Company Registration Number: 196300098Z

PRESS RELEASE

Results for 1Q 2017

1Q 2017 net profit of $40 million

Key highlights:

For the 3 months to March 31, 2017,

- Revenue totalled $760 million.
- EBITDA of $61 million.
- Group net profit totalled $40 million.

Singapore, April 27, 2017: Sembcorp Marine posted Group revenue of $760 million for the three months ended March 31, 2017 compared with $918 million in revenue in 1Q 2016. Net profit achieved was $40 million for the first three months of FY 2017.

Turnover for Rigs & Floaters was $347 million for 1Q 2017, a 36% decline from the $540 million booked in the previous year due to lower revenue from drillships and other rigs. This was partially offset by revenue recognition from ongoing floater projects, and the completion and delivery of an FPSO vessel.

Offshore Platforms revenue increased 16% year-on-year to $302 million in 1Q 2017 from $261 million in 1Q 2016 on higher recognition of ongoing offshore platform projects and LNG topside modules.

Repairs & Upgrades revenue declined 9% year-on-year from $99 million in 1Q 2016 to $90 million in 1Q 2017. Fewer ships were repaired although average revenue per vessel has increased slightly from an improved vessel mix with more higher-value works.

Operating profit for 1Q 2017 decreased mainly due to lower contribution from rig building projects and costs incurred for a floater project which is pending finalisation with the customer.

Net profit for 1Q 2017 totalled $40 million, compared with 1Q 2016 net profit of $55 million. The Group booked a gain of $47 million from the divestment of its 30% stake in Cosco Shipyard Group Co., Ltd, which was completed in January 2017.

Financial Highlights

Period ($ million)	1Q 2017	1Q 2016	% change
Turnover	760.1	918.4	(17)
Gross Profit	19.9	80.6	(75)
EBITDA	60.6	106.4	(43)
Operating Profit	13.6	71.7	(81)
Profit before tax	36.8	68.3	(46)
Net Profit	39.5	54.8	(28)
EPS (basic) (cts)	1.89	2.63	(28)
NAV (cts)	124.12	*122.62	
* as at 31 December 2016			

Balance Sheet and Cash Flow

Net debt increased marginally during the quarter, with net debt to equity at 1.18 times at end of 1Q 2017 compared with 1.13 times at end FY2016. Cash used in operations for 1Q 2017 was $69 million mainly for working capital for ongoing projects. Net cash used in investing activities was $53 million for capital expenditure for Phase 2 of our Tuas Boulevard Yard and Estaleiro Jurong Aracruz (Brazil) Yard.

Outlook

Oil prices appear to have stabilised. Global exploration and production spending is expected to increase in 2017, compared to the last two years.

Enquiries for non-drilling solutions continue to be encouraging. We are cautiously optimistic of new orders for production facilities in the next few years.

Customer interest in our broad-based LNG solutions and capabilities remains strong, as global demand for gas is on the rise. We are making steady progress in the development and commercialisation of our Gravifloat technology for near-shore gas infrastructure solutions. However, it will take time for such efforts to translate into orders.

Sembcorp Marine's strategy and focus remain anchored on strengthening and optimising our talent pool; pursuing operational excellence in executing our projects; investing in new capabilities, products and technological innovation to help grow our order book; and prudently managing our financial resources to preserve financial flexibility and ensure overall sustainability of our business.

