



AGENDA

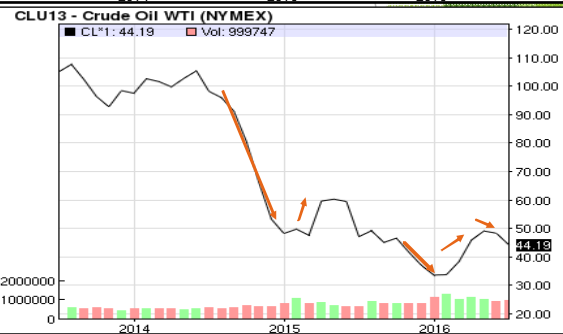
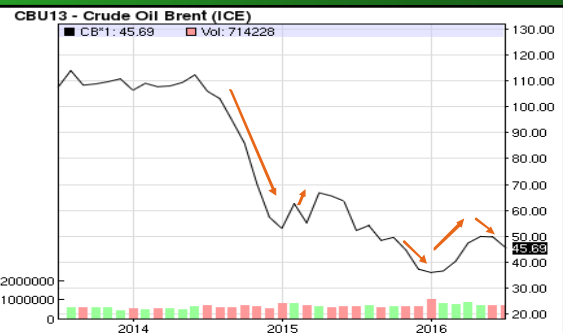
- ❖ **CEO Address**
- ❖ **CFO Financial Highlights**

CEO ADDRESS

- ❖ Macro Environment update
- ❖ Financial performance for 1H 2016
- ❖ Operations Review
- ❖ Outlook and Prospects

Macro environment remains weak

- ❖ Global economic growth subdued. Brexit raises concern of weaker economic growth.
- ❖ Oil prices have slipped off recent highs. Price crash since 2014 has resulted in sweeping capex cuts.
- ❖ Offshore rig charter rates and utilization continue to slide.
- ❖ Navigate with prudence and caution, focused on preserving and growing stakeholder value despite challenges.

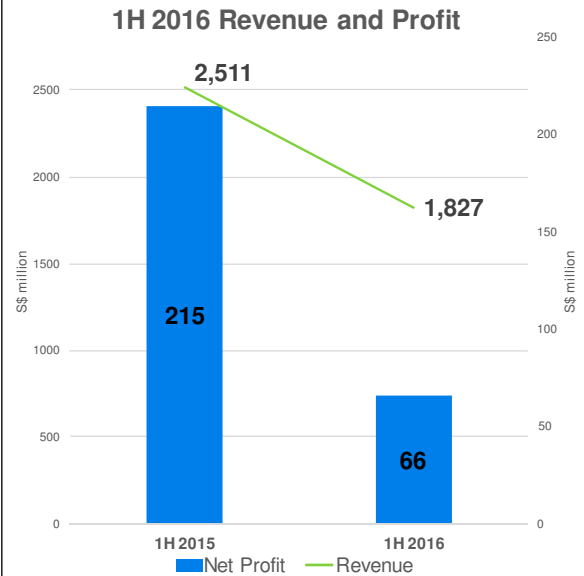


Source: Reuters

Key Highlights for 1H 2016:

- ❖ Total revenue of \$1.8 billion.
- ❖ Net Profit was \$66 million.
- ❖ Interim dividend of 1.5 cents.

2Q 2016 operating profit before FX effects: \$86 million (1Q 2016: \$65 million).



- ❖ Key deliveries in 1H 2016 have improved overall cash flow and strengthened Sembcorp Marine's balance sheet. With more deliveries scheduled for the rest of this year and the next, we expect this to continue.
- ❖ Secured creditable S\$320 million in new orders (all non-drilling solutions), despite very tough market conditions. We expect to continue to grow our order book.
- ❖ Net order book at S\$9.2 billion as at June 30, 2016. Excluding Sete Brasil projects, net order book stands at S\$6 billion.

Deliveries in 2016 – Safe Zephyrus

Delivered to Prosafe in 1Q 2016



Project: Construction of GVA 3000E DP3 Accommodation Semi-sub for Harsh-environment
Operations for Charterer: Det norske
Delivery: 1Q 2016
Operation: Norway

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Deliveries in 2016 – FPSO Prof. John EA Mills

Delivered to MODEC in 1Q 2016



Project: Repair and life extension, and conversion of a VLCC into a Floating Production Storage and Offloading (FPSO) vessel for *Tullow Oil*
Delivery: 1Q 2016
Operation: Tweneboa-Enyenra-Ntomme (TEN) field, Ghana

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Deliveries in 2016 – Ivar Aasen PDQ platform topsides

Delivered to Det norske oljeselskap ASA, Norway



Project: Engineering, Procurement and Construction of Process, Drilling and Quarters (PDQ) Platform Topsides for Ivar Aasen Development in the North Sea

Delivery: 2Q 2016

Operation: Ivar Aasen field, Norwegian North Sea

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Deliveries in 2016 – Maersk Highlander



Delivered to
Maersk Highlander UK Ltd

Project: Construction of F&G JU 2000E Jack-up for Harsh-environment operations in the Culzean Field Development, in UK North Sea

Delivery: 2Q 2016

Operation: Culzean Field, UK North Sea

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World's largest jack-up for Noble Corporation

Project: Harsh-environment GustoMSC CJ70 Jack-up built to Statoil's 'Category J' requirements; largest in the world and first of its kind to fully comply with both Norwegian and UK regulatory standards.

