Company Registration Number: 196300098Z

PRESS RELEASE

3Q 2014 NET PROFIT INCREASED 2% TO $132 MILLION; 9M 2014 NET PROFIT GREW 3% TO $386 MILLION

Key highlights:

- Group revenue increased 14% year-on-year to $4.39 billion for 9M 2014.
- Group gross profit grew 19% year-on-year to $569 million for 9M 2014.
- Return on equity (ROE annualised) at creditable 19%.
- The Group secured $4.2 billion in new contracts year to date, bringing net order book to $12.6 billion as at 5th November 2014.

Singapore, November 5, 2014: Sembcorp Marine achieved a 2% year-on-year increase in net profit from $130 million to $132 million for the three months ended September 30th 2014 despite a challenging macro environment.

Group turnover for the third quarter of 2014 grew 3% year-on-year to $1.71 billion, which compares with $1.66 billion for the corresponding period in 2013. The higher revenue came mainly from increased contribution from the Group's rig building activities and from offshore platform projects.

Gross profit for the three months grew 14% to $205 million from $180 million previously, EBITDA (earnings before interest, tax and depreciation) rose 3% to $200 million while operating profit increased 3% to $171 million.

For the nine months to September 2014, Group net profit increased 3% to $386 million from $373 million with Group turnover rising 14% to $4.39 billion. Group gross profit increased 19% to $569 million, while EBITDA grew 5% year-on-year to $558 million, while operating profit grew 4% to $475 million.

Turnover for the Rig building sector increased 23% year on year from $2,367 million to $2,905 million for the nine months to September. The Group delivered six jack-up rigs for the nine month period, with another eleven in the work in progress or planning and engineering stage.

Offshore and Conversion/ Fixed Platform revenue declined 29% from $283 million in 9M 2013 to $202 million in 9M 2014, while Ship repair revenue was 10% lower at $465 million in 9M 2014 compared with $518 million in the corresponding period in 2013 due to timing in recognition of repair projects.

Financial Highlights

Period (S$'m)	3Q 2014	3Q 2013	*% change*	9M 2014	9M 2013	*% change*
Turnover	1,712	1,659	*3*	4,388	3,833	*14*
Gross Profit	205	180	*14*	569	478	*19*
EBITDA	200	193	*4*	558	532	*5*
Operating Profit	171	167	*3*	475	456	*4*
Pretax Profit	172	171	*1*	493	476	*4*
Net Profit	132	130	*2*	386	373	*3*
EPS (basic) (cts)	6.32	6.21	*2*	18.5	17.9	*3*
NAV (cts)				133.2	121.2	*10*

3Q 2014 VERSUS 3Q 2013

On a quarterly basis, Group turnover for 3Q 2014 at $1,712 million was 3% higher as compared with $1,659 million for the same period in 2013.

Group gross profit of $205 million was 14% higher on year-on-year basis while operating profit was 3% higher at $171 million, mainly due to foreign exchange differences.

Group pre-tax profit was 1% higher at $172 million impacted by lower associate and joint venture contributions and higher finance expenses.

Net profit in 3Q 2014 grew 2% year-on-year to $132 million compared with $130 million in 3Q 2013, largely due to higher profit contribution from the Group's rig building and fixed platform segments.

The Group's first drillship Arpoador sails away on board the Black Marlin to SCM's subsidiary Estaleiro Jurong Aracruz's yard in Brazil for full completion and remains on schedule for delivery in June/July 2015.

OUTLOOK

The Group has a net order book of $12.6 billion with completion and deliveries stretching into 2019. This includes a total of $4.2 billion in new rig and offshore conversion contracts secured since the start of 2014, but excludes repair and upgrade contracts.

Despite the current low oil price environment, the Group believes long term fundamentals driving the offshore exploration and production (E&P) market remain stable. The Group continues to receive enquiries for high specification, harsh environment jack-up drilling units and next generation deepwater and ultra-deepwater floaters. However reduction in capex spending could impact new orders and keen competition continues to exert pressure on margins.

The Group remains well positioned - having built a broad product offering, a strong execution track record and state-of-the-art facilities at its Sembmarine Integrated Yard @ Tuas (SIY@Tuas). The four new dry docks continue to see high utilisation for vessels undergoing repair, conversion and new buildings. With its broad range of capabilities and leading edge technology, the SIY@Tuas yard has positioned the Group for long term sustainable growth.

Sembcorp Marine's wholly owned shipyard in Brazil, Estaleiro Jurong Aracruz, commenced initial operations in 2H 2014, with construction completion scheduled for 2015.

