Company Registration Number: 196300098Z

PRESS RELEASE

2Q 2012 NET PROFIT AT $143 MILLION

Singapore, August 2, 2012: Sembcorp Marine achieved a net profit of $143 million for 2Q 2012. This was 5% lower as compared with $150 million for the corresponding period in 2011, attributable mainly to the timing in recognition of projects, the number of projects that achieved initial recognition, the value and the design of the rig building projects.

Group operating profit in 2Q 2012 was $160 million. This was 1% higher as compared with $159 million in 2Q 2011. At pre-tax level, Group profit at $184 million was 2% higher as compared with $181 million for the same period in 2011.

Group turnover at $1,217 million was 46% higher as compared with $831 million in 2Q 2011. The higher turnover was due to the progressive recognition of projects, in particular in the rig building sector which saw turnover increase 66% from $400 million in 2Q 2011 to $664 million for the corresponding period in 2012. During the quarter, three more jack-up rigs achieved initial recognition with one unit of semi-submersible rig, the Atwood Condor, delivered to owner ahead of schedule. In comparison, the corresponding period in 2011 saw only two jack-up rigs achieve initial recognition, four turnkey semi-submersible rigs in various progressive recognition stages and the delivery of semi-submersible rig, Atwood Osprey.

The ship conversion/offshore sector registered a 41% increase in turnover at $364 million in 2Q 2012 as compared with $259 million for the same period in 2011. One unit of FPSO conversion project achieved initial recognition with five other projects in various progressive stages of recognition as compared with eight projects in various stages of construction during the same period in 2011.

The turnover for the ship repair sector in 2Q 2012 at $179 million was 9% higher as compared with the corresponding period in 2011.

Financial Highlights

Description ($'m) / Year	2Q 2012	2Q 2011	% Change	1H 2012	1H 2011	% Change
Turnover	1,217	831	46	2,160	1,660	30
Gross Profit	196	197	(1)	353	392	(10)
EBITDA	181	179	1	322	366	(12)
Operating Profit	160	159	1	280	325	(14)
Pre-tax Profit	184	181	2	328	361	(9)
Net Profit	143	150	(5)	256	300	(15)
EPS, basic (cents)	6.84	7.20	(5)	12.27	14.45	(15)
NAV (cents)				108.56	105.57	3

1H 2012 VERSUS 1H 2011

On a half yearly basis, Group turnover for 1H 2012 at $2,160 million was 30% higher as compared with $1,660 million for the same period in 2011.

Group operating profit was 14% lower at $280 million while gross profit at $353 million was 10% lower in 1H 2012. Group pre-tax profit was 9% lower at $328 million as compared with $361 million for the same period in 2011.

At net profit level, it was $256 million in 1H 2012 as compared with $300 million in 1H 2011, attributable mainly to the product mix and timing in recognition of the rig building and ship conversion/offshore projects.

INTERIM DIVIDEND

The Board of Directors of Sembcorp Marine is recommending a one-tier tax-exempt interim dividend of 5.00 cents per share, the same amount as paid in 1H 2011. In terms of payout ratio, it is 41% as compared with 35% in 1H 2011.

The one-tier tax-exempt interim dividend will be paid on 31 August 2012.

OUTLOOK

The Group has secured contract orders worth a total of $3.1 billion (excluding ship repair) since the start of the year, growing the Group's net order book from $5.1 billion as at end 2011 to $6.6 billion, with completion and deliveries extending till 2Q 2015.

Amid the economic uncertainty and volatile global market conditions, the fundamentals for offshore oil and gas activities remain intact driven by demand for technically advanced, versatile and efficient rigs that are capable of shallow and deepwater drilling. For the deepwater segment, continued growth is expected given the tight supply of deepwater rigs.

Demand for floating platforms and FPSOs is expected to be robust as more discoveries move into development phase. Sembcorp Marine with its strong track record and proven expertise is well-positioned to benefit from the growing opportunities in this sector.

Despite the challenging shipping market environment, there is continued demand from LNG carriers for repairs and life extension work. Repair and upgrading work for cruise ships and offshore vessels continue to be strong. Demand for the Group's big docks remains strong given the stable base load and steadfast support from the yards' Alliance/FCC and long-term customers.