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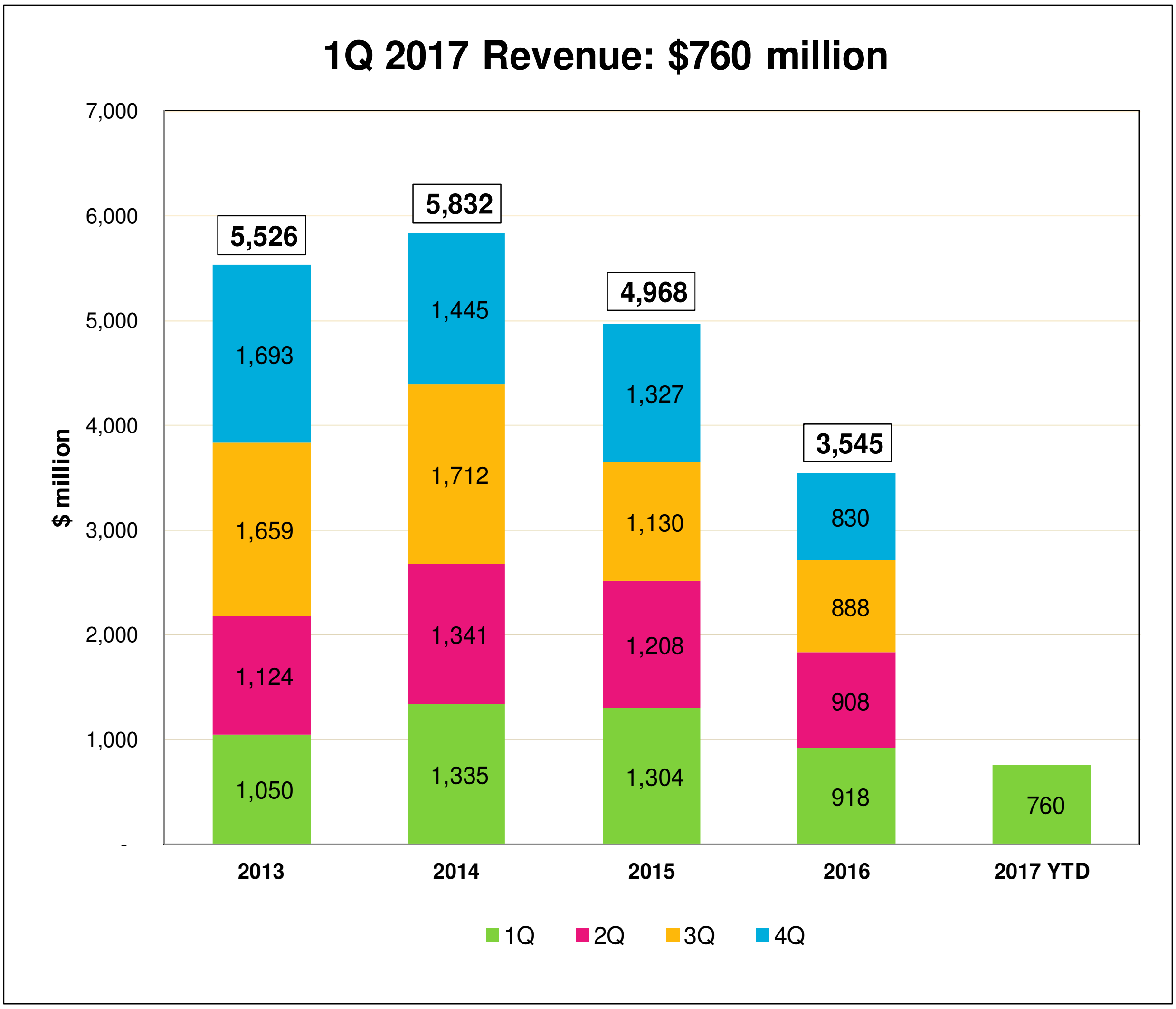
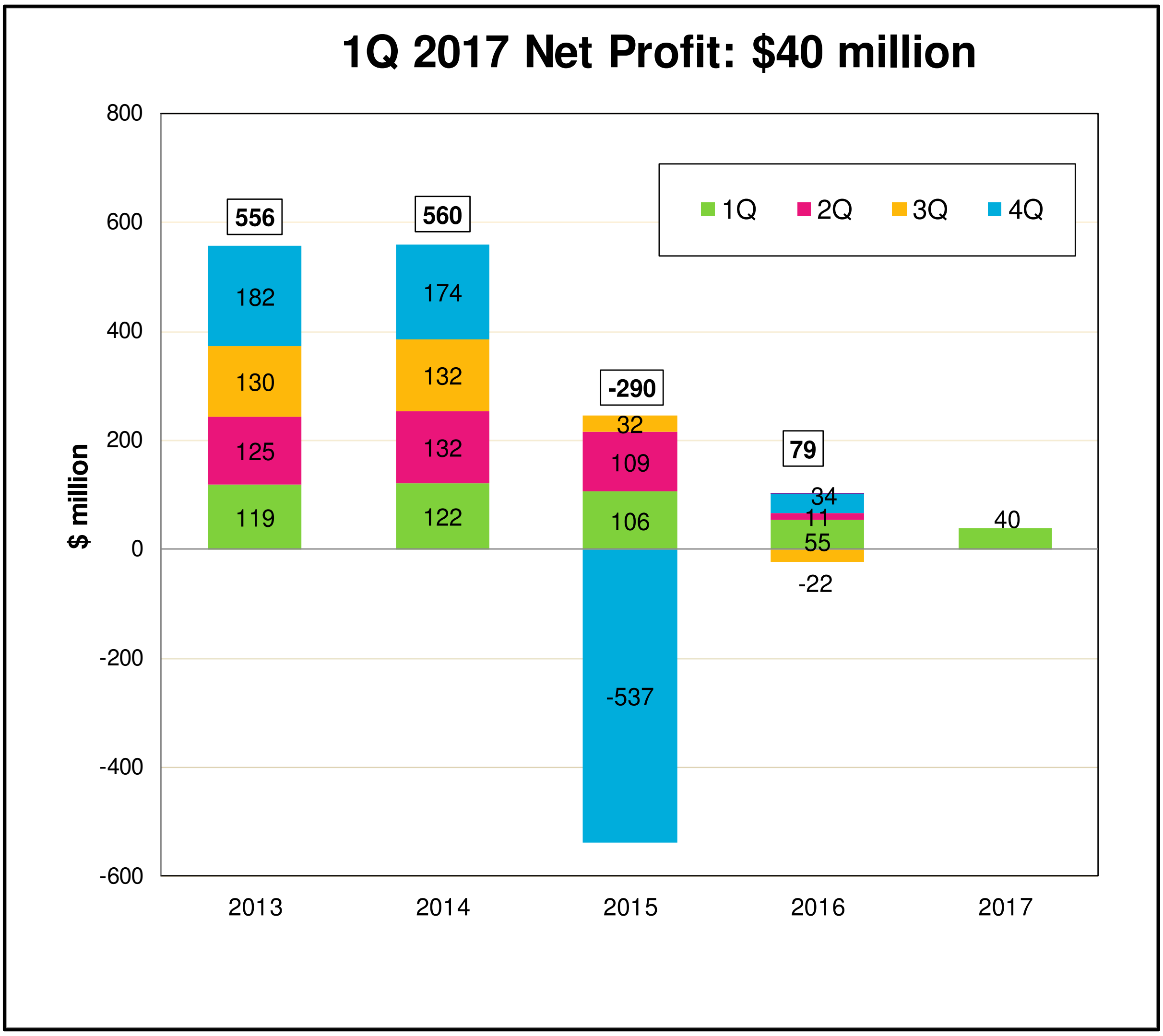
Appendix