Delivery: July 2016

Operation: Statoil's Mariner field development, North Sea

- ❖ Sembcorp Marine announced on April 22, 2016 that Sete Brasil's shareholders had approved a resolution to file for judicial reorganization.
- ❖ We have commenced arbitration proceedings against various subsidiaries of Sete Brasil to preserve our interests under our EPC contracts. The arbitration proceedings are ongoing.
- ❖ Sete Brasil is preparing to present its restructuring plan and is in active discussions with its various creditors. We continue to engage with Sete Brasil.
- ❖ We believe provisions of \$329 million made in 4Q2015/FY2015 for the Sete Brasil contracts are adequate under present circumstances.

Update on other drilling rig contracts

- ❖ Several rigs due for delivery in our order book have been deferred. We are in discussions with customers to progress these contracts.
- ❖ Standstill agreement with North Atlantic Drilling for the delivery of the West Rigel semi-submersible rig extended to September 2, 2016. Both parties are marketing the rig for charter or sale at an acceptable price.
- ❖ Arbitration proceedings underway with Marco Polo Marine for the non-payment of a jack-up rig. Contract has been terminated.
- ❖ Provisions of \$280 million taken in 4Q 2015, in case of prolonged deferment or possible cancellation of rigs, should be adequate under current circumstances.

Cash flow and Liquidity

- ❖ Majority of current S\$9.2 billion order book is with progressive payment terms. Less than 20% of the order book is for drilling rigs with backend loaded payment terms.
- ❖ Average upfront payment for these rigs approximates 30%.
- ❖ Ongoing vessel deliveries generated positive operating cashflow with more to come.
- ❖ A large part of our new yard capex has been expended.
- ❖ Transformation strategy allows for greater synergy of capabilities and optimum use of resources across various yard locations.

Outlook & Strategy

- ❖ Offshore oil & gas sector to remain challenging in short to medium term.
- ❖ Planned diversification from exploration into development & production segments is gathering steam and reaping gains.
- ❖ Acquisition of an additional 44% stake in Gravifloat on March 9, 2016 raises Sembcorp Marine's stake to strategic 56%.
- ❖ Recently acquired a 50% stake in KANFA Aragon, a process design and engineering group specializing in floater solutions.
- ❖ Looking to develop new proprietary capabilities, designs and solutions to differentiate from competition.

Investing in the future

- ❖ New flagship Tuas Boulevard yard and our mega steel fabrication facility has helped unlock new opportunities. Enabled the move up the value chain to secure more complex contracts.
- ❖ Our Brazilian shipyard Estaleiro Jurong Aracruz (EJA) positions us to tap opportunities not just in Brazil, but also in Latin America and West Africa. In May 2016, EJA marked a key operational milestone with successful completion of its first repair vessel, the bulk carrier Olympic Gemini.
- ❖ Expand beyond drilling solutions to non-drilling and other product segments within the oil and gas value chain. For example, through Gravifloat. Also acquired 50% stake in KANFA Aragon AS, a process design and engineering group.
- ❖ Workforce sustainability is key to enable us to ride the future industry recovery. We continue to rigorously optimise manpower requirements.

Resilient and Ready

- ❖ **Strategic investments in infrastructure and technology have enhanced our resilience to navigate through these difficult times.**
- ❖ **Sembcorp Marine has gone through several down-cycles and built a strong core to weather the elements.**
- ❖ **Management to adopt disciplined approach to manage costs and finances to ensure adequate cash and improved gearing.**
- ❖ **Key priority is timely and effective execution of order book and to be proactive to seek fresh opportunities to grow our business and order book.**

CFO Presentation

- ❖ **Earnings Performance**
- ❖ **Financial Position**

Performance Highlights

Key highlights:

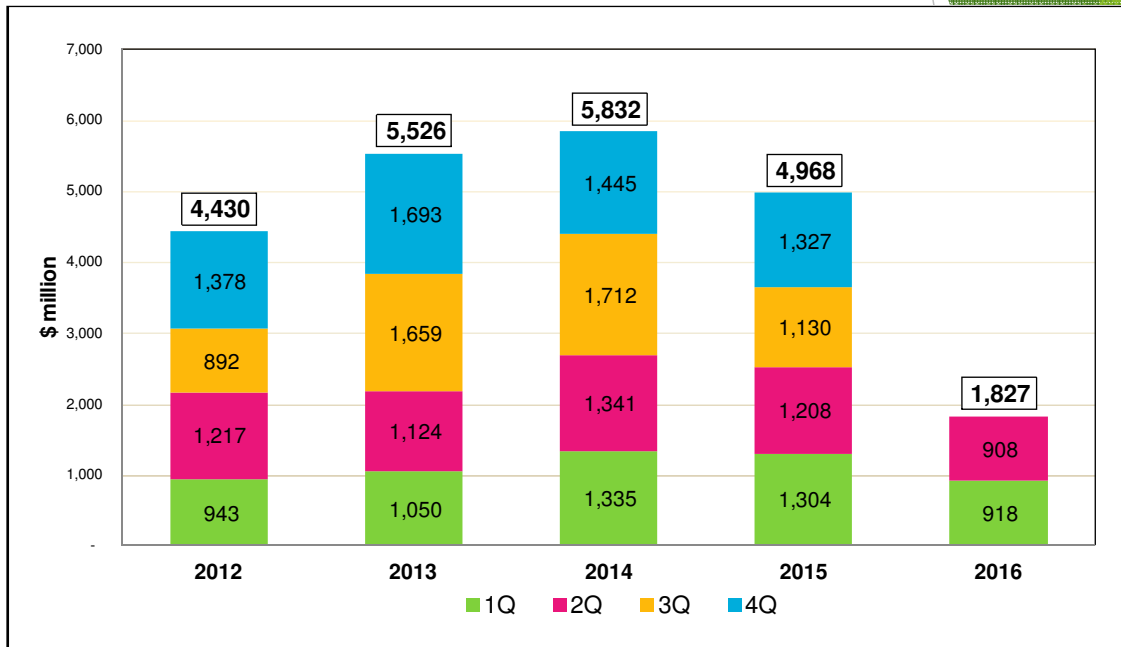
For the 6 months to June 30, 2016:

