



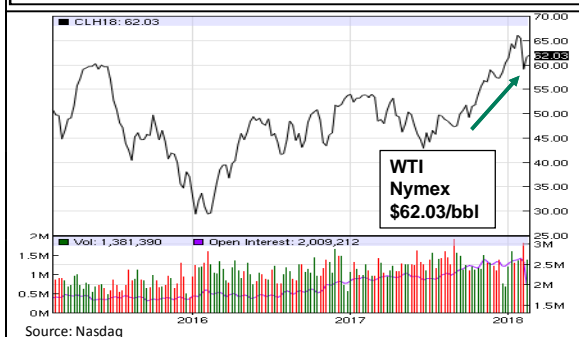
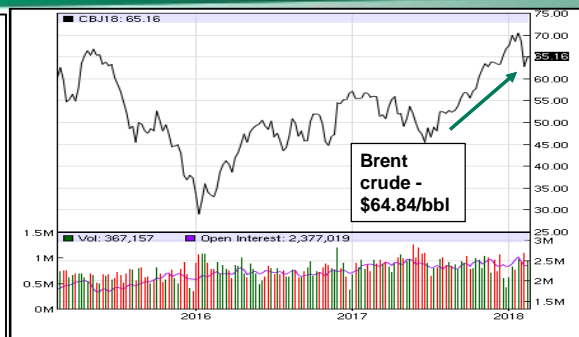
AGENDA

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

CEO ADDRESS

- ❖ Macro Environment update
- ❖ Financial performance for 4Q/ FY 2017
- ❖ Operations Review
- ❖ Outlook and Prospects

- ❖ Global economic growth outlook improving, increased investments and consumption demand, pickup in manufacturing and trade, rising consumer and business confidence.
- ❖ Risk to the momentum remain, in particular, tightening of global interest rates.
- ❖ Global exploration & production (E&P) capex spending show signs of improvement. Oil majors continue to adjust to lower oil prices.
- ❖ Offshore rigs utilization and day rates generally stabilized at current lower levels. Broad based recovery will take some time.
- ❖ Prudent and proactive decisions made over the last few years have helped the Group ride these challenges in 2017.



Source: Nasdaq

- ❖ While the offshore oil and gas industry has begun to show signs of improvement, new order flow remained weak, while competition within the sector intensified.
- ❖ Despite difficult operating conditions, Sembcorp Marine remained profitable in FY2017.
- ❖ Net gearing improved with monetization of rig inventory.
- ❖ Key Highlights for FY 2017:
 - Total revenue of \$2.39 billion.
 - Net Profit was \$14 million.
 - Operating cash flow generated was \$144 million.
 - Net gearing was 1.11 times, a decrease from 1.31 times at end Sept 2017.
 - Final dividend per share of 1.0 cent. Including interim dividend of 1.0 cent, total dividend is 2.0 cents.

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- ❖ On October 9, 2017, we announced the sale of nine Pacific Class 400 jack-up drilling rigs to Borr Drilling and its subsidiaries.
- ❖ The nine jack-up rigs were sold for about US\$1.3 billion, plus a market based fee calculated based on an uplift in value of rigs sold.
- ❖ Borr Drilling will take delivery of the rigs progressively and has made an upfront payment of about US\$500 million. The balance of US\$800 million paid at any time within five years from the respective rig delivery dates.
- ❖ On December 26, 2017, we announced an agreement for the sale of semi-submersible rig West Rigel to a buyer for US\$500 million. Under the terms of the agreement, the buyer will take delivery of the rig once conditions precedent are fulfilled by both parties.
- ❖ The sale of these 10 rigs, despite challenging market conditions is a testament to the market's confidence in the quality and capabilities of our premium, high spec drilling units.
- ❖ Transaction will significantly improve our cash flows and liquidity position; further strengthen our balance sheet and ability to tap on more opportunities as the industry recovers.

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FPSO Pioneiro de Libra



Project: Conversion of shuttle tanker to an FPSO, including detailed engineering, installation and integration of topside modules, installation of external turret and power generation, accommodation upgrading as well as extensive piping and electrical cabling works

Customer: OOGTK Libra GmbH & Co KG, joint venture between Odebrecht Oil & Gas and Teekay Offshore

Delivery: 1Q 2017

Operation: Libra field, Santos Basin, Brazil

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Randgrid FSO

Project: Conversion of shuttle tanker into an FSO, including fabrication and installation of new living quarters, hull reinforcements, refurbishment of submersible turret loading (STL) compartment, installation of new helideck, offshore crane, loading hose reel package and azimuth thruster, replacement of two generators, as well as piping and cabling works.

