



Company Registration Number: 196300098Z

Sembcorp Marine signs Agreements to sell nine Jackup Drilling Rigs to Borr Drilling

Singapore, October 6, 2017: Sembcorp Marine Ltd (“the Company”) is pleased to announce that its wholly-owned subsidiary PPL Shipyard Pte Ltd (“PPLS”) has signed agreements for the sale of nine Pacific Class 400 jackup drilling rigs (“Rigs”) to Borr Drilling Limited and its subsidiaries (collectively “Borr Drilling”) at an aggregate consideration of approximately US\$1.3 billion (S\$1.77 billion), plus a market-based fee (“Market Fee”) calculated based on an uplift in value of the rigs sold (“Agreements”).

Under the terms of the Agreements, which is subject to conditions precedent being met by both parties, Borr Drilling will take delivery of the nine jackup rigs progressively over a 14-month period, from 4Q 2017 to 1Q 2019. Borr Drilling will make an upfront down payment of about US\$500 million. The balance amount of approximately US\$800 million (“Balance Amount”) will be paid at any time within five years from the respective delivery dates of the Rigs. Borr Drilling will pay interest at market rates from the respective delivery dates of the Rigs to full payment of the Balance Amount. The Balance Amount and all interest payable will be secured by a first priority mortgage over the Rigs and a corporate guarantee from Borr Drilling Limited.

The nine rigs sold include all six rigs from contracts which PPLS had earlier terminated with its original customers, and three rigs presently under various stages of construction completion. The sale demonstrates the quality and ability of PPLS’s high-specification jackup rigs to attract demand despite challenging market conditions.

Excluding all interest and Market Fee payable by Borr Drilling, the transaction for the sale of the nine jackup rigs will collectively result in a loss of approximately S\$15 million. Had this transaction occurred in the financial year ended 31 December 2016, it would have the effect of reducing the Company’s 2016 earnings per share by S\$0.0072, but would not have any material impact on the net tangible assets of the Company for the financial year ended 31 December 2016.

The above transaction will significantly improve the liquidity position of the Company and help strengthen its ability to offer quality solutions to customers, ride through the current cycle trough and be well-positioned for the industry’s recovery.

For further information, please contact:

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About Sembcorp Marine

Sembcorp Marine provides innovative engineering solutions to the global offshore, marine and energy industries, drawing upon more than 50 years of track record. We focus on four key capabilities, namely, Rigs & Floaters; Repairs & Upgrades; Offshore Platforms; and Specialised Shipbuilding.

Our customers include major oil companies, drilling contractors, shipping companies as well as owners and operators of floating production units.

We operate shipyards strategically located in Singapore, Indonesia, the United Kingdom and Brazil.

Discover more at www.sembmarine.com.

About Borr Drilling

Borr Drilling is an international drilling contractor that owns and operates jack-up rigs of modern and high-specification designs. We provide drilling services to the oil and gas exploration and production industry worldwide in water depths up to approximately 400 feet. With a low cost base, a strong and experienced organisational culture, combined with a unique capital structure, Borr Drilling is built to make a difference.

Additional information about Borr Drilling can be found at www.borrdrilling.com.