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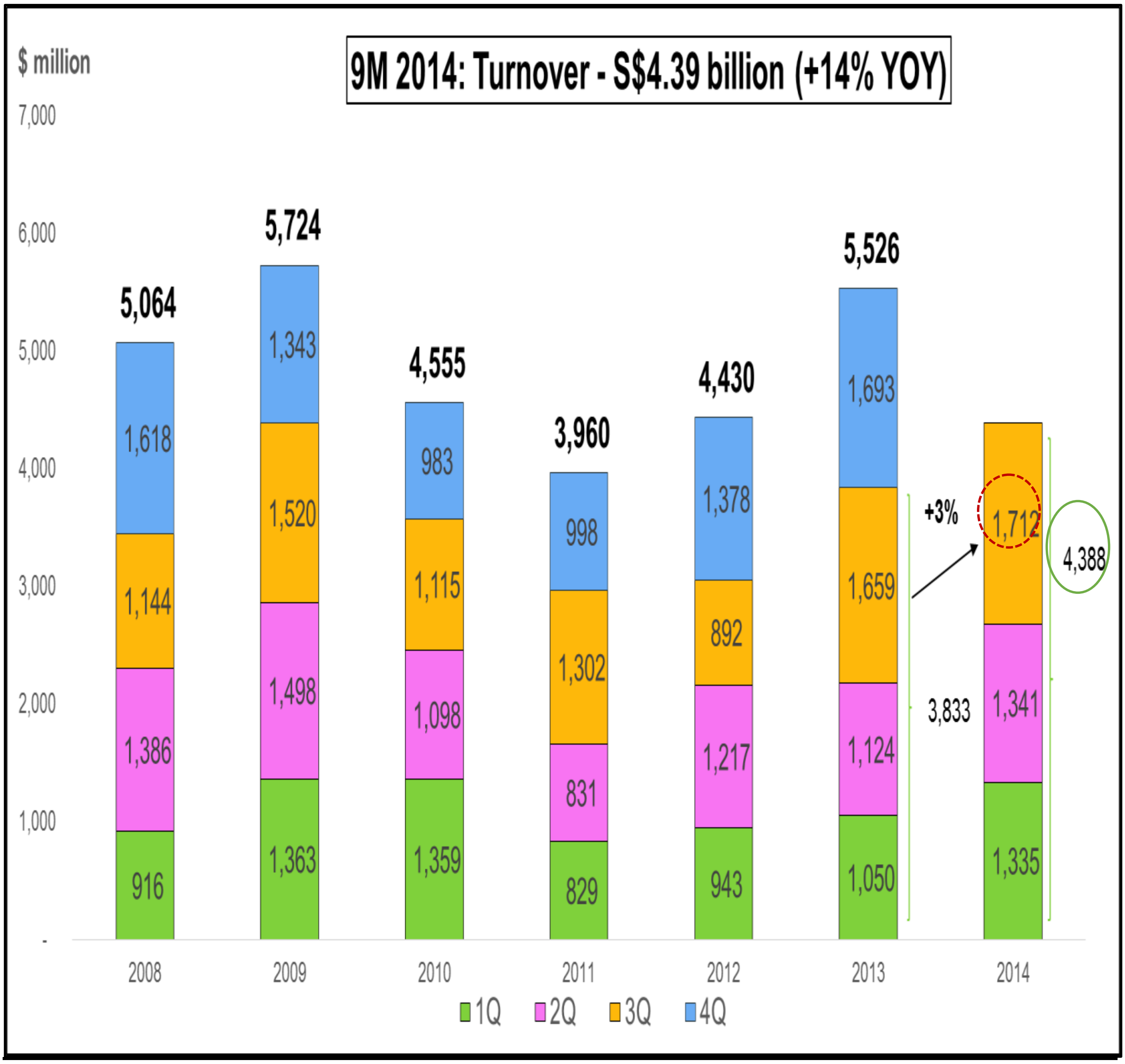
Appendix