Customer: Teekay

Delivery: 2Q 2017

Operation: Gina Krog Field, Norwegian North Sea, on charter by Statoil



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Pacific Class 400 premium jack-up rigs delivered to Borr Drilling



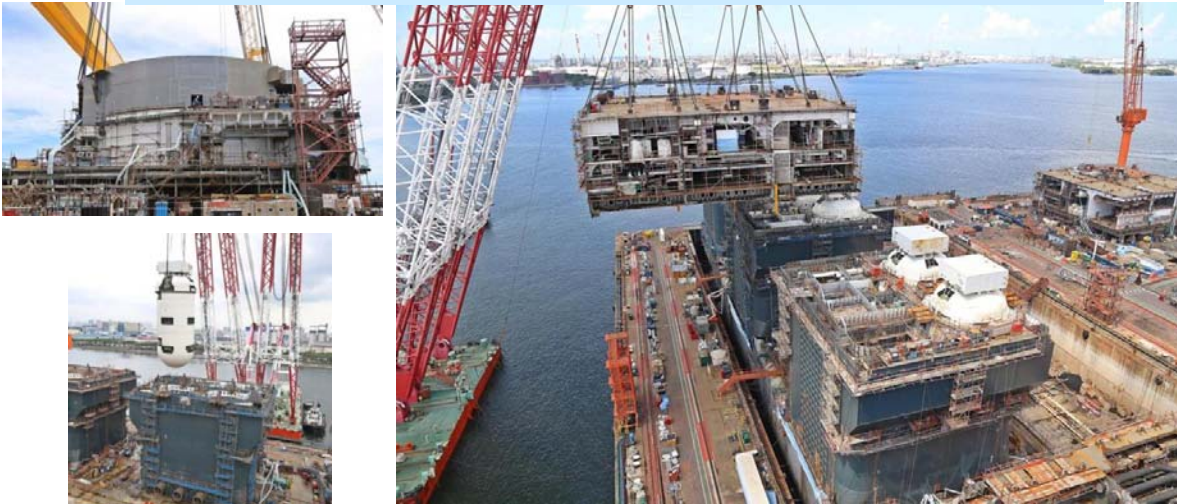
Customer: Borr Drilling

Delivery: 4Q 2017, 1Q 2018

Contract: Sale of 9 Pacific Class 400 premium jack-up rigs to Borr Drilling

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Heerema Semi-submersible Crane Vessel – in October 2017



Project: Engineering and construction of a newbuild semi-submersible crane vessel

Customer: Heerema Offshore Services B.V.

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Heerema Semi-submersible Crane Vessel – in end-4Q 2017



Project: Engineering and construction of a newbuild semi-submersible crane vessel
Customer: Heerema Offshore Services B.V.

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Maersk Culzean FSO Newbuild – in 4Q 2017



Project: Turnkey FSO newbuilding comprising engineering, procurement, construction and commissioning, including installation and integration of turret and topside modules
Customer: MODEC
Operation: Maersk Oil's Culzean field, UK North Sea

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Maersk Culzean Platform EPC Project



Project: Engineering, procurement, construction and onshore pre-commissioning of Central Processing Facility plus 2 connecting bridges, Wellhead Platform and Utilities & Living Quarters Platform Topsides
Customer: Maersk Oil North Sea UK
Operation: Culzean field, UK North Sea

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Central Processing Platform + GCM



Utilities & Living Quarter



Wellhead Head Platform

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REPAIRS & UPGRADES



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REPAIRS & UPGRADES



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- ❖ **Good progress being made for ongoing projects in our order book. These include :**
 - **Engineering & construction of world’s largest semi-submersible crane vessel for Heerema;**
 - **Design & Construction of MODEC’s newbuild harsh environment Floating Storage and Offloading (FSO) vessel for deployment at the Culzean field in the UK North Sea;**
 - **Engineering, Procurement and Construction (EPC) of Maersk Oil’s Central Processing Facility, Wellhead Platform and Utilities & Living quarters platform for the Culzean field;**
 - **Conversion of FPSO Kaombo Norte and FPSO Kaombo Sul for Saipem to be located offshore Angola.**