QUARTERLY TURNOVER (FY 2013 TO 1Q 2017)



- Group turnover declined 17% year-on-year to $760 million in 1Q 2017 from $918 million in 1Q 2016.
- Lower revenue recognition from Rig building projects.
- Higher revenue recognition from Offshore Platforms and semi-submersible crane projects.
- Lower number of vessels repaired but average revenue per vessel improved marginally on better vessel mix.

QUARTERLY NET PROFIT/LOSS (FY 2013 TO 1Q 2017)



- 1Q 2017 Net profit was $40 million, including non-operating gain of $46.8 million from the sale of an associate, Cosco Shipyard Group Co., Ltd, with the sale completed in January 2017.

CASHFLOW

Group ($ million)	1Q 2017	1Q 2016	% change
Operating profit before working capital changes	61	84	(27)
Cash used in operations	(69)	(59)	18
Net cash used in operating activities	(87)	(73)	19
Net cash used in investing activities	(53)	(149)	(64)
Net cash generated from financing activities	157	572	(73)
Net increase in cash & cash equivalents	18	351	(95)
Cash & cash equivalents in balance sheets	1,219	955	28
Borrowings	(4,345)	(3,902)	11
Net Debt	(3,126)	(2,947)	6
Progress Billing > WIP	165	336	(51)

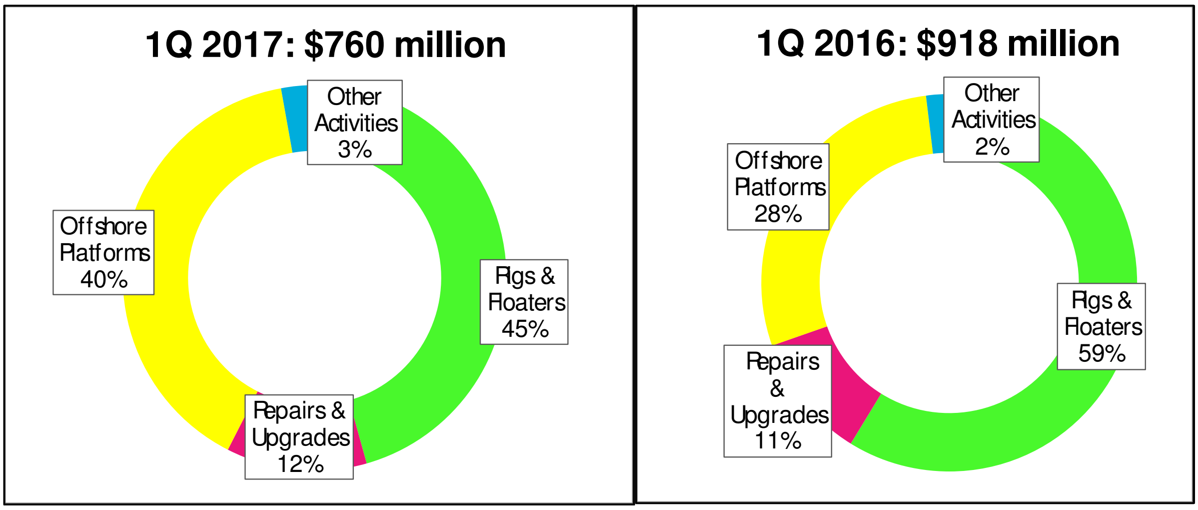
- Operating profit before working capital changes was $61 million.
- Cash used in operations was $69 million mainly for working capital for ongoing projects. Net cash used in investing activities was $53 million on expansion and operational expenditure for Phase II of our Tuas Boulevard Yard and for our Estaleiro Jurong Aracruz Yard in Brazil.
- Progress billings, in excess of work in progress, stand at $165 million.

CAPITAL, GEARING AND ROE

Group ($ million)	Mar-17	Dec-16	% change
Shareholders' Funds	2,594	2,562	1
Net Debt	3,126	2,938	6
Net Working Capital	1,325	1,270	4
Return on Equity (ROE) (%) - annualised	6.1	3.1	97
Net Asset Value (cents)	124.1	122.6	1
Return on Total Assets (ROTA) (%) - annualised	2.7	1.8	50

REVENUE CONTRIBUTIONS BY SECTORS (1Q 2017 vs 1Q 2016)