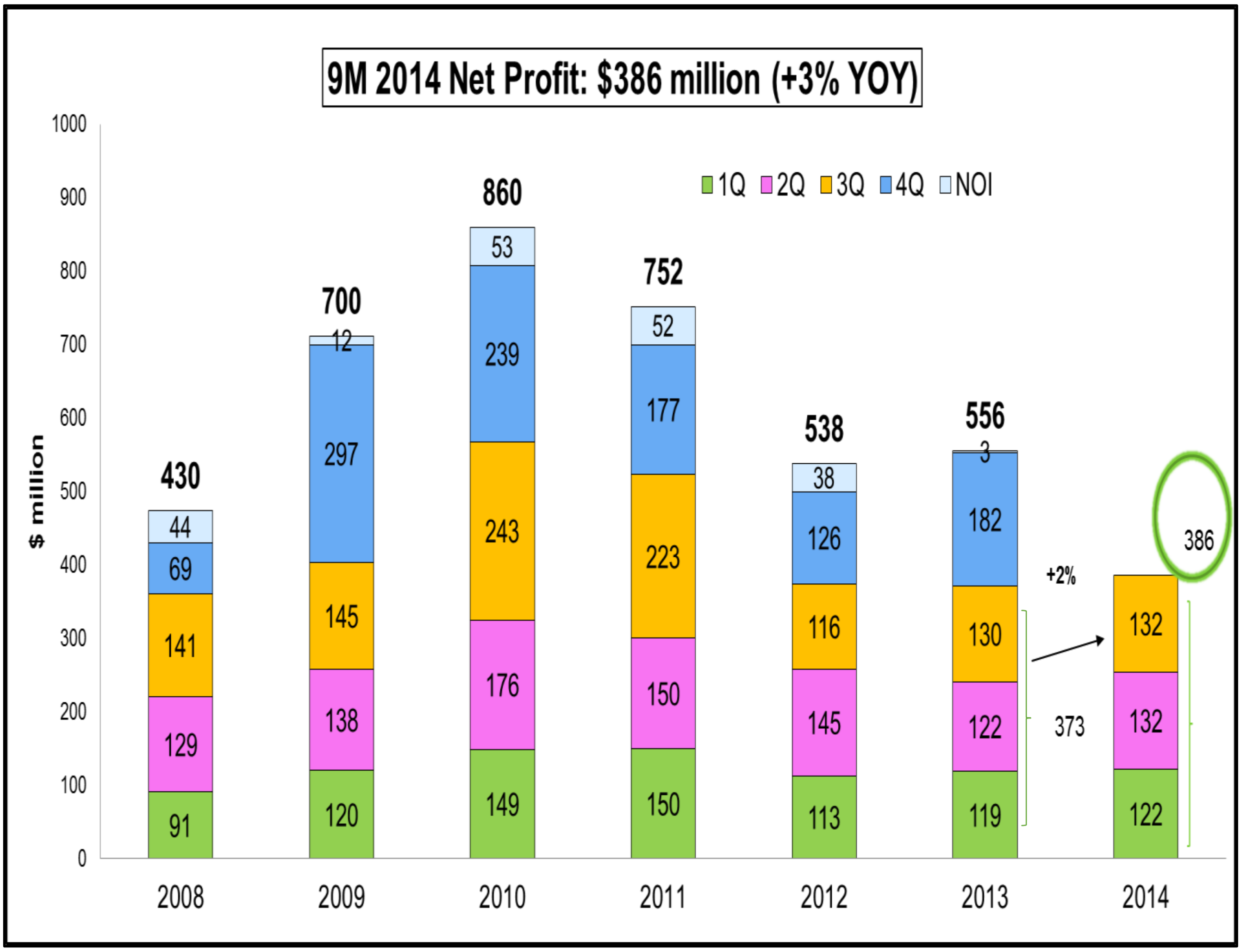
QUARTERLY TURNOVER (2008 TO 9M 2014)



- Group turnover increased 14% from $3,833 million in 9M 2013 to $4,388 million in 9M 2014.

- The higher turnover was attributable to higher rig building and offshore platform activities in 9M 2014 as compared with the corresponding period in 2013.

QUARTERLY NET PROFIT (2008 TO 9M 2014)



- Net profit grew 3% from $373 million in 9M 2013 to $386 million for the corresponding period in 2014.

- For 3Q 2014, net profit increased 2% from $130 million to $132 million.

PERFORMANCE OF ASSOCIATES & JVs (Profit before tax)

Group (S$ million)	9M 2014	9M 2013	% change
Cosco Shipyard Group	18.4	15.1	22
Pacific Workboats	4.3	6.1	-30
Sembmarine Kakinada	(2.4)	(4.6)	-48
Others	0.6	(1.1)	n.m.
Share of Associates and Joint Ventures	20.9	15.5	35

Note: n.m: not meaningful

- Contributions from Cosco Shipyard Group grew 22% to $18.4 million.
- Contributions from Associates and JVs grew 35% to $20.9 million due mainly to higher contribution from Cosco Shipyard Group Co.