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- ❖ **Construction of two high-spec ultra-deepwater drillships for Transocean based on Sembcorp Marine’s proprietary Jurong Espadon III drillship design.**
- ❖ **Four newbuild Pacific Class 400 jack-up rigs under construction for delivery to Borr Drilling (3 units) and BOT Lease Co., Ltd (1 unit).**
- ❖ **Ongoing projects at our overseas yards include :**
 - **Construction of a power generation module and other infrastructure (part of our EPC project with Maersk Oil) at our SLP yard in the UK;**
 - **Hull carry over works as well as topside modules construction and integration for the FPSO P-68 Tupi Project at our EJA Brazil yard.**

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- ❖ Repairs & Upgrades performed a total of 390 dry-dockings, repairs and upgrades in FY 2017. Revenue per vessel improved due to better vessel mix and more high value works.
 - A total of 16 cruise ship refits were completed in 2017, including the completion of the Star Legend from Star Cruises in December. Forged exclusive Favoured Customer Contract (FCC) partnerships with Carnival Corp and Royal Caribbean Cruises – the world’s top two cruise companies as well as Star Cruises, Asia’s leading cruise line.
 - In LNG repairs, Sembcorp Marine tops global list with total of 34 LNG ships repaired and upgraded in 2017. Enhanced and broadened LNG engineering solutions, repair and upgrade capabilities and facilities to provide holistic solutions to LNG owners and managers.
 - Completed 11 ballast water treatment systems installation and retrofits in 2017 for various owners. Despite the deferment of the Ballast Water Management Convention to 2019, there remains an ongoing requirement for the installation of ballast water treatment systems by IMO for newbuilds and under US Coast Guard for vessels navigating through US waters.

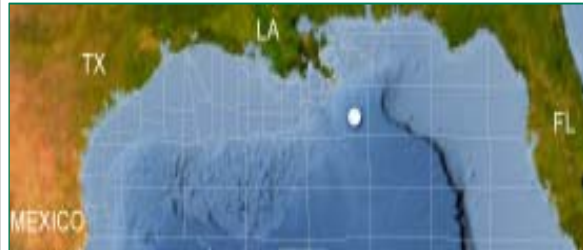
- ❖ Discussions ongoing between Sete Brasil and its creditors on its judicial recovery plan.
- ❖ We are following the developments closely and will continue to engage Sete Brasil as necessary to advance the restructuring plan.
- ❖ We believe that the \$329 million provisions made in FY 2015 for the Sete Brasil contracts remain sufficient under present circumstances.

- ❖ On December 6, 2017 we announced the award of a US\$490 million contract from Statoil Petroleum AS for the turnkey Engineering, Procurement and Construction of Hull and Living Quarters for a newbuild FPSO.
- ❖ Scheduled for completion in 1Q 2020, the FPSO will be deployed at the Johan Castberg field development in the Barents Sea, offshore Hammerfest, Norway.
- ❖ With a hull of approximately 55m wide and 295m long, the FPSO will be self-contained for harsh-environment operation, with living quarters accommodating up to 140 personnel.



- ❖ On December 5, 2017 we signed a letter of intent with Shell Offshore Inc. for the construction of the hull and topside, and the integration of the Vito floating production unit (FPU).
- ❖ Comprising a single topside module supported by a four column semisubmersible floating hull, the Vito FPU is designed with throughput capacity of 100,000 bpd of oil and 100 MMSCFD of gas.
- ❖ If the project moves forward, the Vito FPU will be a new facility located at the Vito field in the Mississippi Canyon, in water depths of 4,050 ft.
- ❖ Final contract award depends on Shell and its partners sanctioning the project.

Vito Oil /Gas Field Location & Discovery details:



Field Name	Vito
Discovery Date	Jul-09
Block	Mississippi Canyon 984, 985, 940
Reserve Type	Oil/Gas
Current Status	Discovery (Appraised)
Production Start	FID pending
Water Depth	1,282 m / 4,231 ft

- ❖ We have also signed an LOI with US-based SeaOne Caribbean (SeaOne) in 3Q 2017 for the design and construction of at least two large Compressed Gas Liquid carriers. FEED studies are currently in progress.
- ❖ We continue to make steady progress in the development of projects for our proprietary Gravifloat technologies for a range of near-shore gas infrastructure solutions, including liquefaction, regasification, storage and power generation.
- ❖ We are hopeful that our advanced discussions with several potential customers on the Gravifloat solution will translate to initial orders.
- ❖ Developed a suite of green solutions for the shipping industry. For eg. Our award winning Semb-Eco LUV Ballast Water Management System.
- ❖ These projects demonstrate our capabilities to provide a broad spectrum of innovative solutions to serve the gas value chain and chart new frontiers in green and sustainable solutions.

