Company Registration Number: 196300098Z

PRESS RELEASE

1Q 2014 NET PROFIT INCREASED 3% TO $122 MILLION

Singapore, May 2, 2014: Sembcorp Marine today reported a 3% increase in net profit from $119 million in 1Q 2013 to $122 million in 1Q 2014, amid a challenging operating environment. Group turnover for the first quarter of 2014 registered a 27% year on year increase to $1.34 billion as compared with $1.05 billion for the corresponding period in 2013. The increase came mainly from higher revenue recognition from rig building activities and offshore platform projects.

Group EBITDA (earnings before interest, tax and depreciation) increased by 5% year-on-year to $176 million, while operating profit increased by 4% from $143 million in 1Q 2013 to $149 million in 1Q 2014. This was despite a 28% decline in other operating income to $12.4 million from $17.3 million. At pre-tax level, Group profit of $156 million was 5% higher than the $149 million achieved in the first quarter of last year. This was supported by higher income from associates and joint ventures which grew 15% to $7.1 million from $6.2 million previously.

Financial Highlights

Year / Description ($'m)	1Q 2014	1Q 2013	% change
Turnover	**1,335**	**1,050**	**27**
Gross Profit	**171**	**156**	**10**
EBITDA	**176**	**167**	**5**
Operating Profit	**149**	**143**	**4**
Pre-tax Profit	**156**	**149**	**5**
Net Profit	**122**	**119**	**3**
EPS, basic (cents)	**5.87**	**5.69**	**3**
NAV (cents)	**133.8**	**128.2***	**4**

*** 31-Dec-2013**

OUTLOOK

The Group has a net order book of $12.9 billion with completion and deliveries stretching into 2019. This includes the $1.6 billion in new rig orders secured since the start of 2014, but excludes repair and upgrade contracts.

Long term fundamentals driving the offshore exploration and production (E&P) market remain stable, underpinned by firm oil prices. The Transocean contract to build two *Jurong Espadon* III, our proprietary design drillship, is a strong endorsement of the Group's strategy to deepen, broaden and strengthen our product offering to capture this growing market segment. In a competitive industry landscape, the Group will focus on operational efficiency, productivity improvements, safety management and the timely delivery of orders to our customers.

Since Phase 1 of the Sembmarine Integrated Yard @ Tuas started operations on August 2013, demand for the four big VLCC docks continues to be strong. With its broad range of capabilities and leading edge technology, the new yard will position the Group for long term sustainable growth. The yard has attracted a good range of alliance and new customers as services continue to be ramped up. The Integrated Yard has dry docks totalling 1.55 million dwt and 3.9 kilometres of finger piers and basin quays, and is capable of servicing a wide range of vessels, including VLCCs, new generations of mega containerships, LNG carriers and passenger ships.

Construction on Estaleiro Jurong Aracruz, Sembcorp Marine's wholly owned shipyard in Brazil, continues to progress well and remains on track to commence initial operations in 2H 2014, and is scheduled for completion in 2015.

While enquiry levels remain healthy, competition is keen and intense, exerting pressure on margins.

