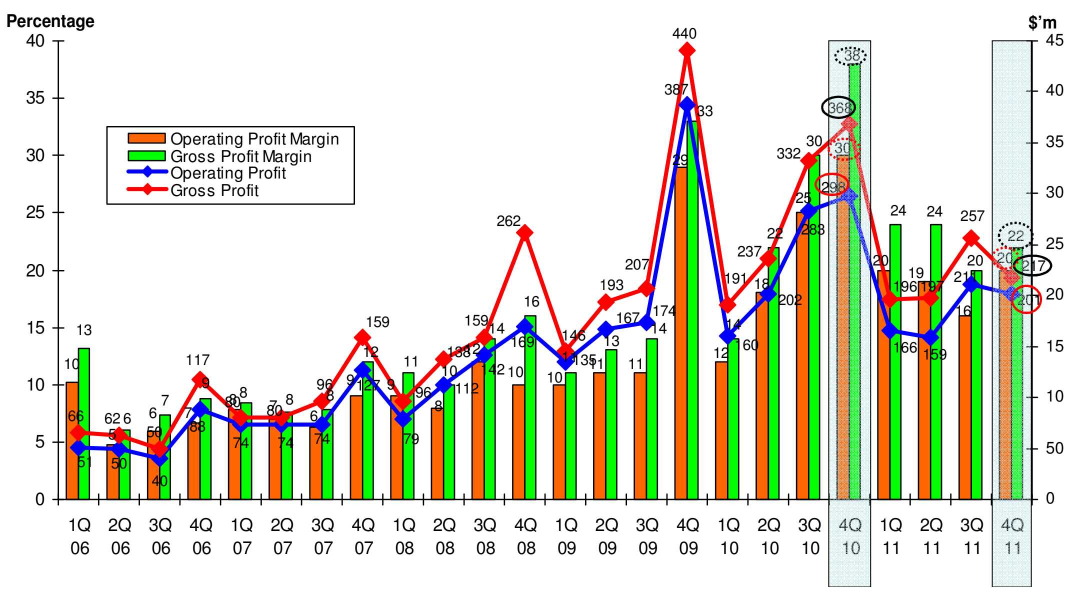
GROSS & OPERATING PROFIT MARGIN

- Operating profit margin in 2011 was 18.6% as compared with 20.7% recorded in 2010 while gross profit margin was 21.9% as compared with 24.8% for the corresponding period, attributable mainly to fewer rig building projects, mainly jack up rigs as compared with more turnkey semi-submersible rigs in 2010



QUARTERLY GROSS & OPERATING PROFIT MARGIN

- 4Q 2011 operating profit margin at 20% was higher than the 16% recorded for 3Q 2011
- Gross profit margin at 22% in 4Q 2011 was higher than the 20% in 3Q 2011



PERFORMANCE OF ASSOCIATES & JVs (Profit before tax)

- Contributions from Associates and JVs improved 9% year-on-year due mainly to higher contributions from Cosco Shipyard Group

Year / Description ($'m)	FY 2011	FY 2010	% change	4Q 2011	4Q 2010	% change
Cosco Shipyard Group	54.1	51.8	4.3	13.0	16.0	(19.0)
Pacific Workboats	5.9	4.2	39.4	1.6	1.6	-
Others	2.9	1.6	86.4	1.7	(1.4)	n.m.
Share of Associates & JV's Results	62.9	57.6	9.1	16.3	16.2	0.5

n.m. : not meaningful

STRONG POSITIVE CASHFLOW

- Net cash position continues to remain strong at $1.95 billion

Year / Description ($'m)	FY 2011	FY 2010	% change
Cashflow from operation before reinvestment in working capital	852.6	1,044.5	(18.4)
Net cash inflow from operating activities	326.2	1,304.9	(75.0)
Net cash outflow from investing activities	(477.1)	(72.3)	559.9
Net cash outflow from financing activities	(765.0)	(323.4)	136.6
Cash & cash equivalents	1,989.6	2,915.1	(31.7)
Net Cash (net of borrowings)	1,954.5	2,907.1	(32.8)
Progress Billing > WIP	*352.4*	*645.7*	*(45.4)*