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- ❖ The sale of the nine jack-up rigs to Borr Drilling contributed a total of \$1.77 billion to our orderbook for year 2017. With the US\$490 million Statoil FPSO project and another \$270 million in new orders for non-drilling solutions (which includes US\$145 million hull carry over works awarded by Petrobras), total orders secured in 2017 was \$2.74 billion.
- ❖ With deliveries till 2020, our net order book currently stands at \$7.58 billion. Excluding Sete Brasil projects, net order book totals \$4.45 billion.
- ❖ Enquiries for projects in the floaters, production platform, gas solutions and specialized shipbuilding segments continue to be active. We are actively responding to the queries and tenders and pursuing various project leads to further grow our order book.

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- ❖ To ensure long-term competitiveness, Sembcorp Marine has embarked on several partnerships to leverage on innovation for sustainable growth.
- ❖ We have forged joint industry collaborations with DNV GL, A*STAR's Singapore Institute of Manufacturing (SIMTech) and National Additive Manufacturing Innovation Centre (NAMIC) to develop disruptive applications that could revolutionise solutions for Singapore's offshore and marine sector and boost global competitiveness.
- ❖ To be test-bedded at our Tuas Boulevard Yard, these innovation projects involve: Researching Laser Aided Additive Manufacturing technology; Developing close-up ship structure inspection by drones; Investigating use of Digital Twin technology to create a digital replica for ship design.
- ❖ These collaborations augment our Tuas Boulevard Yard as a living lab for incubating and verifying smart, sustainable and disruptive applications.

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- ❖ Partnered SP Group to jointly develop a smart renewable energy-based Digital Energy-saving System ("DES") for our Tuas Boulevard Yard.
- ❖ The DES will harness solar energy through the installation of solar panels on the rooftop of our steel fabrication facility. At more than 120,000 sqm, it will be Southeast Asia's largest single solar rooftop for a shipyard. The DES will also feature energy storage capabilities, energy sensors and a real-time digital platform to optimise energy usage throughout the Yard.
- ❖ When fully implemented, output from our steel fabrication facility will be powered at least 30% by renewable energy. This will help contribute to our environmental sustainability goals and that of our customers.
- ❖ In recognition of Sembcorp Marine's commitment towards sustainability and corporate, social responsibility, the Group was accorded the prestigious Sustainable Business Award (Multinational Corporation category) by Global Compact Network Singapore at the Singapore Apex Corporate Sustainability Awards 2017.

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- ❖ During 2017, we continued to implement cost-management strategies to enhance productivity and optimise our headcount.
- ❖ These include reduction in manpower cost through wage cuts and wage freeze, productivity improvement measures to enhance competitiveness, and right sizing, re-training and re-organizing our employees to cater to changes in our product mix, especially in non-drilling solutions and the gas value chain.
- ❖ For 2018, we will focus on re-skilling and up-skilling our workforce, including selective recruitment of specialist talents to position the Group for new opportunities, diversification and growth.

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- ❖ Completed Phase II of Tuas Boulevard Yard in 1Q 2017. Equipped with berthing and docking facilities for mega-sized vessels and deep-draft rigs as well as one of the largest and most advanced steel fabrication facilities in the region, TBY has enabled us to unlock fresh opportunities and ensure long-term competitiveness.
- ❖ With our enhanced capabilities and enlarged capacity, we are able to venture into turnkey Engineering, Procurement, Construction of mega offshore projects and forge new frontiers across the offshore & marine, & energy value chain.
- ❖ Our ongoing plans to progressively return our older yard facilities and moving our core operations to TBY remain ontrack. This will allow us to further optimise our resources, synergise our operations and enhance cost-efficiency and overall competitiveness.

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- ❖ The Company made an announcement to the SGX on 30 March 2015 relating to allegations of illegal payments in connection with contracts entered into in Brazil by certain subsidiaries of the Company.
- ❖ The Company disclosed in the announcement that the Company had initiated an internal investigation on the allegations.
- ❖ That investigation is ongoing and remains legally privileged. The Company is not aware of any of its employees being implicated by any authorities.
- ❖ The Company notes that Mr Guilherme Esteves de Jesus has been charged with various offences by the Brazilian authorities in connection with the above mentioned allegations. These charges are connected to drillship construction contracts entered into by the Company's subsidiaries. The Company notes that Mr de Jesus is defending the charges against him. The date of the court hearing of the charges against Mr de Jesus is not yet known.
- ❖ The Company will continue to monitor developments in Brazil and other jurisdictions with respect to this matter.