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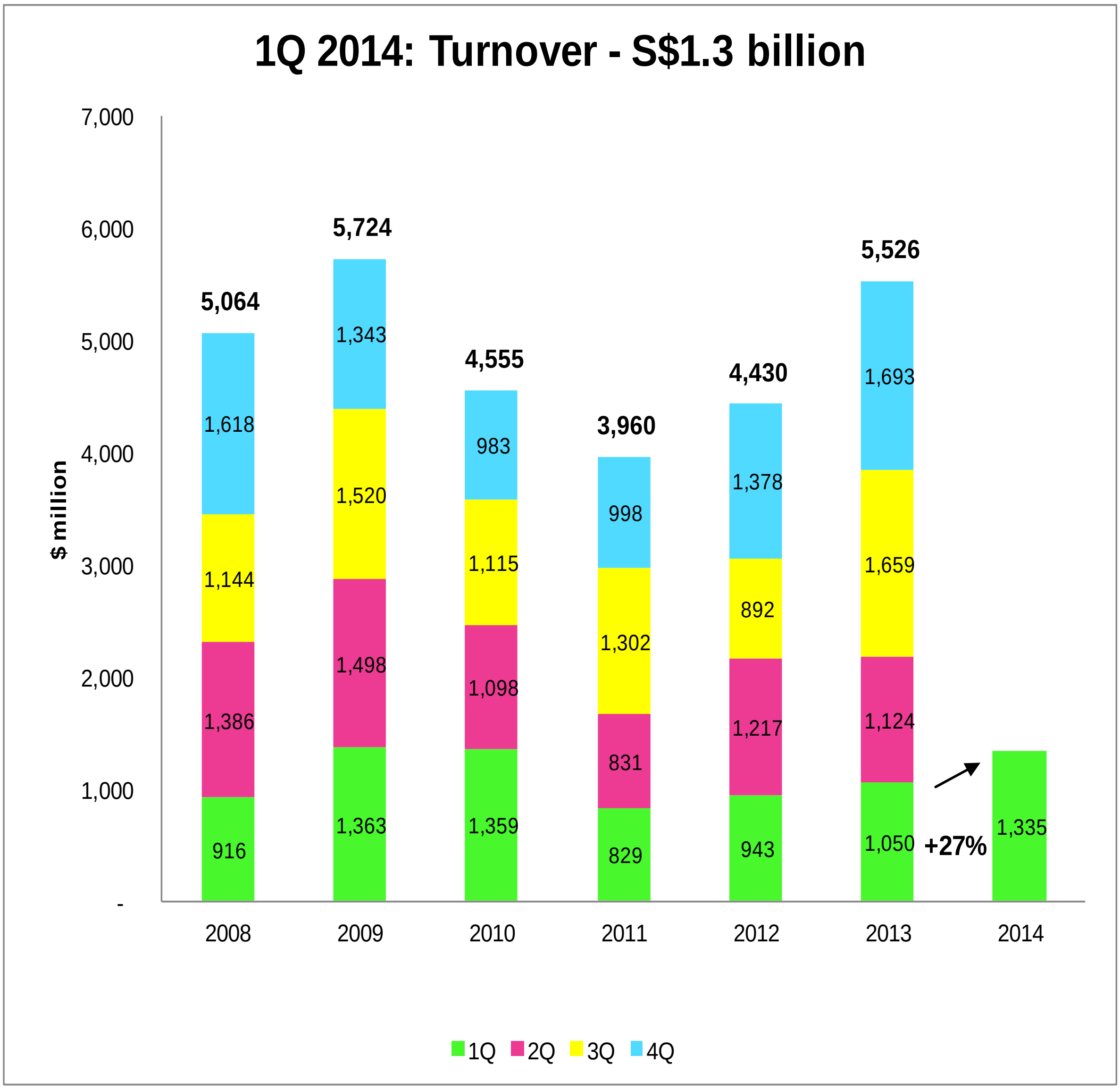
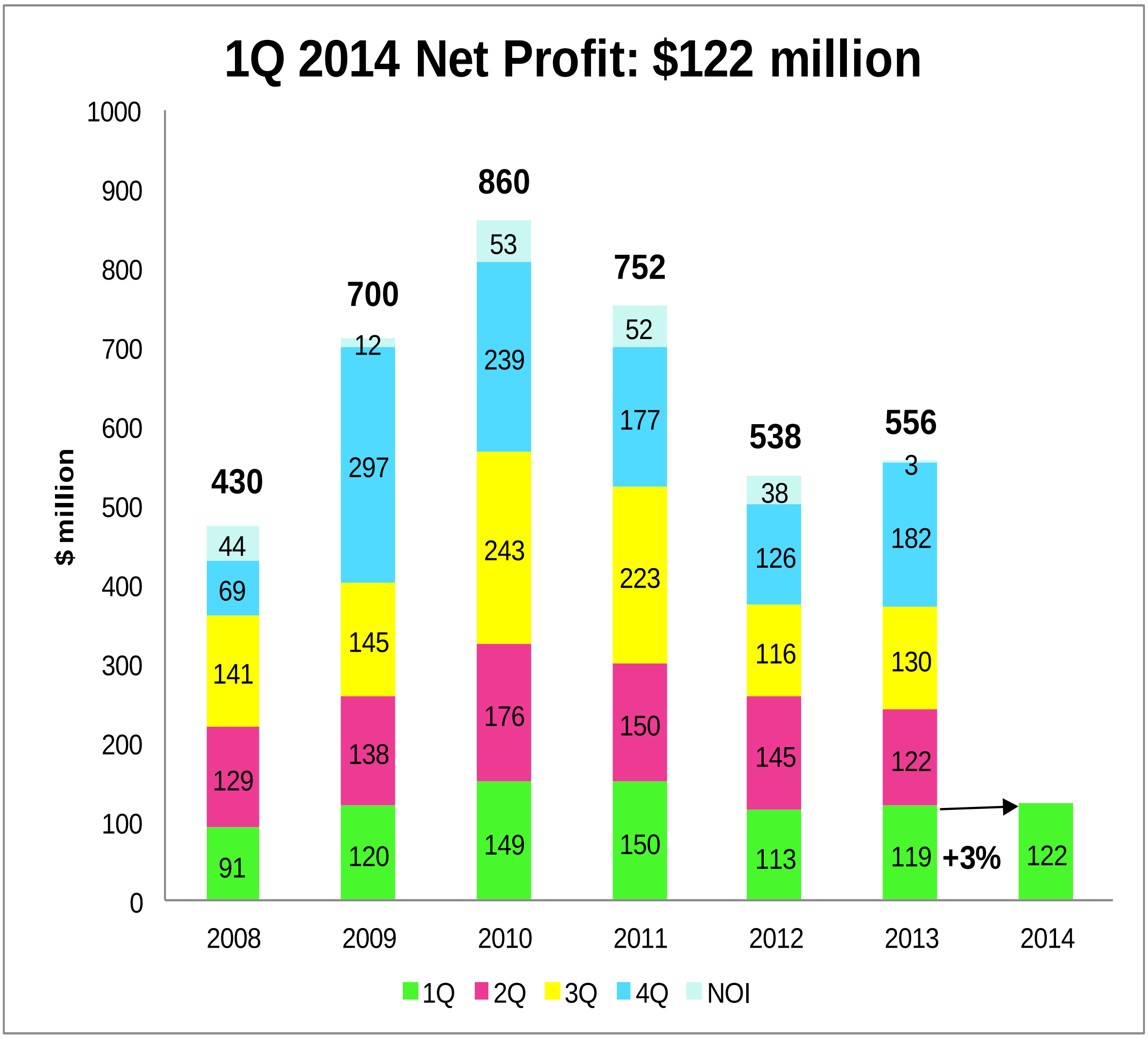
QUARTERLY TURNOVER (2008 TO 1Q 2014)