- ❖ Turnover totalled \$1.8 billion, down 27% from 1H 2015's \$2.5 billion.
- ❖ Gross profit of \$187 million on earnings recognition of ongoing projects and deliveries.
- ❖ Group EBITDA of \$196 million.
- ❖ Net profit attributable to shareholders of \$66 million
- ❖ Group net orderbook stands at S\$9.2 billion, including S\$320 million in new contracts secured in 1H 2016.

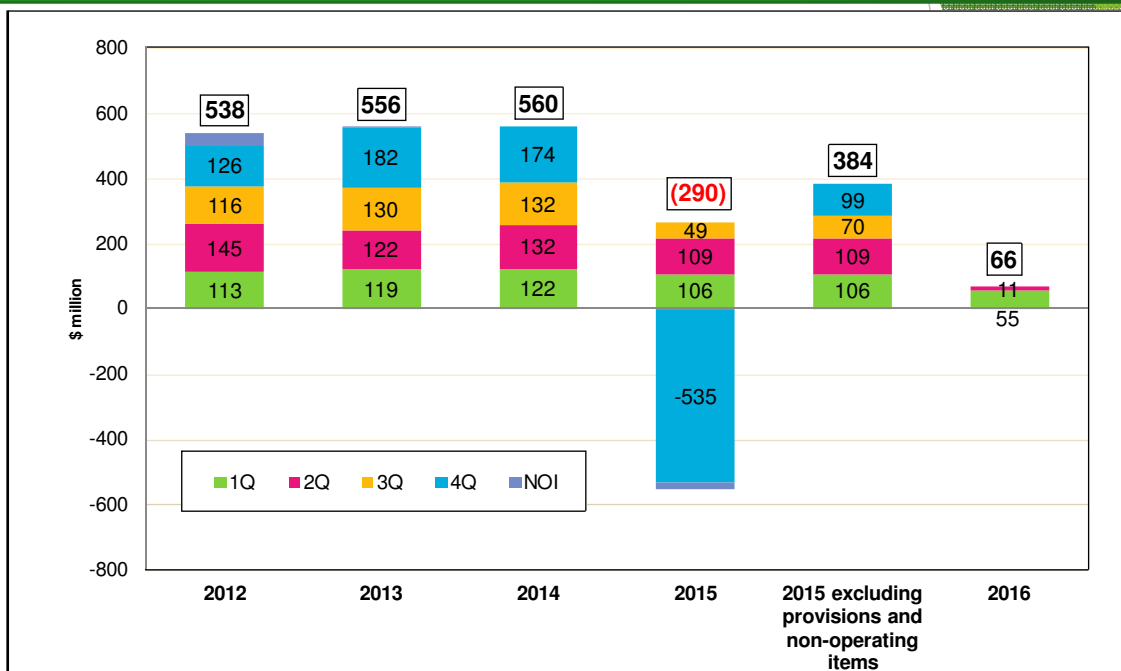
FINANCIAL HIGHLIGHTS

Period (S\$m)	2Q 2016	2Q 2015	% change	1H 2016	1H 2015	% change
Turnover	908	1,208	(25)	1,827	2,511	(27)
Gross Profit	106	199	(47)	187	368	(49)
EBITDA	89	178	(50)	196	347	(44)
Operating Profit	54	147	(64)	125	285	(56)
Pretax Profit	19	136	(86)	88	271	(68)
Net Profit	11	109	(90)	66	215	(69)
EPS (basic) (cts)	0.55	5.23	(90)	3.17	10.30	(69)
NAV (cts)				120.29	*120.24	
* NAV as at December 31st, 2015						