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- ❖ Financial discipline continues to guide our liquidity management with a view to conserve cash and strengthen our balance sheet. Our successful monetizing of our rigs inventory will significantly contribute to improving our liquidity position over time.
- ❖ Majority of order book contracts and new orders continues to be on progress payment terms to minimize our need for significant working capital.
- ❖ Capex for FY 2017 was about \$178 million. We expect capex to trend slightly upwards as we execute the development of TBY in response to business needs.
- ❖ Operating cash flow generated in FY 2017 was \$144 million. As at end FY2017, net gearing improved to 1.11 times (compared with 1.31 times at end 3Q 2017 and 1.13x as at end Dec 2017). Initial receipt from divestment of our jack-up rigs inventory was a major contributor .
- ❖ Sufficient debt headroom. Confident we will be able to execute our orders and meet liquidity needs with existing facilities and continued support of our financiers.

- ❖ **To recognise our valued shareholders for their loyalty and support, the Board of Directors is recommending a final cash dividend of 1.0 cent per share, which is scheduled to be paid on 11 May 2018.**
- ❖ **Including the interim dividend of 1.0 cent per share, total dividend payout is 2.0 cents per share for FY 2017.**

- ❖ **Global exploration and production (E&P) capex spending continues to show signs of improvement, underpinned by higher oil prices.**
- ❖ **Offshore rigs utilization and day rates have stabilized, but rig orders recovery may take some time as the oversupply in most drilling segments has yet to re-balance.**
- ❖ **The production segment remains encouraging and we are responding to increasing enquiries and tenders for innovative engineering solutions.**
- ❖ **We continue to make progress in our efforts to develop and commercialise our Gravifloat technology for near-shore gas infrastructure solutions.**
- ❖ **Demand for repairs and upgrades, especially for LNG carriers and cruise ships remains strong. Regulations on ballast water treatment requirements coming into force in the foreseeable future will further underpin the potential of this segment.**
- ❖ **However, the immediate outlook remains challenging. It will take some time for capex spending to translate into new orders. Industry activities remain low and competition for orders remains intense. Sembcorp Marine will continue to further strengthen its balance sheet and actively pursue the conversion of enquiries into new orders.**

CFO Presentation

- ❖ Earnings Performance
- ❖ Financial Position

Performance Highlights

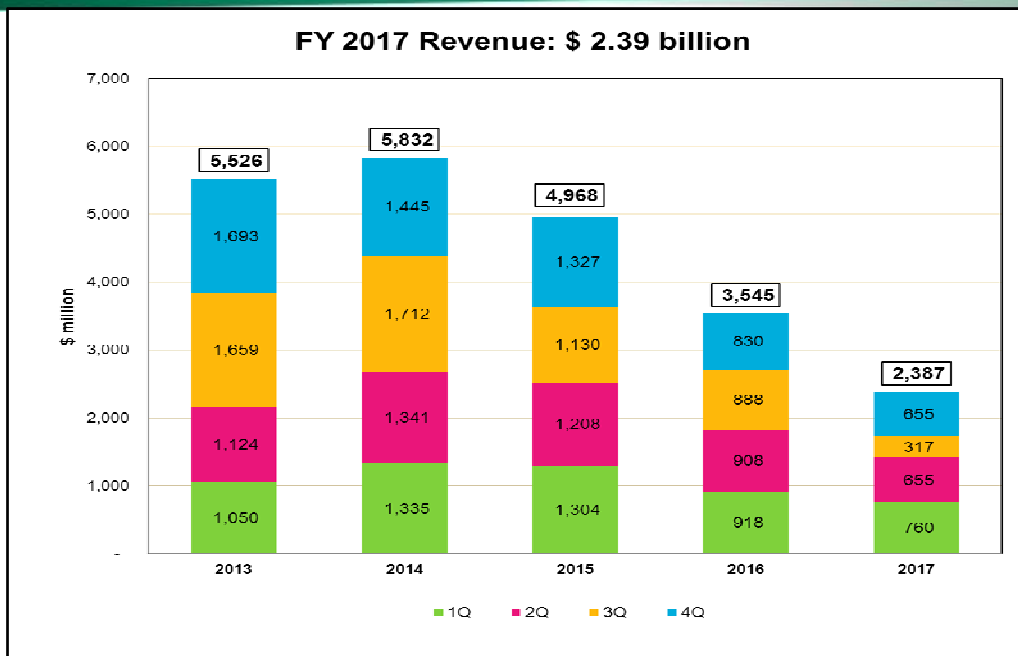
Key highlights:

For the 12 months to December 31, 2017:

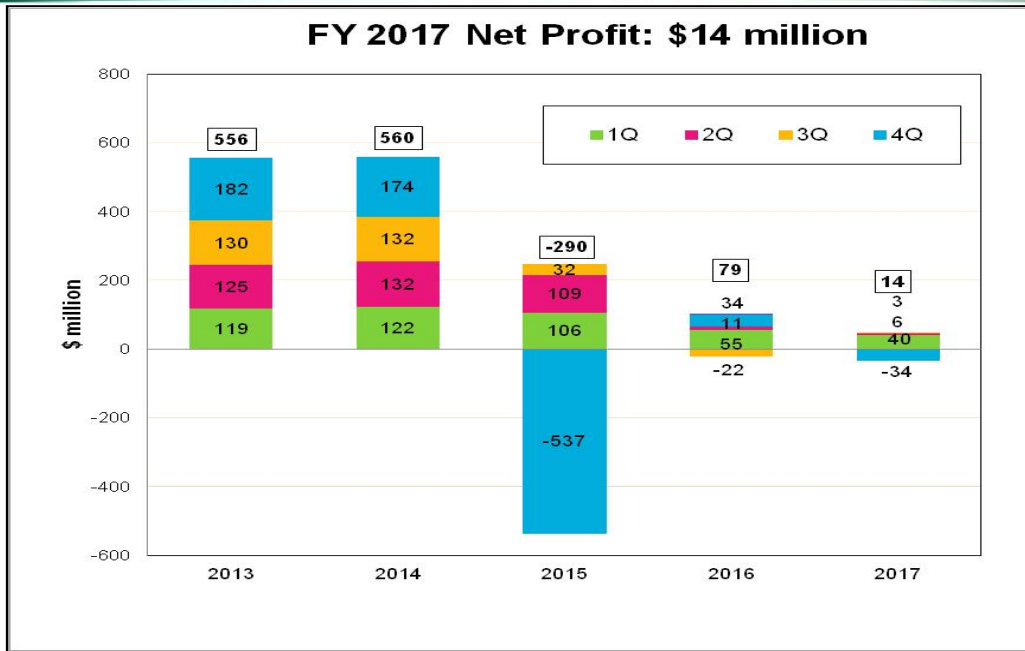
- ❖ Turnover totalled \$2.39 billion compared with FY 2016's \$3.54 billion.
- ❖ Gross profit of \$61 million on earnings recognition of ongoing projects and deliveries.
- ❖ Group EBITDA of \$213 million.
- ❖ Net profit attributable to shareholders of \$14 million.
- ❖ Final dividend of 1 cent per share. Including interim dividend of 1 cent/share, Total dividend : 2 cents/share.
- ❖ Group net orderbook stands at S\$7.58 billion.

Group (\$ million)	4Q 2017	4Q 2016	% change	FY 2017	FY 2016	% change
Turnover	655.0	829.9	(21)	2,387.4	3,544.8	(33)
Gross (Loss)/ Profit	(48.2)	34.7	n.m.	60.5	292.8	(79)
EBITDA	4.4	120.2	(96)	213.4	384.3	(44)
Operating (Loss)/ Profit	(43.6)	67.1	n.m.	20.5	225.3	(91)
(Loss)/Profit before tax	(54.2)	21.3	n.m.	(15.6)	90.5	n.m.
Net (Loss)/ Profit	(33.8)	34.3	n.m.	14.1	78.8	(82)
EPS (basic) (cts)	(1.62)	1.64	n.m.	0.67	3.77	(82)
NAV (cts)				118.69	122.62	(3)