- Group turnover increased 27% from $1,050 million in 1Q 2013 to $1,335 million in 1Q 2014

- The higher turnover was attributable to higher rig building and offshore platform activities in 1Q 2014 as compared with the corresponding period in 2013

QUARTERLY NET PROFIT (2008 TO 1Q 2014)



- Net profit grew 3% from $119 million in 1Q 2013 to $122 million for the corresponding period in 2014.

PERFORMANCE OF ASSOCIATES & JVs (Profit before tax)

Group (S$ million)	1Q 2014	1Q 2013	% change
Cosco Shipyard Group	7	4	75
Pacific Workboats	1	2	-50
Sembmarine Kakinada	(1)	-	n.m.
Share of Associates & JV	7	6	15

Note: n.m. : not meaningful

- Contributions from Cosco Shipyard Group grew 75% to $7 million.
- Contributions from Pacific Workboats fell 50% to $1 million, while Sembmarine Kakinada made a loss of $1 million.
- Contributions from Associates and JVs grew 15% to $7 million due mainly to higher contribution from Cosco Shipyard Group Co.

POSITIVE CASHFLOW

Group (S$ million)	1Q 2014	1Q 2013	% change
Cashflow from operations before working capital changes	180	173	4
Net cash inflow from operating activities	686	252	172
Net cash outflow from investing activities	(138)	(96)	44
Net cash inflow from financing activities	36	89	(60)
Cash & cash equivalents	2,283	1,657	38
Net Cash (net of borrowings)	1,472	1,224	20
Progress Billing > WIP	1,619	907	79

- Net cash position continues to remain healthy at $1.5 billion.