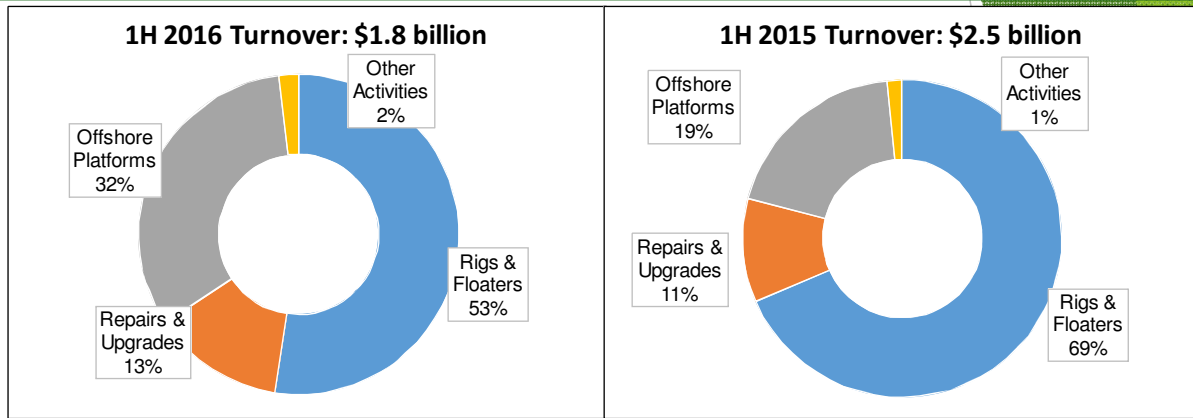
1H 2016 TURNOVER: S\$1.8 billion



1H2016 Net Profit at S\$66 million

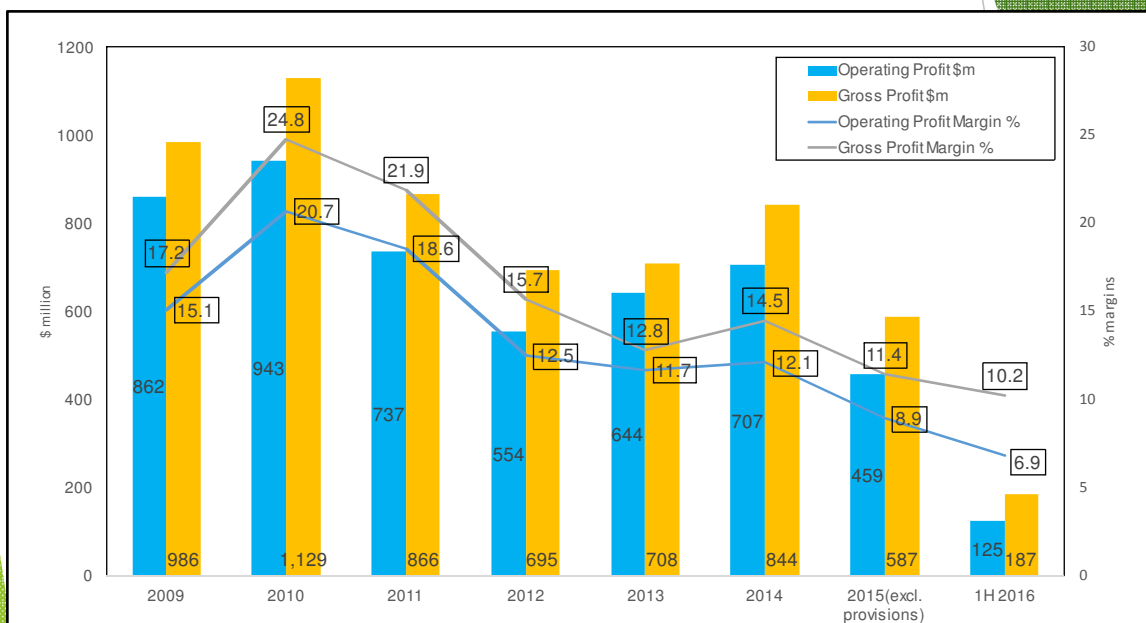


Business Review: Turnover by Segments



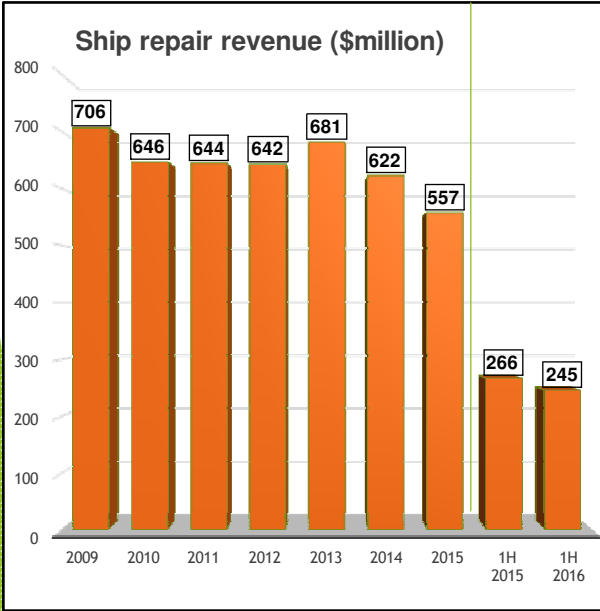
Turnover (\$ million)	1H 2016	1H 2015	% change	2Q 2016	2Q 2015	% change
Rigs & Floaters	956	1,721	(45)	416	774	(46)
Repairs & Upgrades	245	266	(8)	146	166	(12)
Offshore Platforms	589	488	21	328	251	31
Other Activities	37	37	n.m.	19	18	7
TOTAL	1,827	2,511	(27)	909	1,208	(25)

