



Company Registration Number: 196300098Z

PRESS RELEASE

UPDATE ON CONTRACTUAL DISPUTE WITH MARCO POLO

Singapore, April 26, 2016: Sembcorp Marine refers to the announcements it made on 1st December 2015 and 7th April 2016 that its subsidiary PPL Shipyard Pte Ltd ("**PPLS**") had on 1st December 2015 served a termination notice on Marco Polo Drilling (I) Pte Ltd ("**MPD**") terminating the Contract after MPD failed to pay the 2nd disbursement of 10% of the Contract Price (US\$21.43 million) by 30th November 2015 (the "**2nd Disbursement**").

PPLS commenced an action in the Singapore High Court on 1st December 2015 against the parent company of MPD, Marco Polo Marine Ltd ("**MPM**"), the guarantor, for the amounts due under the Contract. PPLS also served a Notice of Arbitration on 7th April 2016 to commence arbitration proceedings against MPD. PPLS is vigorously pursuing the arbitration proceedings against MPD.

MPM applied to stay the action commenced by PPLS in the Singapore High Court in favour of arbitration (the "**Stay Application**"). The Assistant Registrar of the Singapore High Court has on 22nd April 2016 granted the Stay Application.

The stay of the action commenced by PPLS in the Singapore High Court is not a dismissal of PPLS' claim against MPM for the amounts due under the Contract. PPLS will pursue the claim either by way of an appeal against the stay to continue the action in the High Court, or pursue the claim at the arbitration proceedings.

The arbitration proceedings commenced by PPLS against MPD will not be affected by the stay. All of PPLS' rights are hereby reserved.

Sembcorp Marine will make further announcements as and when necessary.

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