For media and analysts enquiries, please contact:

Ms Judy Han
Senior Vice President
Investor Relations & Communications
Tel : (65) 62627203
Fax : (65) 62610738
Email : judy@sembcorpmarine.com.sg
Website : www.sembcorpmarine.com.sg

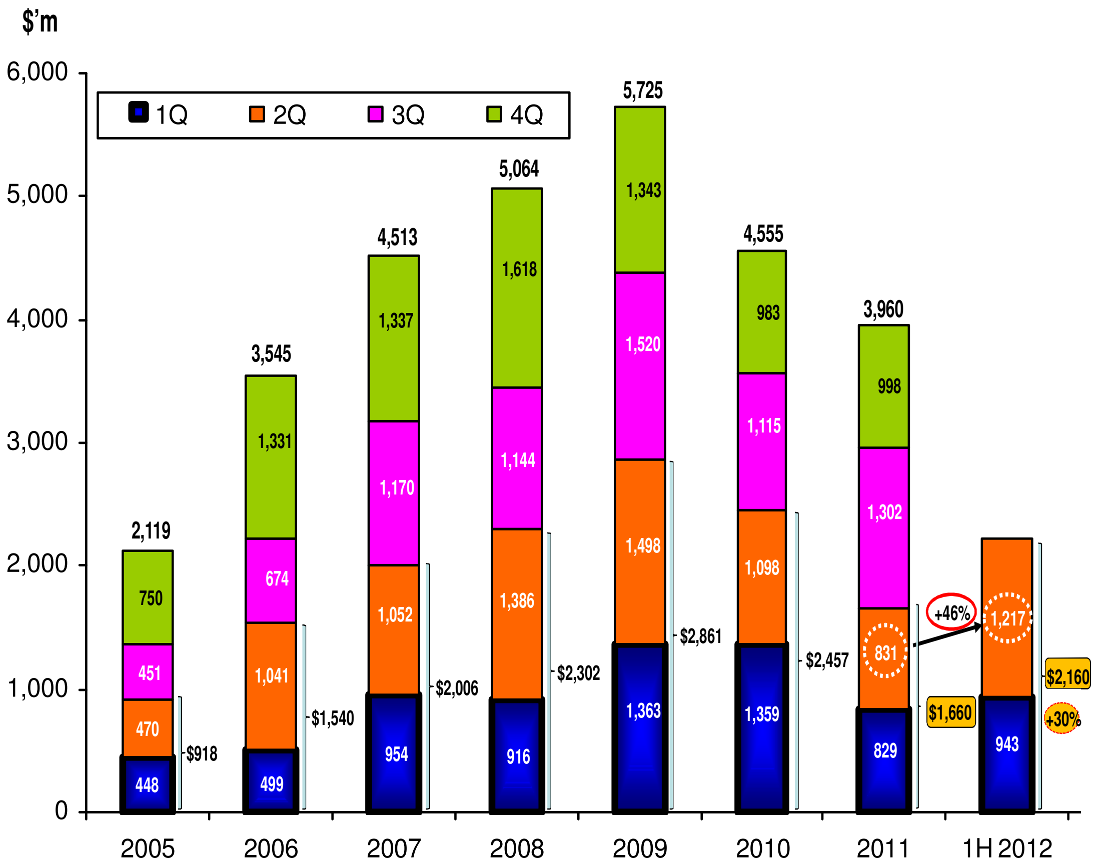
APPENDIX

TURNOVER

- Group turnover for 2Q 2012 increased 46% from $831 million in 2Q 2011 to $1.22 billion mainly due to increased revenue recognition in the rig building and ship conversion & offshore sectors.