Gross and operating profit margins



Core Business: Repairs & Upgrades

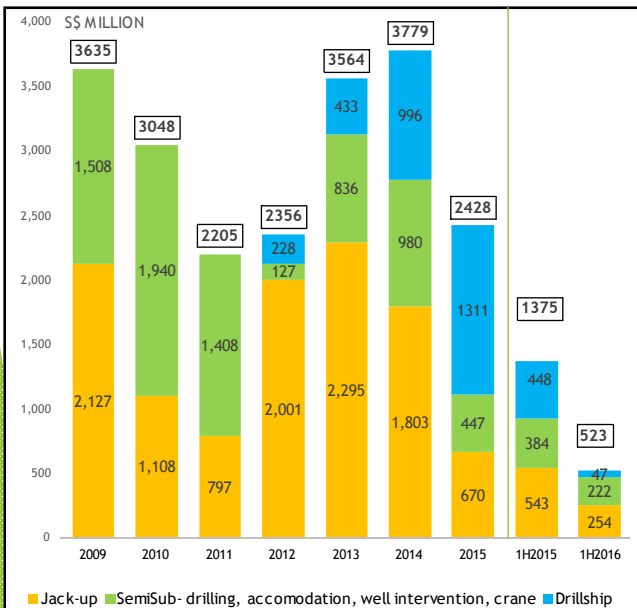
- Ship repair revenue declined 8% year on year to \$245 million on lower average revenue per vessel.



Year	1H 2016	1H 2015	% change
No. of vessels repaired	258	235	10
Average value per vessel (\$m)	0.95	1.13	(16)
Total repair revenue contribution (\$m)	245	266	(8)

Core Business: Rig Building

- Rig building revenue fell 62% yoy to S\$523 million in 1H 2016. Three deliveries made in 1H 2016.

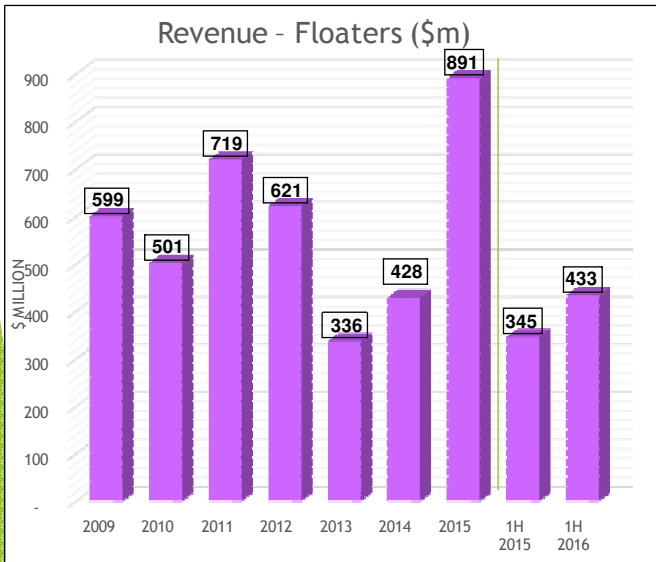


JACK-UP RIGS SCHEDULE	
No. of completed rigs YTD 2016	2
No. of projects in WIP stages	1
No. of projects technically completed stage	5

SEMI-SUBS & DRILLSHIPS SCHEDULE	
No. of projects delivered in 1H 2016	1
No of projects in WIP stage	12

Core Business: Floaters revenue robust

- Floaters revenue increased 26%yoy to \$433 million in 1H 2016
- FPSO Prof. John EA Mills recently delivered to Modec in 1Q 2016.
- 7 projects in work-in-progress stage.

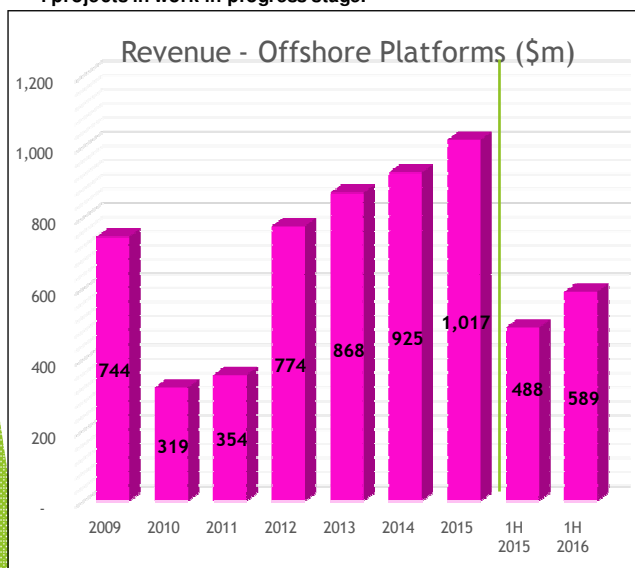


Offshore conversions	No. of projects	Brief description
No. of Projects recently delivered in 1H 2016	1	* FPSO Prof. John EA Mills to Modec for Ghana Ten field
No. of projects in the WIP		
Stage	6	* FSO Gina Krog * P68 FPSO for Petrobras * P71 FPSO for Petrobras * FPSO Norte - Kaombo (Olympia) * FPSO Libra * FPSO Sul - Kaombo (Antartica)
No. of projects in the Planning & Engineering stage	1	* FSO newbuild – Modec for Culzean field

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Core Business: Offshore Platforms sales in healthy uptrend

- Offshore Platforms revenue increased 21% year on year to \$589 million in 1H 2016
- 4 projects in work-in-progress stage.