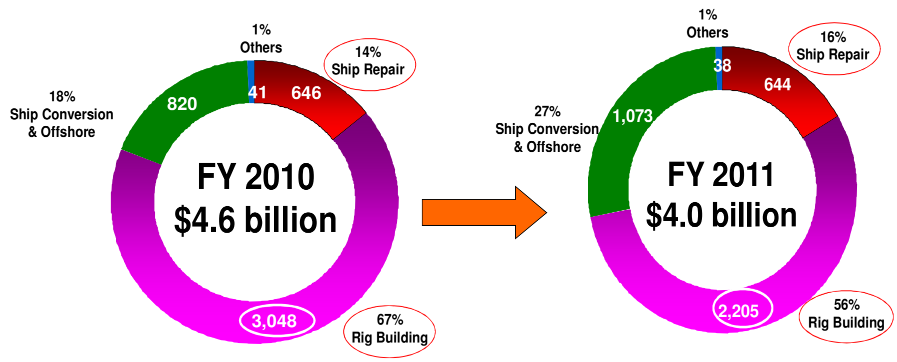
CAPITAL, EVA, GEARING AND ROE

- ROE at 30%
- Economic Value Added (EVA) at $582.5 million as compared with $740.3 million in FY 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)	FY 2011	FY 2010	% change
Shareholders' Funds	2,414.3	2,599.4	(7)
Net Cash	1,954.5	2,907.1	(33)
ROE (%)	30.0	38.4	(22)
Net Asset Value (cents)	115.9	125.1	(7)
RoTA (%)	14.6	17.3	(16)
Economic Value Added	582.5	740.3	(21)

TURNOVER CONTRIBUTIONS BY SECTORS

By Value & Percentage Contributions



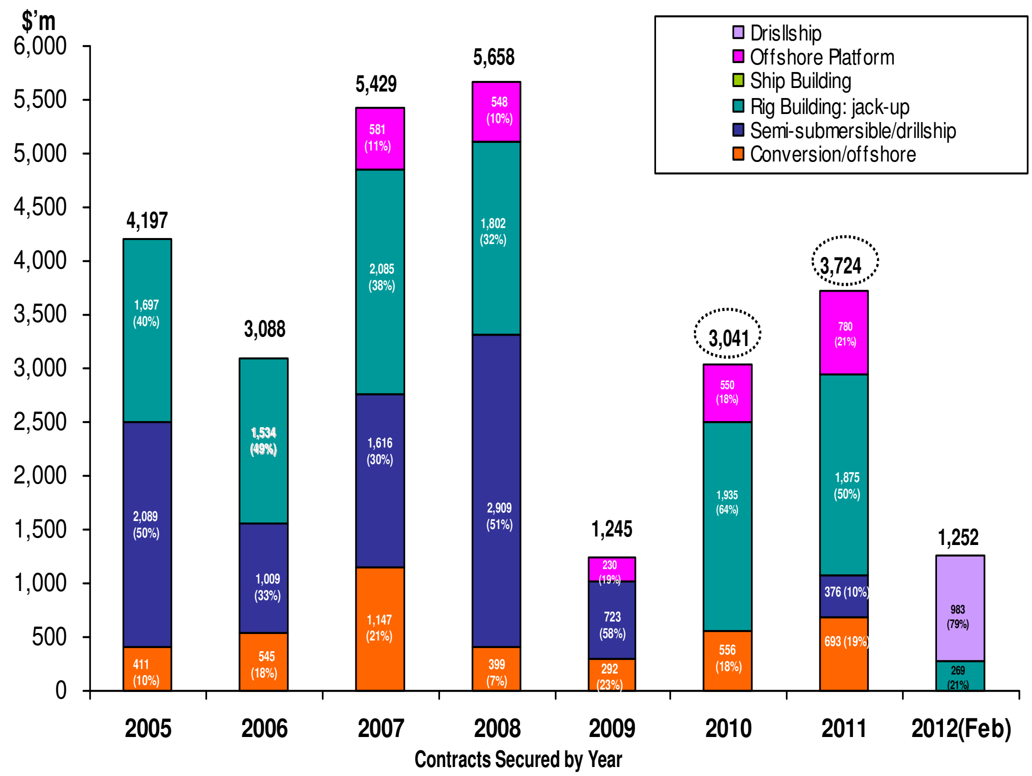
Turnover (S$'m)	FY 2011	FY 2010	% Change	4Q 2011	4Q 2010	% Change
Ship repair	644	646	(0.3)	159	158	0.6
Rig building	2,205	3,048	(27.7)	602	656	(8.1)
Ship Conversion/offshore	1,073	820	30.8	226	152	48.8
Others	38	41	(5.4)	10	17	(41.0)
TOTAL	3,960	4,555	(13.1)	998	983	1.5

