



Company Registration Number: 196300098Z

## **PRESS RELEASE**

### **UPDATE ON THE CONTRACTS WITH SETE BRASIL**

**Singapore, April 22, 2016:** Sembcorp Marine Ltd (together with its subsidiaries, the “Group”) refers to the announcements it made on 6 February 2012, 8 August 2012 and 29 November 2012 in relation to a total of 7 contracts for the construction of drillships secured by its various subsidiaries from Sete Brasil’s various subsidiaries (“Sete Contracts”).

The Group was informed by Sete Brasil that its shareholders had on April 20, 2016 approved a resolution for Sete Brasil to file for a judicial recovery.

The Group has commenced arbitration proceedings against various subsidiaries of Sete Brasil to preserve the Group’s interests under the Sete Contracts.

Sembcorp Marine continues to closely monitor the situation and evaluate the implications. The Group has in the last financial year made provisions of S\$329 million for the Sete Contracts. We believe that the provisions are sufficient under the present circumstances.

The Group has a healthy order book with a good pipeline of projects, and believes it has sufficient resources to deal with the current challenges.

Further announcements will be made if necessary where there are material developments.

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