Offshore Platforms	No. of projects	Brief description
Number of projects delivered in 1H 2016	1	* Ivar Aasen
Number of projects in the WIP stage	5	* Wheatstone * Siemens Dudgeon * Maersk Culzean topsides * Yamal LNG Batch 3/4/5 * Yamal PAU module

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CAPITAL, GEARING & ROE

Group (\$ million)	Jun-16	Jun-15	% change	Dec-15	% change
Shareholders' Funds	2,514	3,051	(18)	2,511	-
Net Debt	(3,013)	(1,655)	82	(2,751)	n.m.
Net Working Capital	1,917	1,268	51	1,220	57
Return on Equity (ROE) (%) (Annualised)	5.3	14.3	(63)	(10.6)	n.m.
ROE - exclude NOI (%) (Annualised)	5.2	14.3	(64)	(9.9)	n.m.
Net Asset Value (cents)	120.3	146.0	(18)	120.2	-
Return on Total Assets (ROTA) (%) (Annualised)	2.2	5.8	(62)	(2.9)	n.m.
ROTA - exclude NOI (%) (Annualised)	2.2	5.8	(62)	(2.7)	n.m.

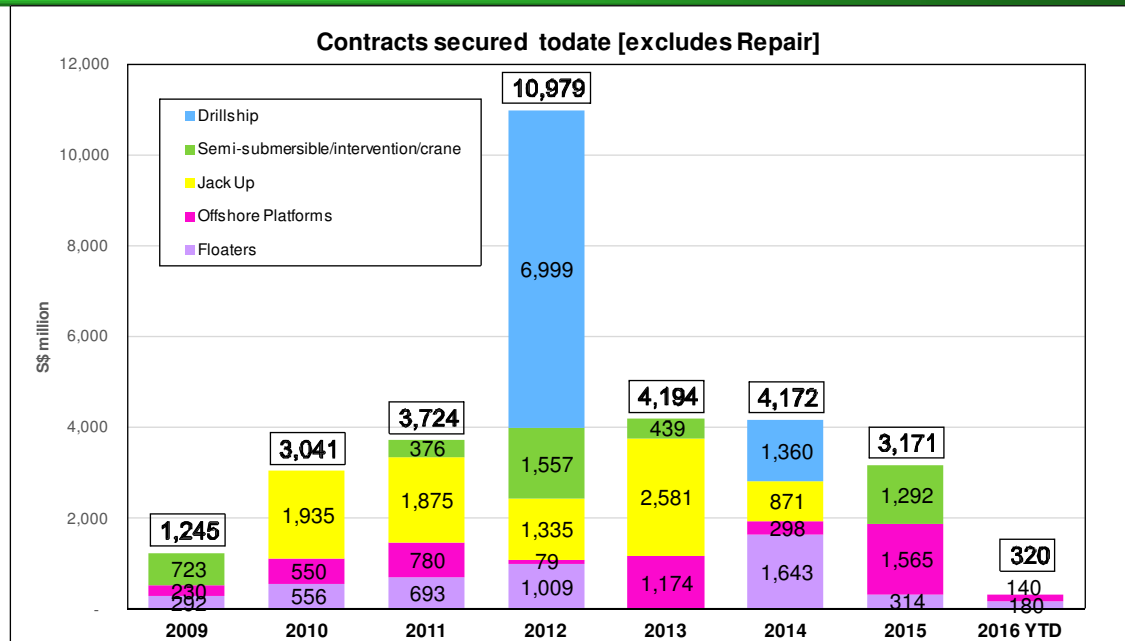
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CASHFLOW

Group (\$ million)	1H 2016	1H 2015	% change
Operating profit before working capital changes	175	372	(53)
Net cash outflow from operating activities	(43)	(408)	(89)
Net cash outflow from investing activities	(240)	(438)	(45)
Net cash inflow from financing activities	648	570	14
Cash & cash equivalents in balance sheets	968	806	20
Borrowings	(3,981)	(2,461)	62
Net Debt	(3,013)	(1,655)	82
Progress Billing > WIP	568	721	(21)

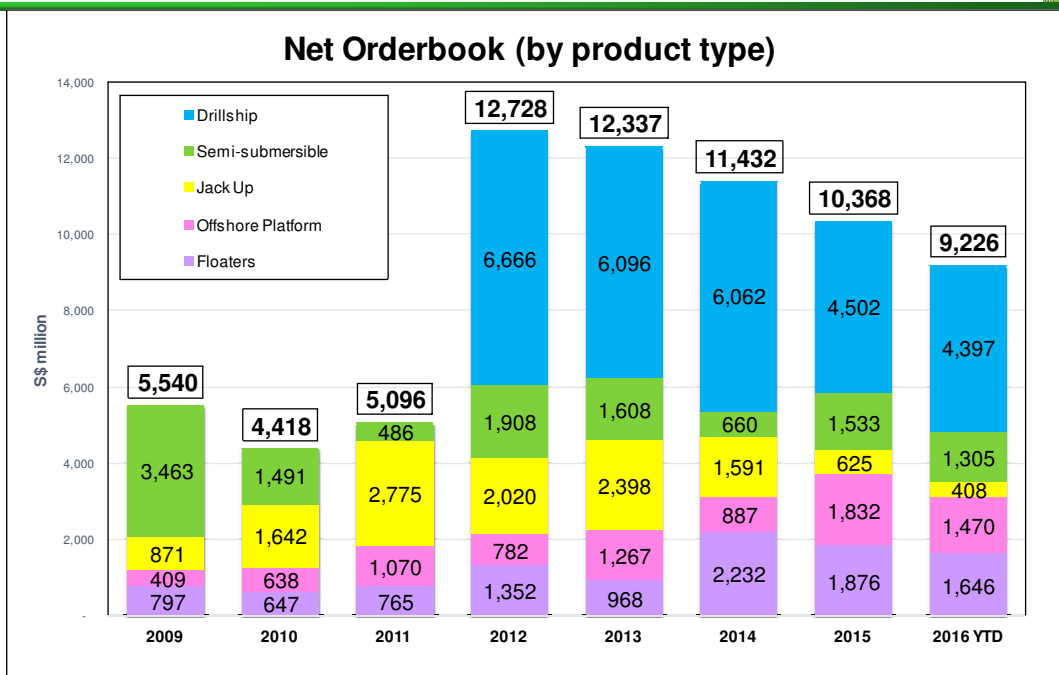
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New Contracts Secured by Product Type (\$320 million)