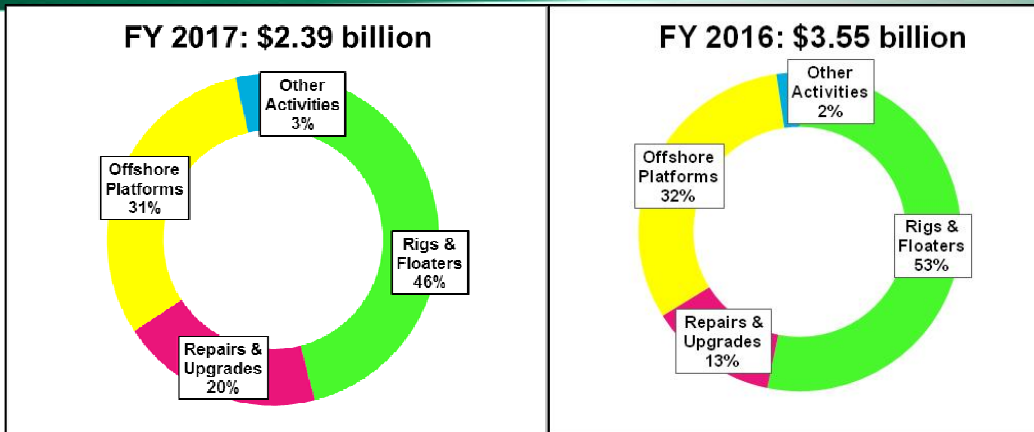
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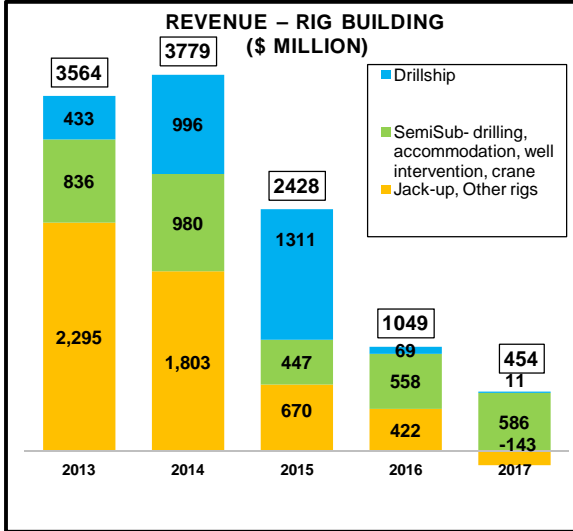
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Turnover (\$ million)	4Q 2017	4Q 2016	% change	FY 2017	FY 2016	% change
Rigs & Floaters	407	496	(18)	1,098	1,887	(42)
Repairs & Upgrades	120	110	9	471	460	3
Offshore Platforms	110	200	(45)	732	1,116	(34)
Other Activities	18	24	(24)	86	82	5
TOTAL	655	830	(21)	2,387	3,545	(33)

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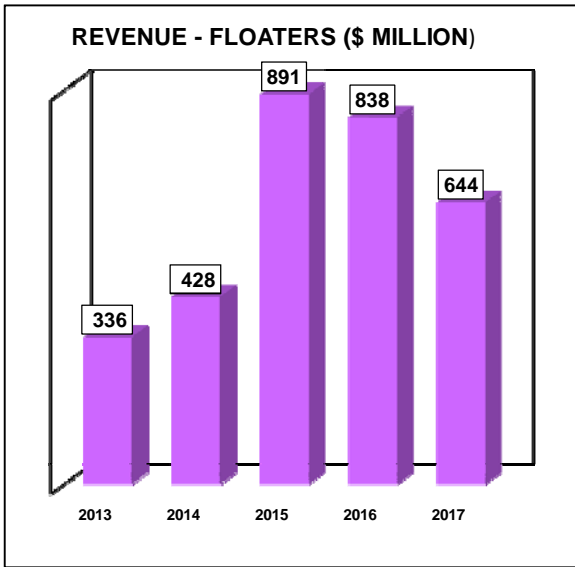
Rig building revenue was \$454 million in FY 2017 mainly due to revenue reversal from termination of jack-up rigs with original customer. In Oct 2017, the group sold 9 jack-up rigs to Borr Drilling for USD1.3 billion. During the year, one of the jack-ups was delivered to Borr Drilling, with 7 scheduled for 2018 and 1 in 2019.



JACK UP RIGS SCHEDULE		
No. of completed rigs delivered in 2017	1	First rig delivered to Borr Drilling
No. of projects in WIP stages	1	* BOTL/JDC Hakuryu 14
No. of Borr Drilling jack up rigs in WIP stage	8	* Borr Drilling Jack up rigs 2 - 9