CAPITAL, GEARING AND ROE

Group (S$ million)	1Q 2014	1Q2013	% change	FY2013	% change
Shareholders' Funds	2,794	2,542	10	2,677	4
Net Cash	1,472	1,224	20	929	58
ROE - annualised (%)	18	19	n.m.	22	n.m.
Net Asset Value (cents)	134	122	10	128	4
ROTA - annualised (%)	7	8	n.m.	9	n.m.
Economic Value Added	65	72	-10	406	n.m.

Note: n.m : not meaningful

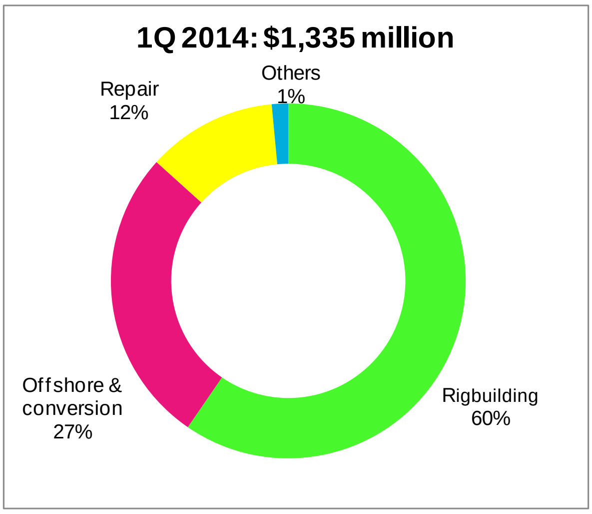
- ROE (annualised) at 18%.

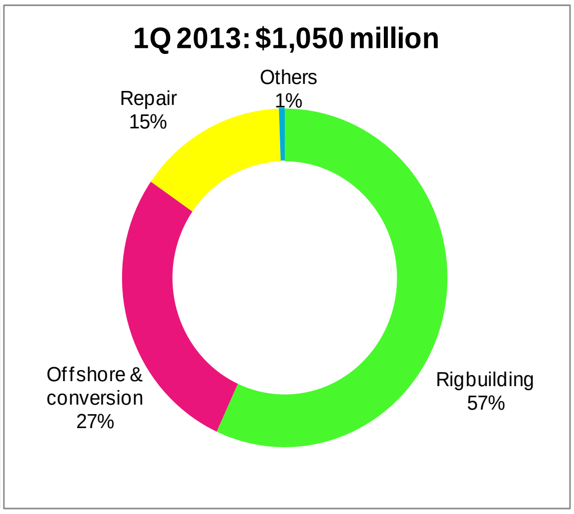
- Economic Value Added (EVA) at $65 million as compared with $72 million in 1Q 2013

- The Group will continue to strive towards delivering creditable performance and value creation to shareholders

REVENUE CONTRIBUTIONS BY SECTORS (1Q 2014 vs 1Q 2013)