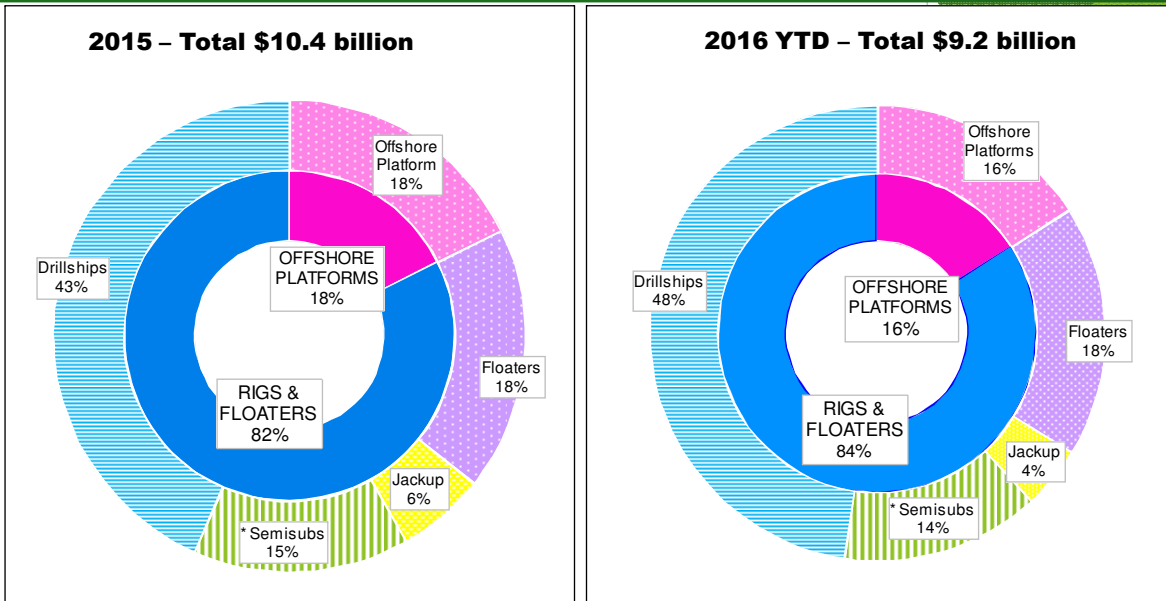


* Semisubmersibles include drilling, well intervention, accommodation and crane units

Net Order Book at \$9.2 billion



Net order backlog by division and product type



* Semisubmersibles include drilling, well intervention, accommodation and crane units

1H 2016 Results Appendix

1963 – 1969

1970 – 1975

1976 – 1994

1995 – 2000

2001 – 2005

2006 – 2014

Transformation for Growth



2015 & beyond...

OUR FOUR KEY CAPABILITIES

Through harnessing our globally-integrated design and execution capabilities, we provide turnkey solutions for complex projects.

Product Areas:

- FPSO, FDSO, FSO, FPU, FLNG, FSRU, MOPU conversions and newbuilds
- Drillships, semi-submersibles (drilling, accommodation and well-intervention), jack-up rigs, TLP and SPAR constructions



We assure customers with our on-time delivery, quality and exemplary HSE standards. We tackle the most sophisticated and complex projects.

Product Areas:

- Offshore platforms
 - Integrated and process
 - Production, riser and drilling
 - Wellhead, power generation, manifold and accommodation
- Wind-farm substations
- LNG modules



We design and build high-performance, specialised vessels. We meet and exceed specifications and requirements.

Product Areas:

- Accommodation and crane barges
- Offshore support vessels
- Harbour- and ocean-going tugs
- Dredgers
- Research/seismic/multi-purpose vessels
- Heavy lift pipelay vessels
- Carriers (container/heavy cargo/LPG/LNG)



We offer proactive and holistic solutions based on establishing deep relationships. We work across all types of vessel projects – from the routine to the most complex.