CASHFLOW

Group (S$ million)	9M 2014	9M 2013	% change
Cashflow from operations before working capital changes	563	531	6
Net cash (outflow)/inflow from operating activities	(144)	887	n.m.
Net cash outflow from investing activities	(553)	(549)	(1)
Net cash inflow from financing activities	570	3	n.m.
Cash & cash equivalents	1,558	1,759	(11)
Borrowings	(1,648)	(634)	n.m.
Net (Debt)/Cash	(90)	1,125	n.m.
Progress Billing > WIP	1,206	1,614	(25)

- Following the issue of the S$275 million 2.95% Fixed Rate Notes due 2021 and S$325 million 3.85% Fixed Rate Notes due 2019, the group stands at a marginal net debt position of $90 million.
- Progress billings, mostly work in progress, stands at $1,206 million.

CAPITAL, GEARING AND ROE

Group (S$ million)	9M 2014	9M 2013	% change	FY2013	% change
Shareholders' Funds	2,782	2,531	10	2,677	4
Net (Debt)/Cash	(90)	1,125	n.m.	929	n.m.
Net Working Capital	1,046	568	84	691	51
ROE - annualised (%)	18.9	20.0	-6	21.7	-13
Net Asset Value (cents)	133.2	121.2	10	128.2	4
ROTA - annualised (%)	7.4	8.3	-11	9.1	-19
Economic Value Added	219	233	-6	406	-46

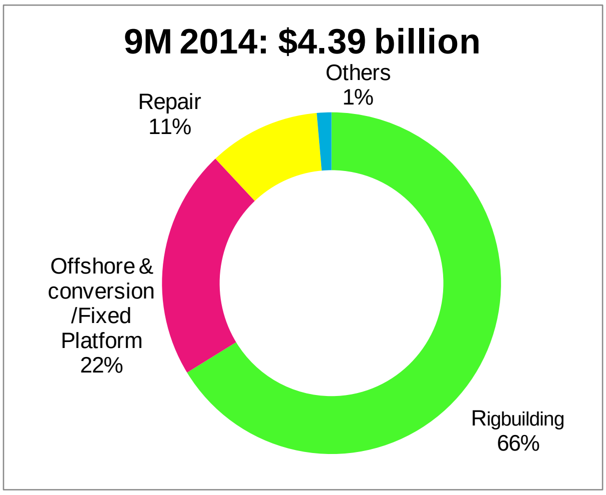
Note: n.m : not meaningful

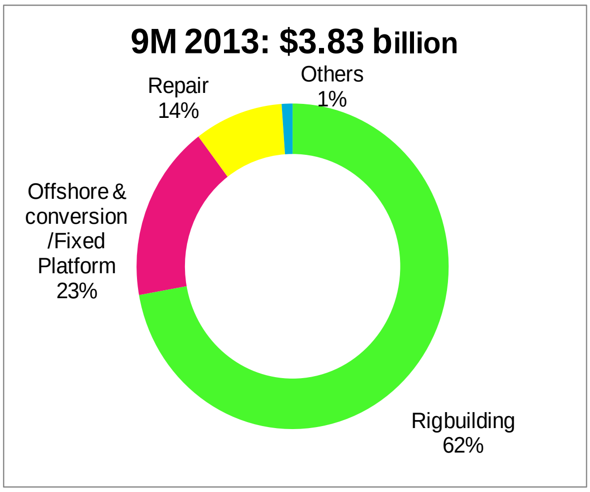
- ROE (annualised) at 18.9%.

- Economic Value Added (EVA) stood at $219 million in 9M 2014 as compared with $233 million in 9M 2013.

REVENUE CONTRIBUTIONS BY SECTORS (9M 2014 vs 9M 2013)