- Total turnover for 2011 at $3,960 million was 13% lower as compared with $4,555 million in 2010
- The rig building sector was the largest contributor, constituting 56% to total turnover in 2011 followed by ship conversion & offshore sector at 27%, ship repair at 16% and others at 1%
- In comparison with 2010, the lower turnover was attributable to the rig building sector which saw fewer projects comprising jack-up rigs versus more turnkey semi-submersible rigs in 2010
- The ship conversion and offshore sector saw the highest contributions from $820 million in 2010 to $1,073 million in 2011
- FY 2011 ship repair turnover at $644 million was comparable to $646 million recorded in 2010

CONTRACTS SECURED BY YEAR (excluding ship repairs)

- Contracts secured for 2011 stood at $3.72 billion. For 2012, contracts secured to-date stand at $1.3 billion, excluding ship repair & upgrades
- The Group secured a drillship worth approximately $983 million from a subsidiary of Sete Brasil from its wholly-owned shipyard in Brazil, Estaleiro Jurong Aracruz
- A total of 14 firm orders in jack-up rigs worth a total value of S$4.1 billion were secured in 2010, 2011 and 2012 as at to-date
- Ship conversion and offshore projects secured in 2011 amounted to S$693 million with offshore platform/LNG modules at $780 million
- The Group also secured an accommodation semi-submersible at S$376 million in 2011
- Market fundamentals remain strong. The Group expects to further build up its order book for FY 2012

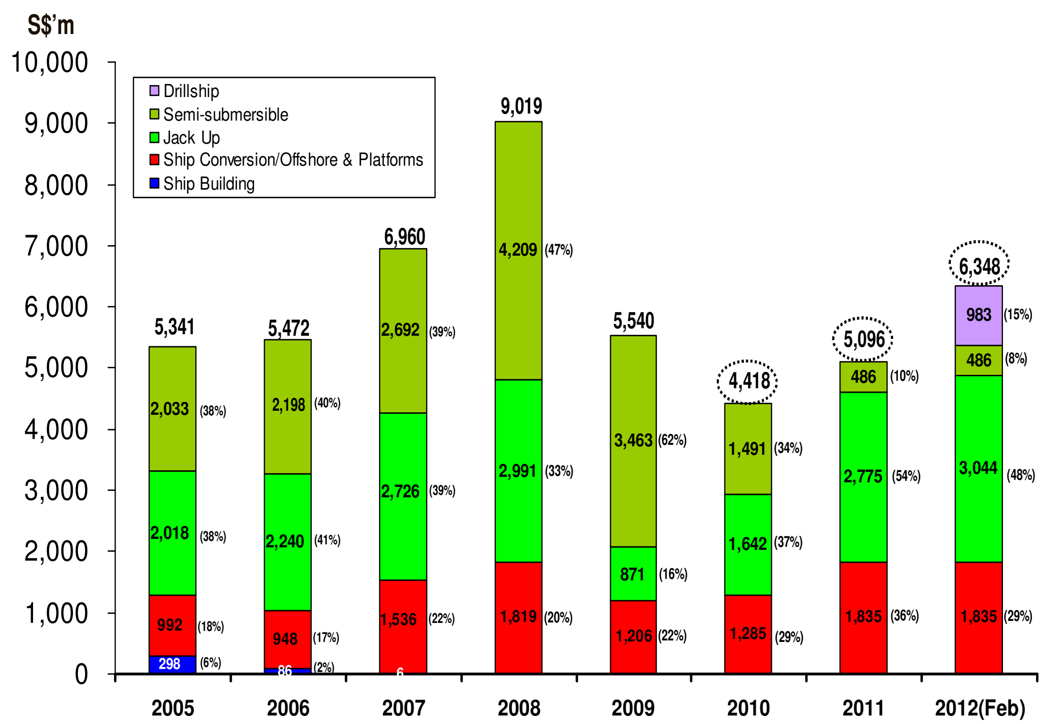
Contracts Secured By Year (2004 to 23 February 2011)



NET ORDER BOOK (excluding ship repairs)

- Net order book, including new contracts secured to-date, stands at S$6.3 billion with completion and deliveries till mid-2015
- Going forward, the Group expects to grow its net order book

Net Order Book By Year (2005 to 23 February 2012)



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.