- On a half yearly basis, turnover was 30% higher at $2.16 billion as compared with $1.66 billion in 1H 2011. Factors contributing to higher turnover are as follows:
  - Progressive recognition of projects in the rig building sector with three more jack-ups achieving initial recognition and one semi-submersible rig delievered in 2Q 2012
  - One unit of FPSO project acheived initial recognition with five other FPSO/fixed platforms in various progressive stages of recognition
  - A higher ship repair revenue achieved in 2Q 2012

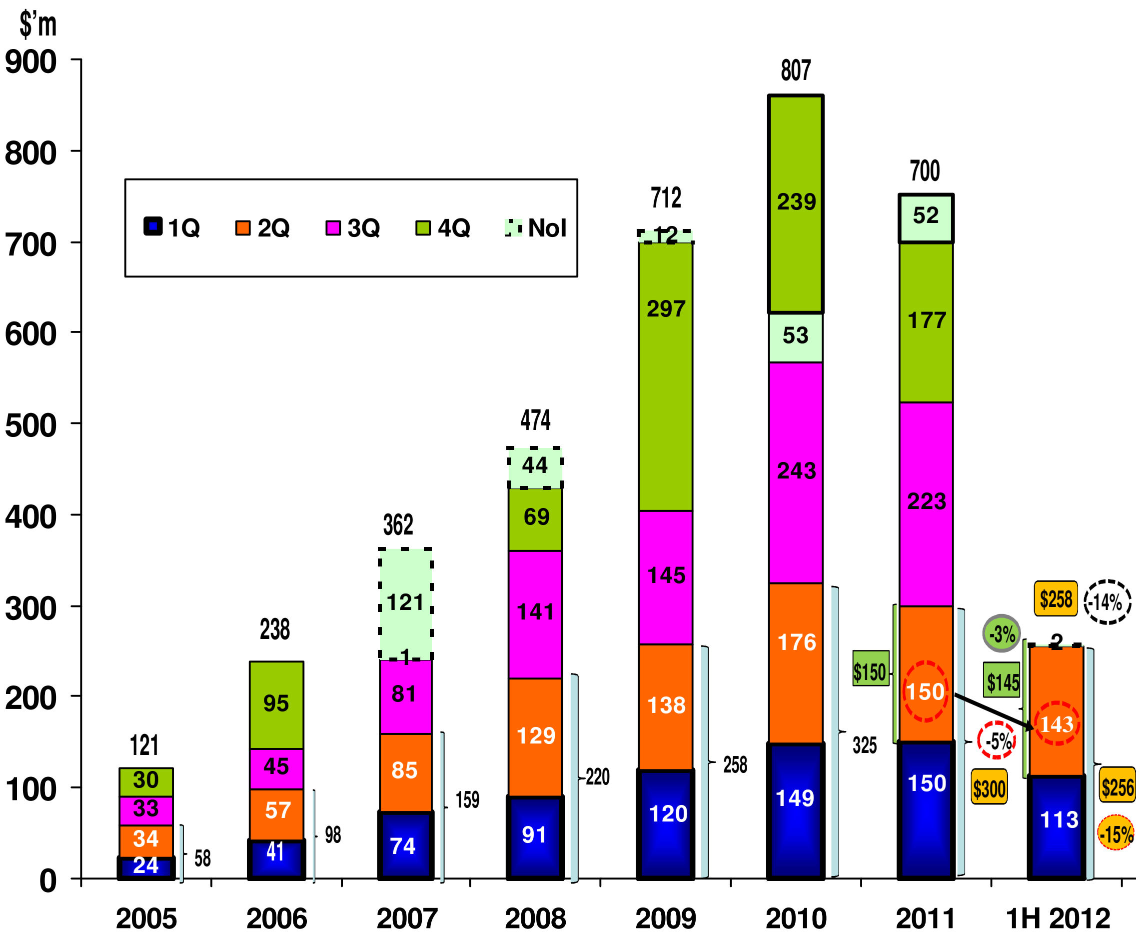
Group Turnover (2005 to 1H 2012)



NET PROFIT

- The Group achieved a net profit of $143 million in 2Q 2012. This was 5% lower as compared with $150 million for the corresponding period in 2011
- Excluding the non-operating item, net profit for 2Q 2012 was $145 million
- On a half yearly basis, net profit at $256 million was 15% lower as compared with 1H 2011
- The decline was attributable mainly to timing, value and the initial lower margin from new design jack-up rigs as compared with the semi-submersible rig building projects of repeated designs in 1H 2011

