

UPDATE ON CONTRACTUAL DISPUTE WITH MARCO POLO

Singapore, 13 November 2017: Sembcorp Marine refers to the announcement it made on 1 December 2015 that its subsidiary PPL Shipyard Pte Ltd (“**PPLS**”) had on 1 December 2015 served a termination notice on Marco Polo Drilling (I) Pte Ltd (“**MPD**”) terminating the contract.

Sembcorp Marine further refers to its announcement made on 7 April 2016 in respect of the arbitration proceedings between its subsidiary PPLS, MPD and Marco Polo Marine Ltd (“**MPM**”) in respect of the aforesaid termination of the contract.

Sembcorp Marine wishes to inform that MPM, MPD and PPLS have entered into a settlement agreement on a without admission of fault or liability basis on the terms that a Consent Award be entered into in favour of PPLS for the whole of PPLS’s claim and interest in the arbitration proceedings, and with MPM and MPD withdrawing their own respective claims.

The matter is not expected to have any material impact on the net tangible assets and earnings per share of Sembcorp Marine for the year ending 31 December, 2017.

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

Discover more at www.sembmarine.com.