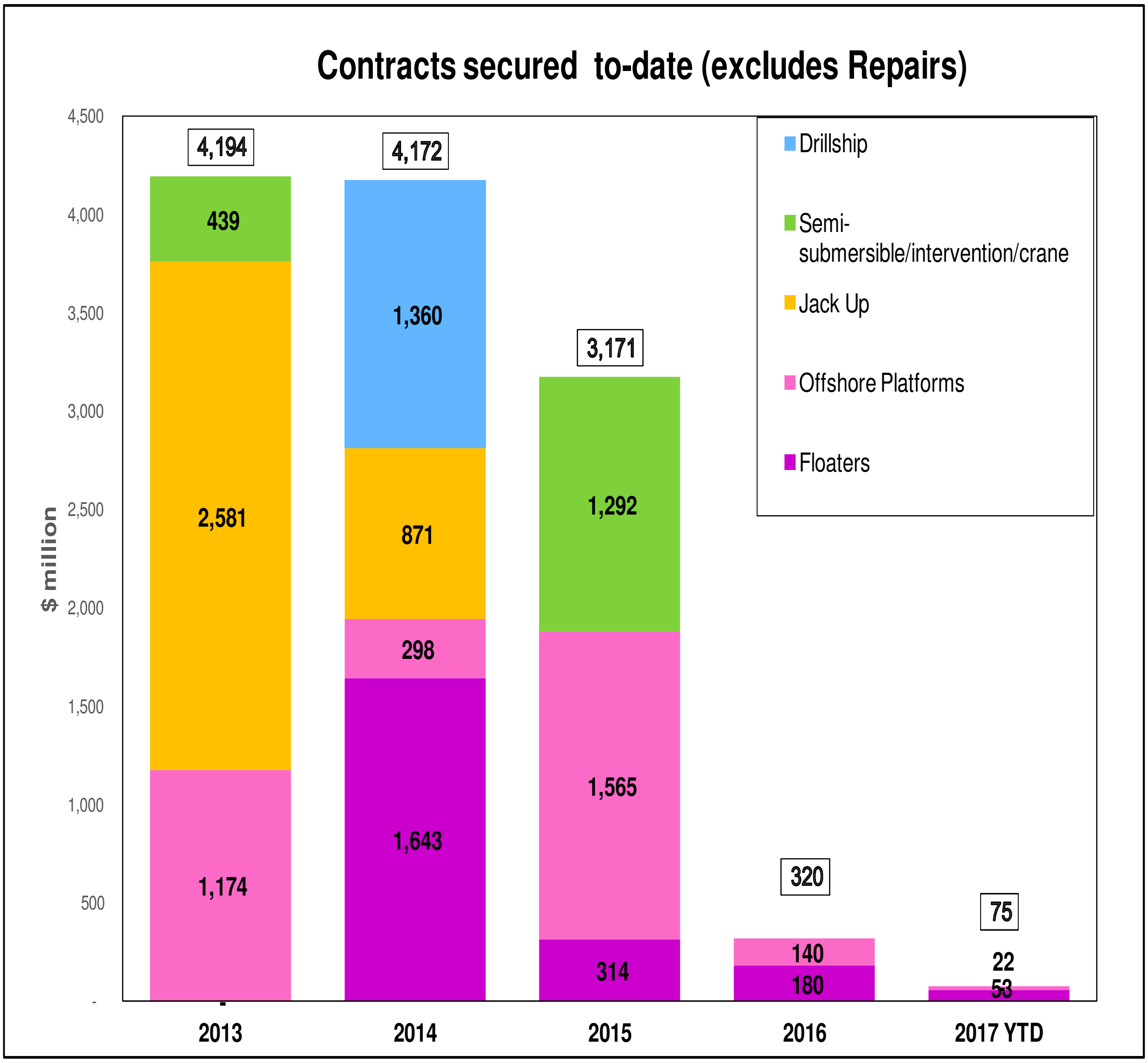
By Value & Percentage Contributions



Turnover ($ million)	**1Q 2017**	**1Q 2016**	**% change**
Rigs & Floaters	347	540	(36)
Repairs & Upgrades	90	99	(9)
Offshore Platforms	302	261	16
Other Activities	21	18	18
TOTAL	**760**	**918**	(17)