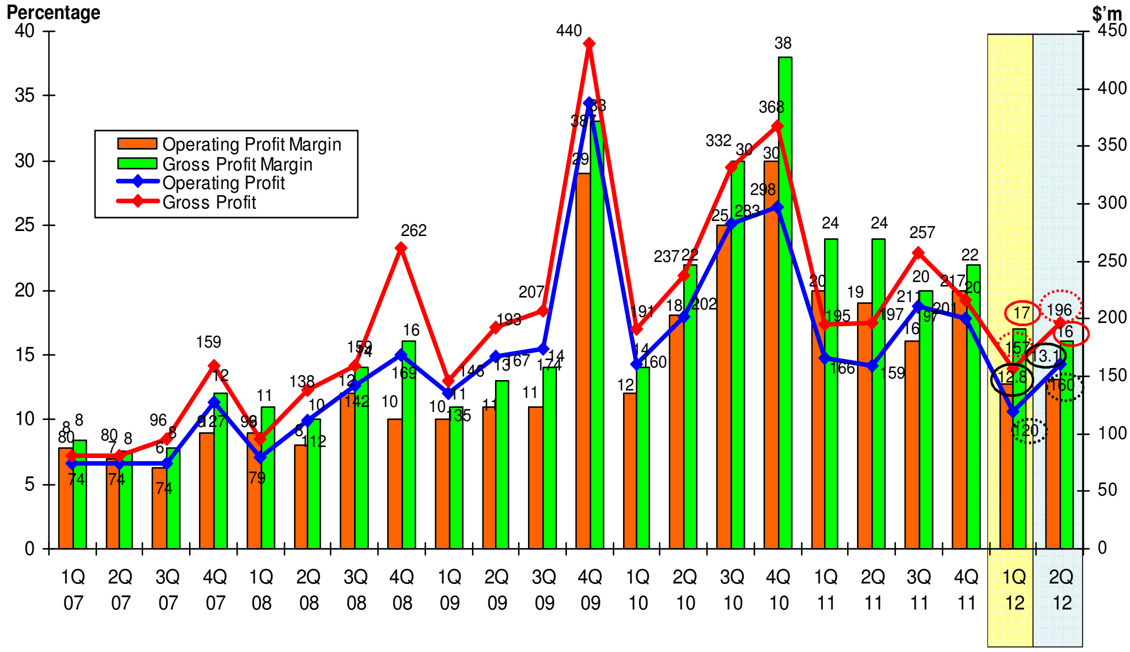
Net Profit (2005 to 1H 2012)



QUARTERLY OPERATING PROFIT MARGIN

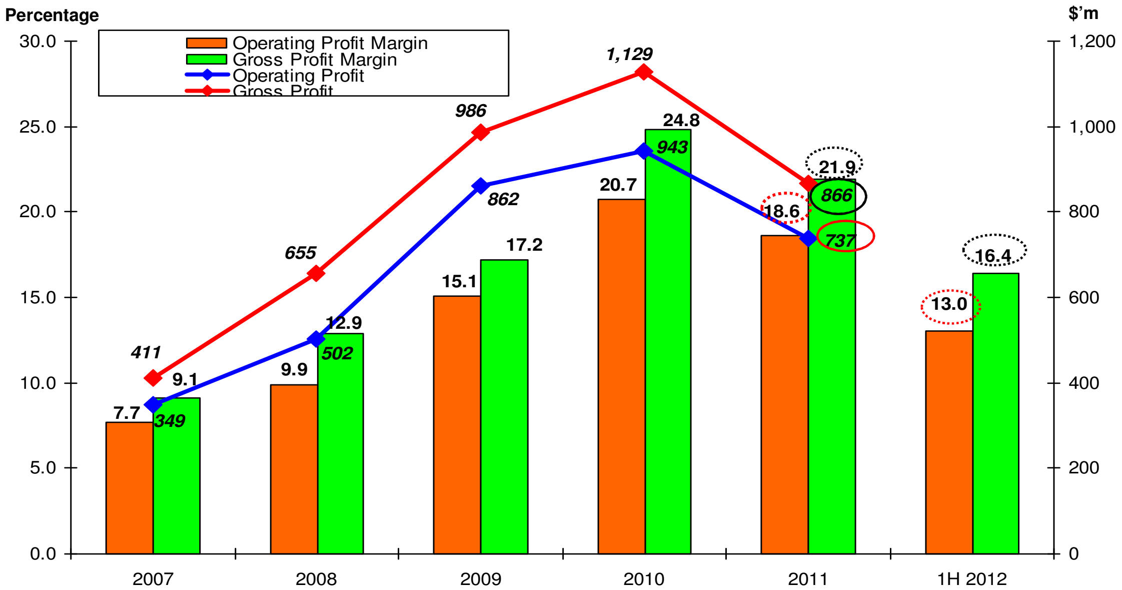
- Quarter to quarter margin variation is dependent on the product business mix and timing in the physical completion of projects in the prevailing quarter