By Value & Percentage Contributions

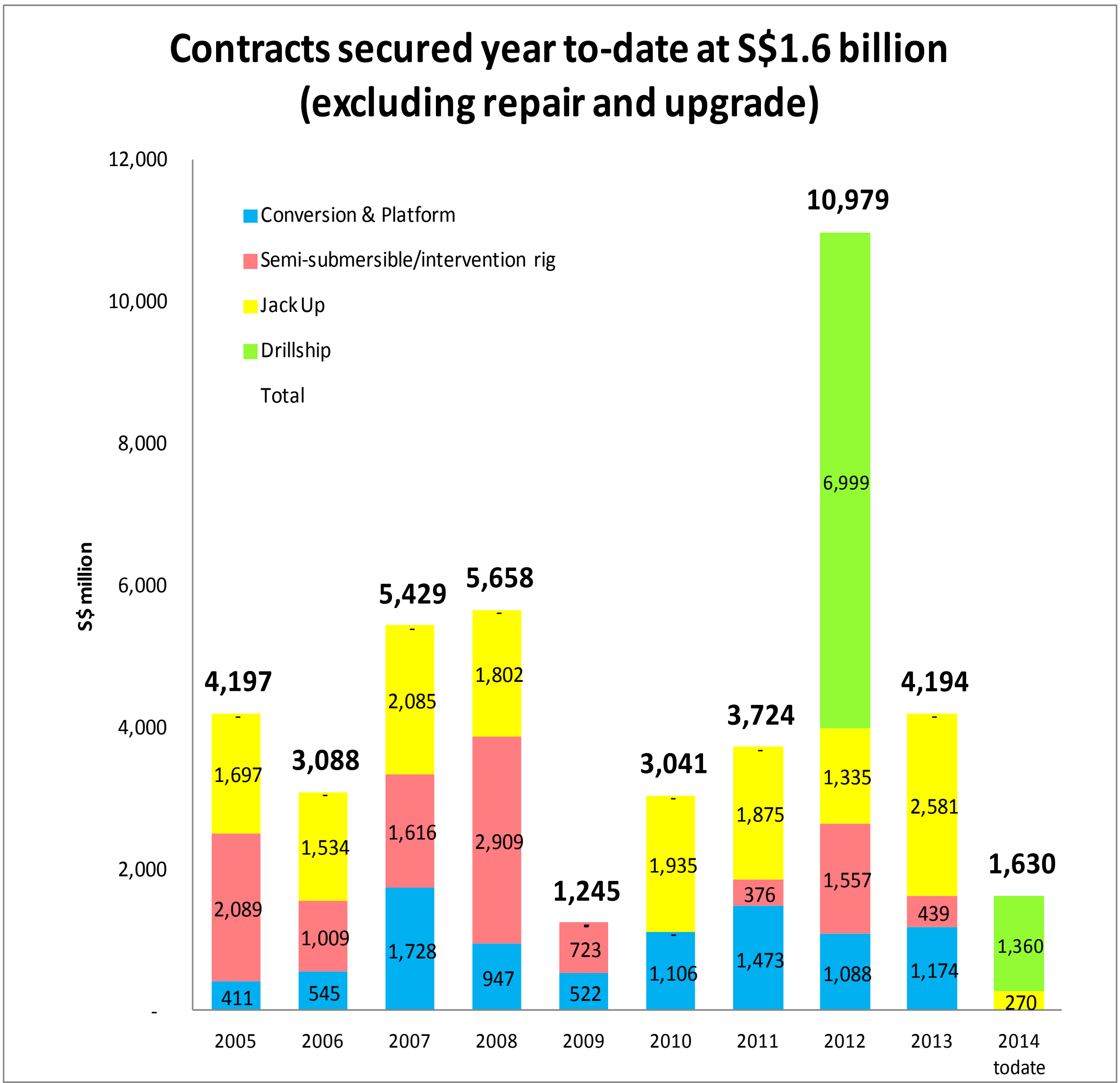




Turnover ($ million)	1Q 2014	1Q 2013	% change
Rigbuilding	796	598	33
Offshore & conversion	362	291	24
Repair	158	156	1
Others	20	6	n.m.
TOTAL	1,335	1,050	27