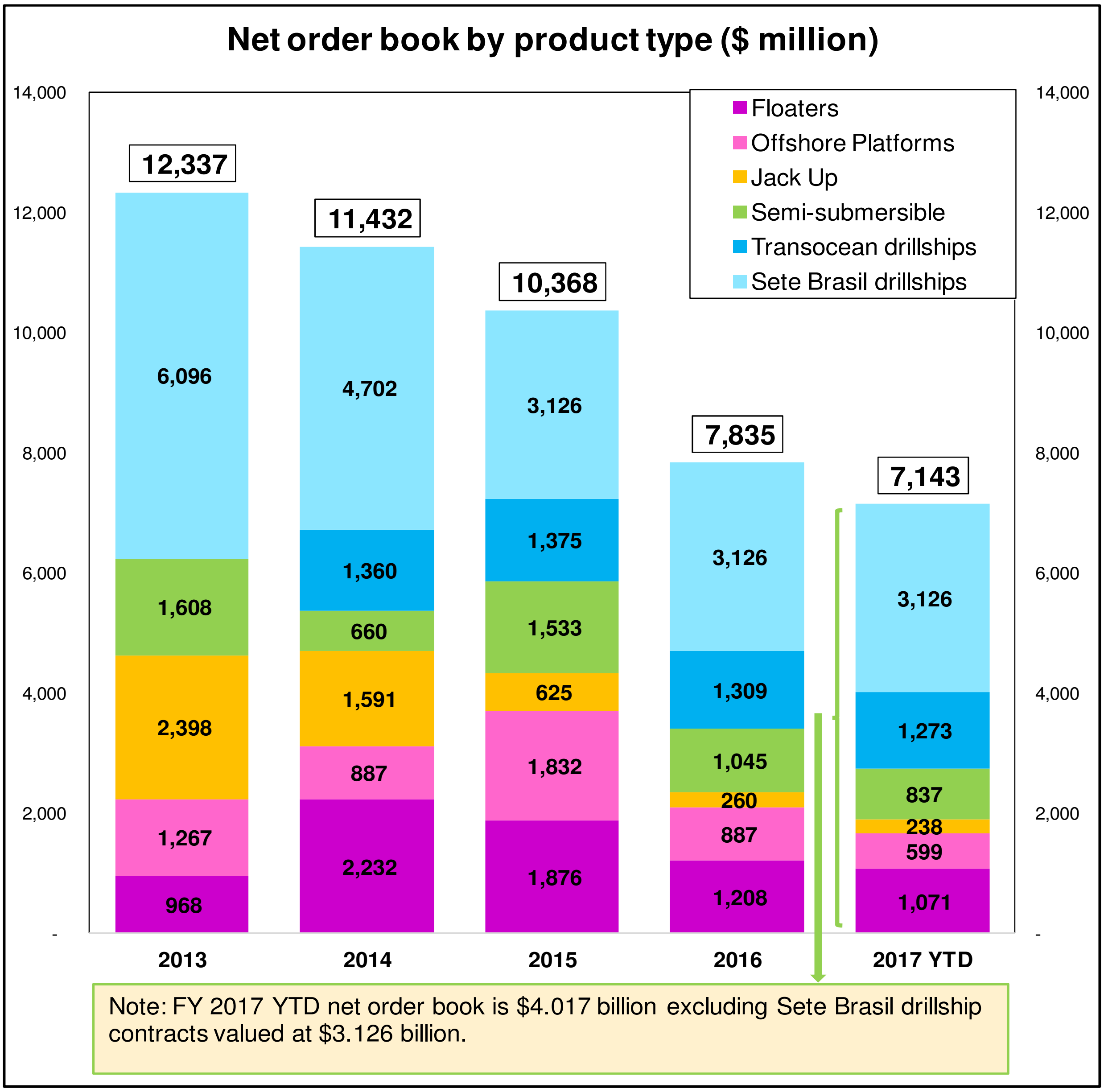
- Rigs & Floaters was the largest segment, accounting for 45% of total revenue followed by Offshore Platforms at 40%, Repair & Upgrades at 12% and others at 3%.
- 1Q 2017 Rigs & Floaters revenue declined 36% year-on-year to $347 million due to lower project recognition and deliveries. Customers' delivery deferment requests also led to lower revenue recognition during the quarter.
- Offshore Platforms revenue increased 16% year-on-year to $302 million due to achievement of scheduled progress milestones.
- Repairs & Upgrades declined 9% year-on-year to $90 million. While the number of vessels repaired was lower, revenue per vessel improved slightly on better vessel mix.

CONTRACTS SECURED BY YEAR



Secured $75 million in contracts in Offshore Platforms and Floaters segments in 1Q 2017.

NET ORDER BOOK



- Net order book as at 1Q 2017 stands at $7.14 billion with deliveries and completion stretching till 2020.

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.