- 2Q 2012 operating profit margin at 13.1% was higher than the 12.8% recorded for 1Q 2012



GROSS & OPERATING PROFIT MARGIN

- Operating profit margin in 1H 2012 was 13.0% and gross profit margin at 16.4%



PERFORMANCE OF ASSOCIATES & JVs (Profit before tax)

- Contributions from Associates and JVs declined 7.2% q-on-q due mainly to lower contributions from Cosco Shipyard Group, offset by higher contributions from Pacific Workboats

- On a half yearly basis, the contribution was comparable to 1H 2011

Description ($'m) / Year	2Q 2012	2Q 2011	% Change	1H 2012	1H 2011	% Change
Cosco Shipyard Group	12.2	14.9	(18.1)	24.0	27.3	(12.1)
Pacific Workboats	3.4	1.5	126.7	5.2	1.8	188.9
Others	(0.2)	0.2	n.m	(0.2)	-	n.m
Share of Associates & JVs Results	15.4	16.6	(7.2)	29.0	29.1	(0.3)

POSITIVE CASHFLOW

- Cash & cash equivalents at $1.2 billion as at 1H 2012 was down 25% as compared with 1H 2011, attributable mainly to higher working capital requirement, CAPEX and dividend payout in 2Q 2012 to shareholders

- Net cash position continues to remain healthy at $1.2 billion

Description ($'m) / Year	1H 2012	1H 2011	% change
Cashflow from operation before reinvestment in working capital	335.2	372.1	(9.9)
Net cash outflow from operating activities	(127.9)	(470.7)	(72.8)
Net cash outflow from investing activities	(230.7)	(121.6)	89.8
Net cash outflow from financing activities	(426.8)	(682.2)	(37.4)
Cash & cash equivalents	1,200.0	1,591.4	(24.6)
Net Cash (net of borrowings)	1,165.7	1,589.4	(26.7)
Progress Billing > WIP	*629.1*	*461.6*	*36.3*

CAPITAL, EVA, GEARING AND ROE

- ROE annualised at 22%
- Economic Value Added (EVA) at $163.7 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)	1H 2012	FY 2011	% change
Shareholders' Funds	2,266.4	2,414.3	(6)
Net Cash	1,165.7	1,954.5	(40)
ROE – annualised (%)	21.9	30.0	(27)
Net Asset Value (cents)	108.6	115.9	(6)
RoTA – annualised (%)	10.3	14.6	(29)
Economic Value Added	163.7	205.2*	(20)

* Based on 1H 2011

TURNOVER CONTRIBUTIONS BY SECTORS

By Value & Percentage Contributions

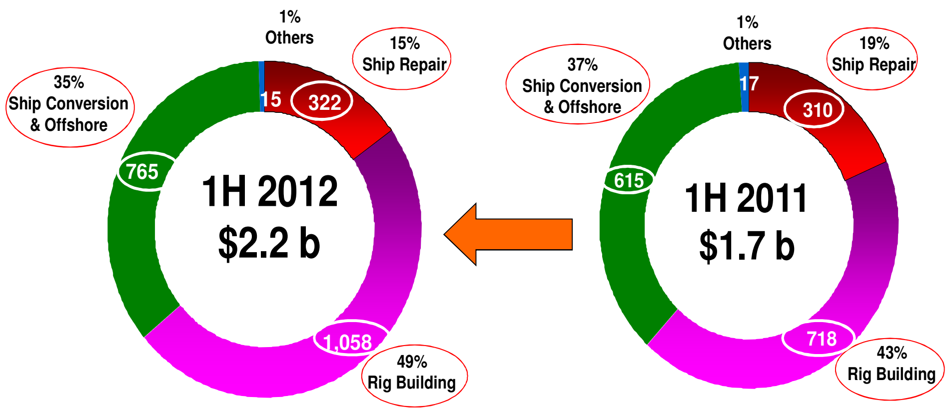
- Total turnover for 1H 2012 at $2,160 million was 30% higher as compared with $1,660 million in 1H 2011