By Value & Percentage Contributions

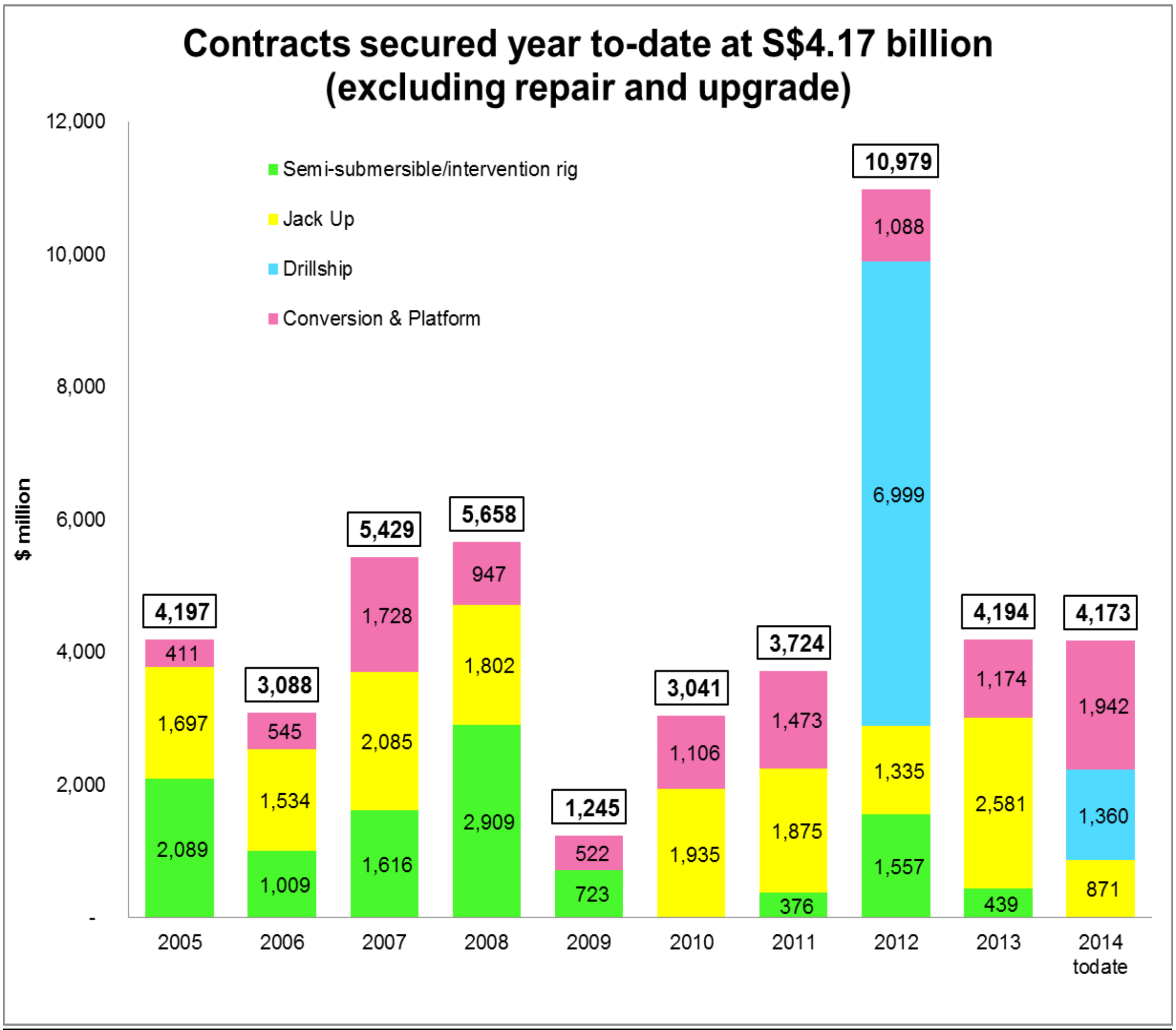




Turnover ($ million)	9M 2014	9M 2013	% change	3Q 2014	3Q 2013	% change
Rigbuilding	2,905	2,367	23	1,235	1,142	8
Offshore & conversion/Fixed Platform	957	890	8	300	271	11
Repair	465	518	-10	157	204	-23
Others	61	58	5	19	42	-55
TOTAL	4,388	3,833	14	1,712	1,659	3

- Group revenue increased 14% from $3,833 million to $4,388 million, led by Rig building and Fixed Platform segments.
- Rig building was the largest sector, accounting for 66% of total revenue followed by Offshore, Conversion & Fixed platform at 22%, ship repair at 11% and others at 1%.
- The rig building sector registered the highest growth at 23% from $2,367 million in 9M 2013 to $2,905 million in 9M 2014.
- The Offshore & Conversion/ Fixed Platform segments reported an 8% increase in revenue to $957 million, led by a strong performance at the Fixed Platform division.
- Ship repair registered a decline of 10% from $518 million in 9M 2013 to $465 million in 9M 2014.