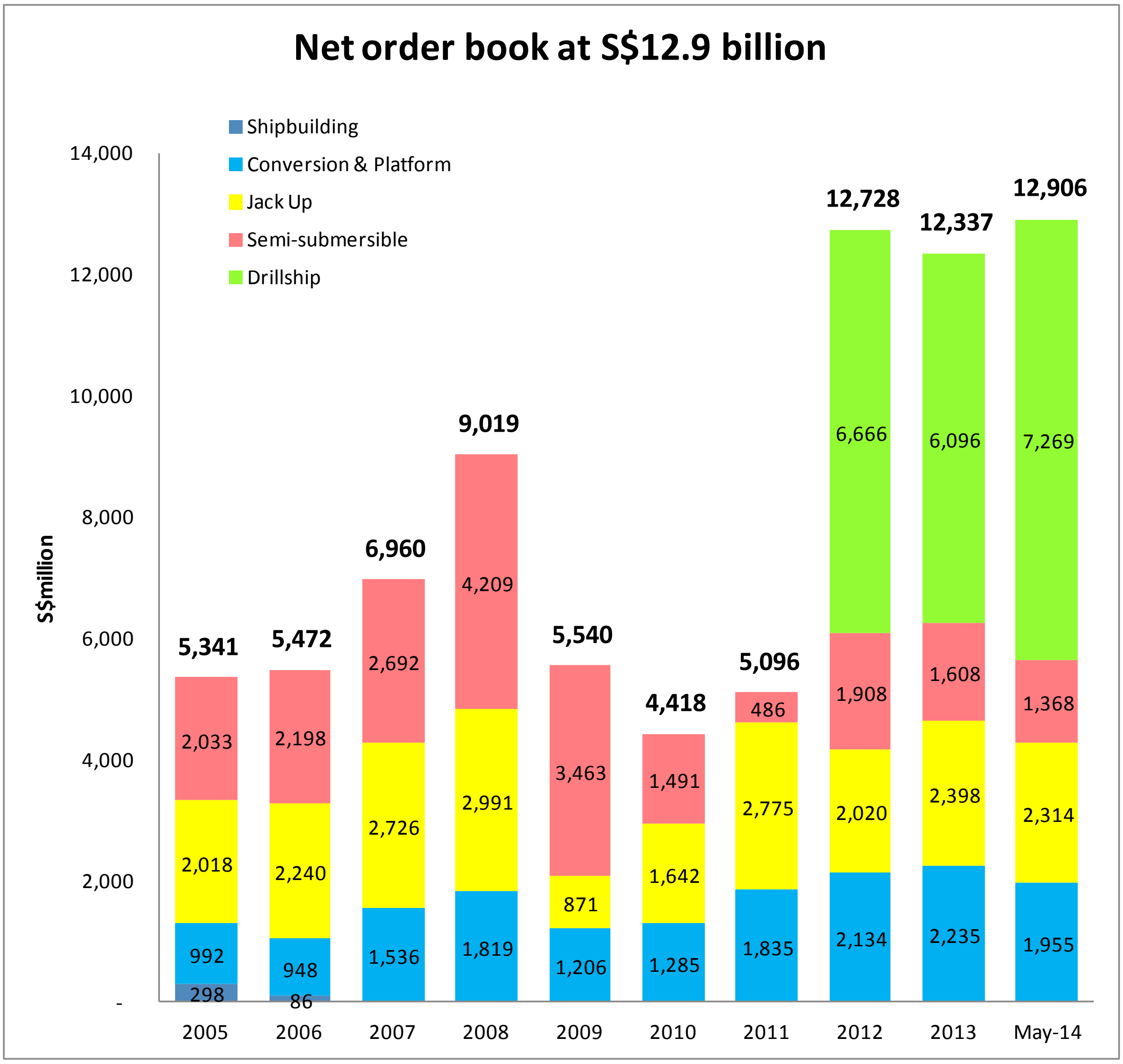
- All three core businesses grew in the first quarter of 2014 with Group revenue increasing 27% from $1,050 million to $1,335 million.
- Rig building was the largest sector, accounting for 60% of total revenue followed by ship conversion & offshore at 27%, ship repair at 12% and others at 1%.
- The rig building sector registered the highest growth at 33% from $598 million in 1Q 2013 to $796 million in 1Q 2014.
- The ship conversion & offshore sector registered a 24% increase in revenue from $291 million in 1Q 2013 to $362 million in 1Q 2014.
- Ship repair registered a growth of 1% from $156 million in 1Q 2013 to $158 million in 1Q 2014.

CONTRACTS SECURED BY YEAR



- Contracts secured as at 2nd May 2014 stands at $1.63 billion
- A total of two drillships worth US$1.08 billion and a jack up rig worth US$214.3 million were secured in 1Q 2014.
- The two drillships secured are based on the group's proprietary Jurong Espadon III drillship design, for which Transocean has options to build three more drillships of similar design.
- The jack-up rig contract was secured based on the group's proprietary PPL Pacific Class 400 design, and comes with an option for another two units.
- We expect to build up our order book.

NET ORDER BOOK



- Net order book to-date stands at a record high of $12.9 billion with deliveries and completion stretching till 2019.
- Going forward, the Group expects to grow its order book.

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.