- The rig building sector remains the largest sector, constituting 49% of total turnover in 1H 2012 followed by Ship Conversion & Offshore sector at 35%. Ship Repair was 15% and Others at 1%

- The higher turnover was attributable to higher revenue recognition in the rig building and ship conversion & offshore sectors. Turnover from the rig building sector increased 47% from $718 million in 1H 2011 to $1,058 million for the corresponding period in 2012

- The ship conversion and offshore sector registered a 24% increase from from $615 million in 1H 2011 to $765 million for the same period in 2012 attributable mainly to timing in recognition of an offshore platform and an FPSO project in addition to 4 other FPSO conversions and offshore projects in various stages of recognition. Three projects, the Borealis Heavy Lift PipeLay vessel, BW Joketole FPSO and West Java FSRU were delivered in 1H 2012

- Ship repair turnover registered a slight increase from $310 million in 1H 2011 to $322 million in 1H 2012. Alliance/FCC partners and regular customers continue to support the Group with a steady base-load



Turnover ($'m)	2Q 2012	2Q 2011	% Change	1H 2012	1H 2011	% Change
Ship repair	179	165	9	322	310	4
Rig building	664	400	66	1,058	718	47
Ship Conversion/offshore	364	259	41	765	615	24
Others	10	8	13	15	17	(13)
TOTAL	1,217	831	46	2,160	1,660	30

CONTRACTS SECURED BY YEAR (excluding ship repair)

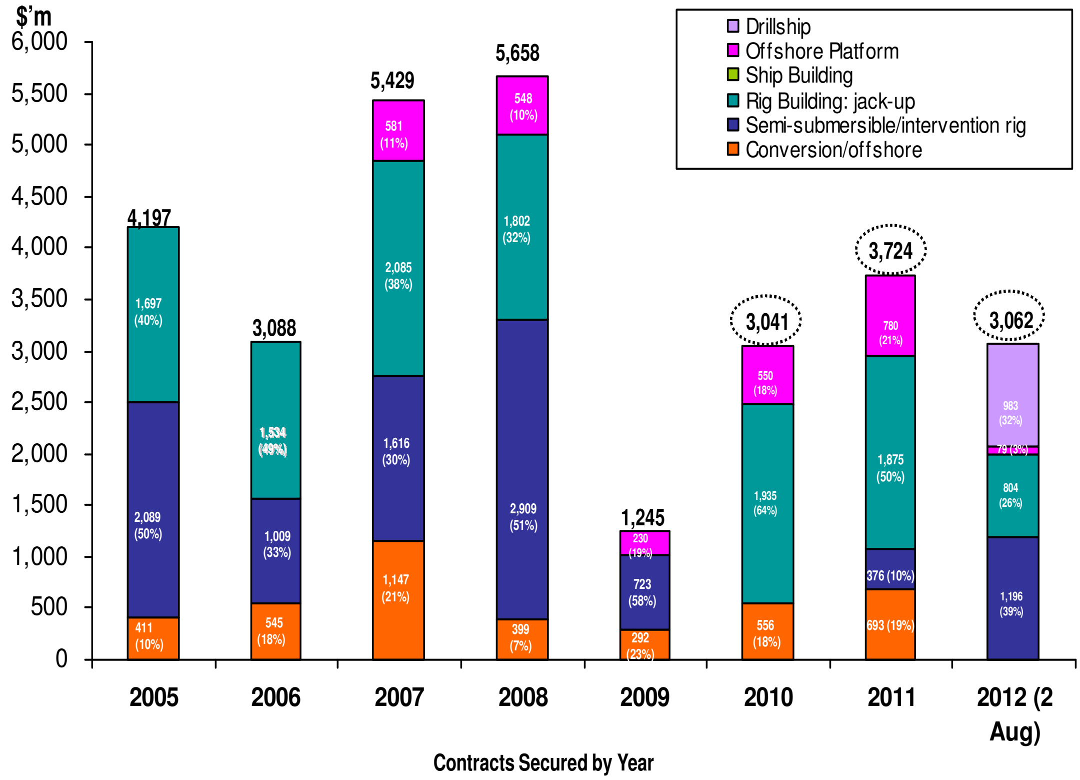
- Contracts secured to-date stood at $3.1 billion, excluding ship repair