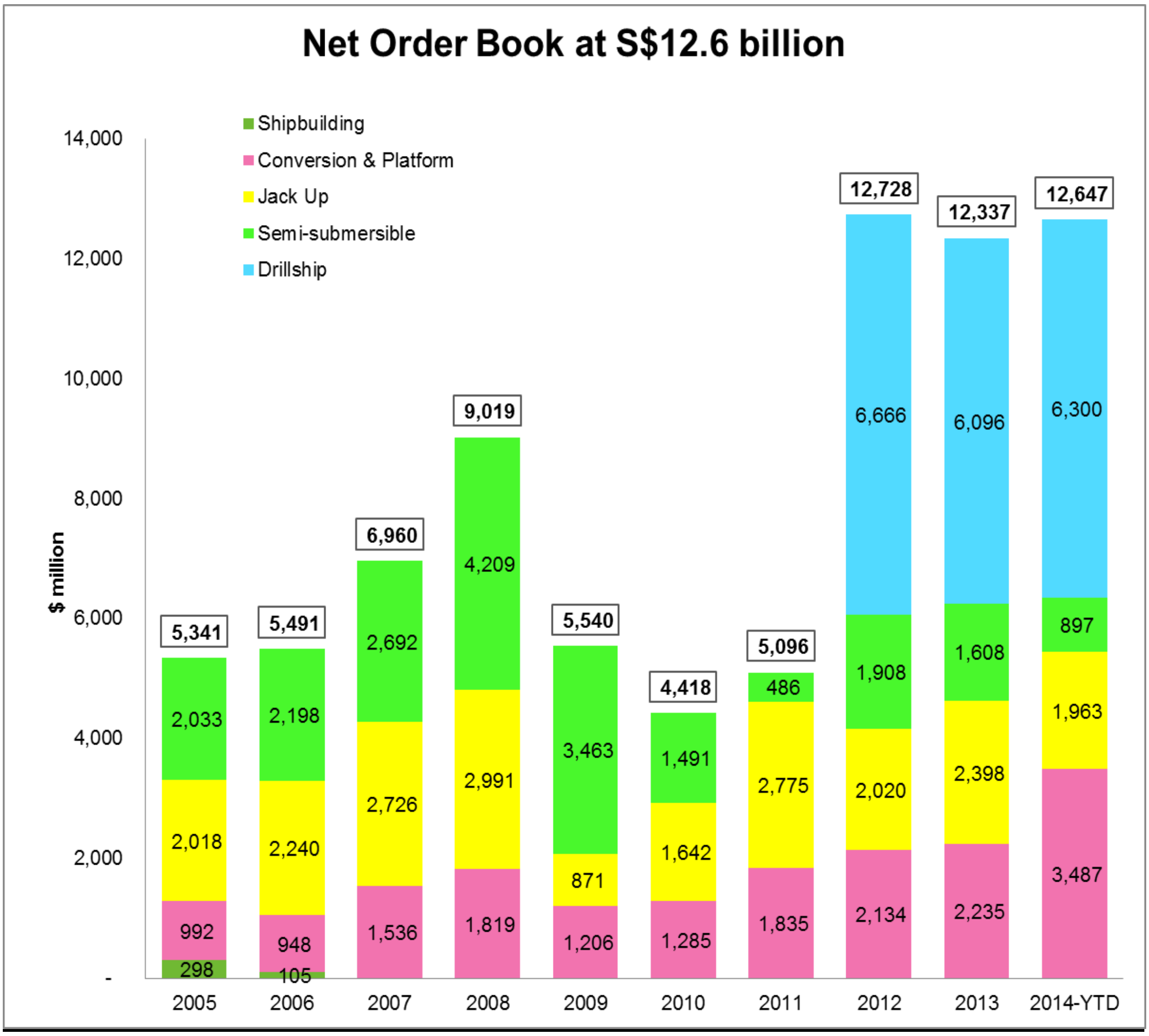
CONTRACTS SECURED BY YEAR



Contracts secured as at 5th November 2014 stands at $4.17 billion.

- For the offshore rig-building segment, a total of two drillships worth US$1.08 billion and two jack up rigs worth US$450 million were secured year to date.
- 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 group secured one jack-up rig contract based on its proprietary PPL Pacific Class 400 design, and comes with an option for another two units. Another jack-up rig contract based on a customised version of the F&G JU2000E design was also secured in 9M 2014.
- For the offshore conversion and platform segment, the group also secured $600 million in conversion work for Saipem; a US$696 million FPSO conversion contract for Brazil's Libra field, an FPSO conversion for Ghana Ten Development, as well as contracts to fabricate LNG modules for an offshore project in Australia.
- The group expects to continue to build up its order book.

NET ORDER BOOK



- Net order book year-to-date stands at $12.6 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.