Product Areas:

- Repair, refurbishment, retrofitting, life extension and upgrading of vessels, marine and offshore structures and MODUs
- Jumboisation and de-jumboisation
- Ship-type conversion



Rigs and Floaters

- Construction of proprietary Pacific Class 400 jack-up rig
- Construction of Moen Maritime C160 MK II ultra-deepwater semi-submersible rig
- Conversion of tanker to an FPSO
- Proprietary design and construction of ultra-deepwater drisings
- Construction of Fracile & Suddon 20000V jack-up rig
- Construction of an accommodation semi-submersible rig
- Conversion of tanker to FPSO

Repairs & Upgrades

- Repair and upgrading of an accommodation semi-submersible rig
- Repair and upgrading of cruise ship
- Scrubber installation onboard a RoRo vessel
- Repair of crude oil tanker
- Repair works on container ship

Offshore Platforms

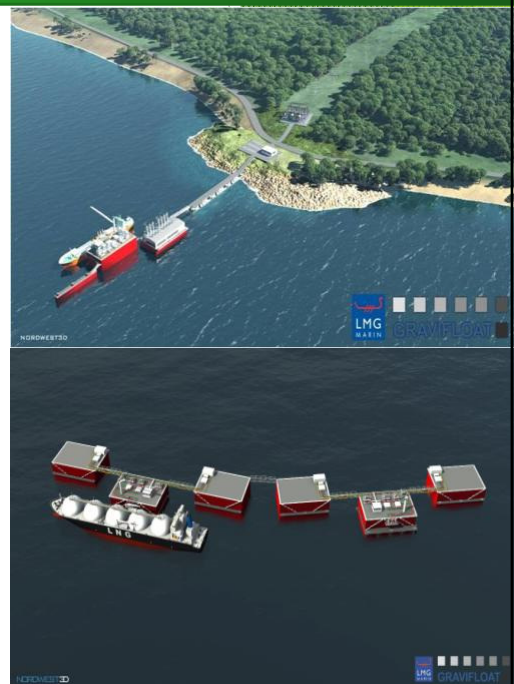
- EPC of central processing platform and wellhead platform
- EPC of North Sea-ready living quarters, flare and bridge
- Modularisation & integration of FPSO topside facilities
- EPC of accommodation, topside, jacket and bridge project
- EPC of North Sea-ready accommodation topsides, telecom centre, control tower, helideck and bridges

Specialised Shipbuilding

- Construction of proprietary 2,664 TEU containership
- Newbuild of a self-propelled DP-3 heavy lift pipelay vessel

Increased stake in Gravifloat to 56% after buying an additional 44% for US\$38 million

- Under the agreement, the Company will eventually increase its stake by a further 44% to 100% through an equity purchase at the same price.
- GraviFloat was formed to design, deliver and operate re-deployable, gravity-based, modularised LNG and LPG Terminals for installation in shallow waters.
- Incorporated in Norway in 2006 as a spin-off of LMG Marin (a marine & engineering and naval architecture company), GraviFloat is headquartered in Bergen.
- GraviFloat technology allows the LNG terminal to be fully built and completed at a shipyard and installed in shallow waters to facilitate direct ship loading of LNG.
- It offers a more cost effective solution compared with FSRU (floating, storage and regasification units) and land terminals, and can be designed for both liquefaction and receiving terminal services.



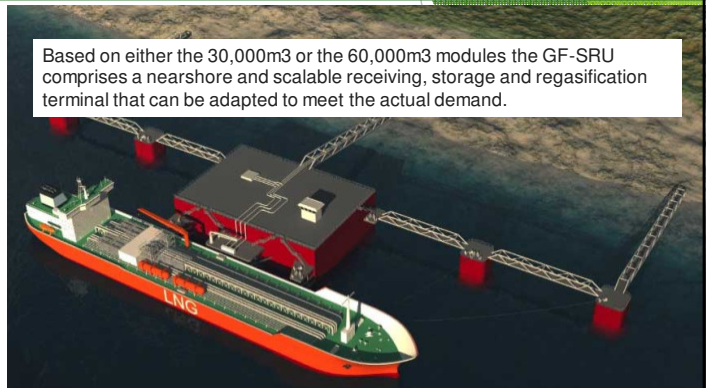
Growing non-drilling solutions - Gravifloat

The GF Design Platform can integrate with a variety of topsides to form a unit. Each unit can operate as a standalone platform, or be connected with other units, depending on type and scale required.

Various operations under the GF-Design: -

- GF-SRU – a storage and regassification unit
- GF-Power – a small scale LNG plant with CCGT plants, with integrated storage, regas and terminal functions
- GF-LNG – integrated LNG terminals, and liquefaction plant and LNG export terminal
- GF-Bunkering Terminal – storage for redistribution and/or bunkering

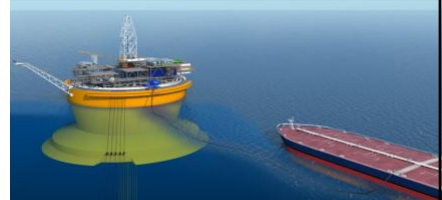
Based on either the 30,000m³ or the 60,000m³ modules the GF-SRU comprises a nearshore and scalable receiving, storage and regasification terminal that can be adapted to meet the actual demand.



Growing new technology solutions – SSP Offshore

Sembcorp Marine to offer new tech solutions using circular hull form with SSP Offshore

- The Group signed a sales & purchase agreement with SSP Offshore to acquire substantially all its business assets for US\$21 million.
- Key assets of SSP Offshore include its flagship SSP Floater technology – the next-generation circular hull form – and the company's entire portfolio of proprietary SSP® (Satellite Services Platform) solutions, including the *SSP Driller* for deep-water drilling, the *SSP Plus FPSO* for production and storage, and the *SSP Hub* for logistic hub applications.
- The acquisition of SSP Offshore assets is in line with the Group's strategy of diversifying its product offerings and expanding into new market segments to further grow its offshore and marine business.





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.