



**sembcorp
marine**

Company Registration Number: 196300098Z

SEMBCORP MARINE SIGNS AGREEMENT TO SELL WEST RIGEL

Singapore, December 26, 2017: Sembcorp Marine Ltd (“the Company”) is pleased to announce that its wholly-owned subsidiary Jurong Shipyard Pte Ltd (“JSPL”) has signed an agreement for the sale of the semi-submersible rig West Rigel (“Rig”) to a buyer at a price of US\$500 million (“Sale”).

Under the terms of the agreement, the Sale is subject to conditions precedent being met by both parties before the delivery of the Rig and the payment of the price. Once the conditions precedent are fulfilled, the buyer will take delivery of the Rig but the Rig will remain in the Company’s yard for certain works to be undertaken for reactivation.

West Rigel was originally contracted by North Atlantic Rigel Ltd (“NARL”), a subsidiary of North Atlantic Drilling Ltd (“NADL”) and Seadrill Ltd. Both Seadrill Ltd and NADL have applied for restructuring under Chapter 11 in the United States.

NARL and JSPL entered into a standstill agreement in December 2015, and have extended the agreement to July 2018. During the standstill period, NARL was to market the Rig for an acceptable drilling contract and JSPL for the sale of the Rig at an acceptable price. The Rig was to remain at the JSPL yard in Singapore during this period. In the event that no employment is secured and no alternative transaction is completed when the standstill period concludes, the parties were to form a Joint Asset Holding Company for joint ownership of the Rig.

If the above Sale materialises, it will result in a loss of approximately S\$24 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\$0.012 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, when completed, will further improve the liquidity position of the Company.

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

Discover more at www.sembmarine.com.