- A total of 6 firm rig orders were secured with a total value of US$2,385.5 million. This comprised 3 jack-up rigs worth a total of US$639.5 million and 3 deepwater rigs comprising a drillship, an intervention semi-submersible and a harsh environment semi-submersible rig worth a total of US$1,746 million

- For the ship conversion and offshore sector, a S$79 million wellhead project was secured in 2Q 2012.

- Market fundamentals remain strong. The Group expects to build up its order flow for FY 2012

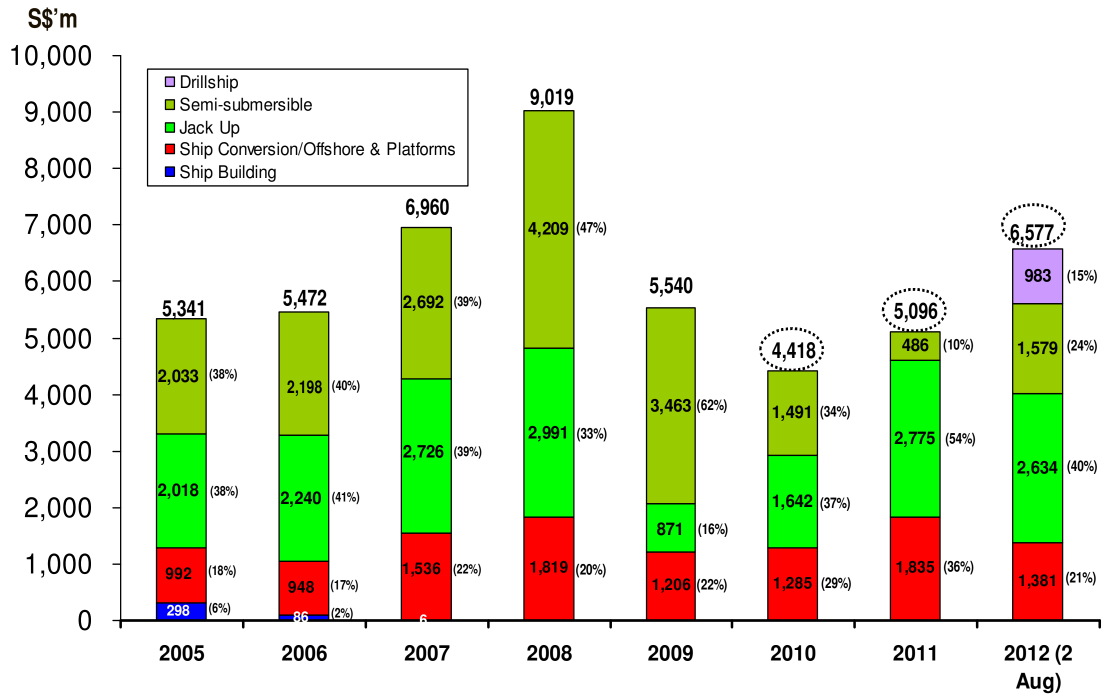
Contracts Secured By Year (2005 to 2 August 2012)



NET ORDER BOOK (excluding ship repair)

- Net order book, including new contracts secured to-date, stands at S$6.6 billion with completion and deliveries till 2Q 2015
- Going forward, the Group expects to grow its net order book
- The Group will continue to focus on executing and delivering its projects on time or ahead of schedule and to build on its core competencies and capabilities

Net Order Book By Year (2005 to 2 August 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.