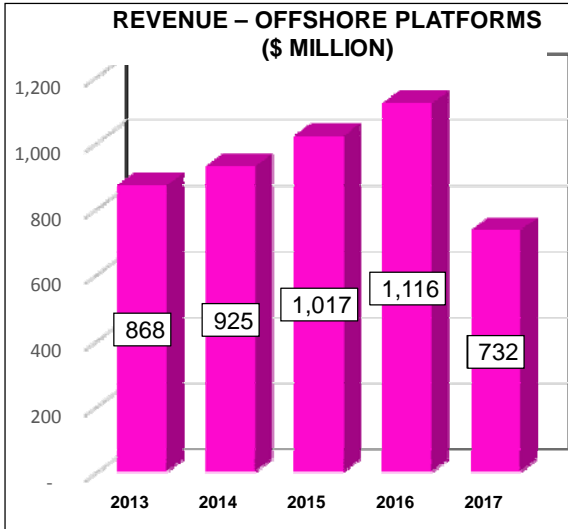
SEMI-SUBMERSIBLE DRILLSHIP SCHEDULE		
No. of projects delivered in 2017 YTD	-	-
No. of projects in WIP stage	4	* Helix semi-well intervention (Q7000) * Heerema Offshore semisub crane vessel * 1st drillship for Transocean, JE III * 2nd drillship for Transocean, JE III * Harsh Environment CS60 semi-submersible rig for Seadrill - West Rigel - Agreement to sell for USD500 million
No. of projects technically completed stage	1	
Number of projects in suspended state	7	* Drillship 1 st unit, Sete Brasil * Drillship 2 nd unit, Sete Brasil * Drillship 3 rd unit, Sete Brasil * Drillship 4 th unit, Sete Brasil * Drillship 5 th unit, Sete Brasil * Drillship 6 th unit, Sete Brasil * Drillship 7 th unit, Sete Brasil

Floaters revenue declined 23% YOY to \$644 million in FY 2017 on fewer projects being booked. Major deliveries included the FPSO Pioneiro de Libra and the Rangrid FSO for Gina Krog field.



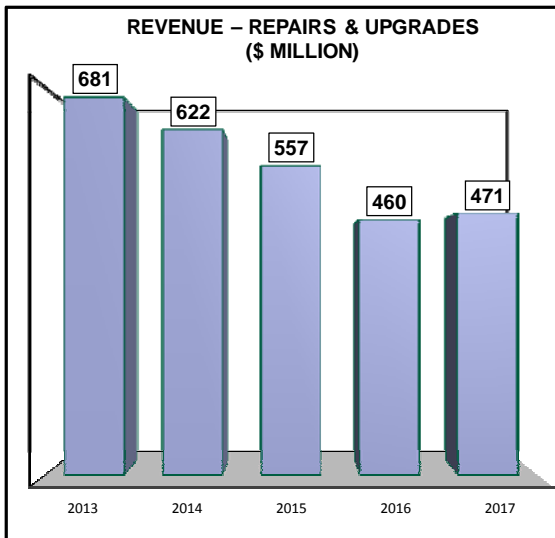
Offshore conversions	No. of projects	Brief description
No. of Projects delivered in 2017	2	* FPSO Pioneiro de Libra to OOGTK * Rangrid FSO for Gina Krog field to Teekay
No. of projects in the WIP Stage	6	* P68 FPSO for Petrobras * P71 FPSO for Petrobras * P68 hull carry over work * FPSO Norte - Kaombo * FPSO Sul - Kaombo * FSO newbuild - Moderc for Culzean field

- Offshore Platforms revenue declined 34% YOY to \$732 million in FY 2017 due to fewer projects on hand. Delivered two projects in FY17.
- 1 projects in work-in-progress stage and 1 in planning stage.



Offshore Platforms	No. of projects	Brief description
No. of projects delivered in FY 2017	2	Yamal LNG Batch 3/4 Yamal LNG Batch 5
No. of projects in the WIP stage	1	* Maersk Culzean topside modules – for well head platform, central facilities platform and utilities and living quarters platform
Number of projects in Planning Stage	1	Tangguh LNG

- FY 2017 Repairs & Upgrades revenue increased 2% year on year to \$471 million on higher revenue per vessel due to improved vessel mix despite fewer vessels repaired in the 12 months.



Period	FY 2017	FY 2016	% change
No. of vessels repaired	390	469	(17)
Average value per vessel (\$m)	1.21	0.98	23
Total repair revenue contribution (\$m)	471	460	2

CAPITAL, GEARING & ROE

Group (\$ million)	Dec-17	Dec-16	% change
Shareholders' Funds	2,478	2,562	(3)
Net Debt	2,799	2,938	(5)
Net Working Capital	1,546	1,270	22
Return on Equity (ROE) (%)	0.6	3.1	(81)
Net Asset Value (cents)	118.7	122.6	(3)
Return on Total Assets (ROTA) (%)	1.1	1.8	(39)

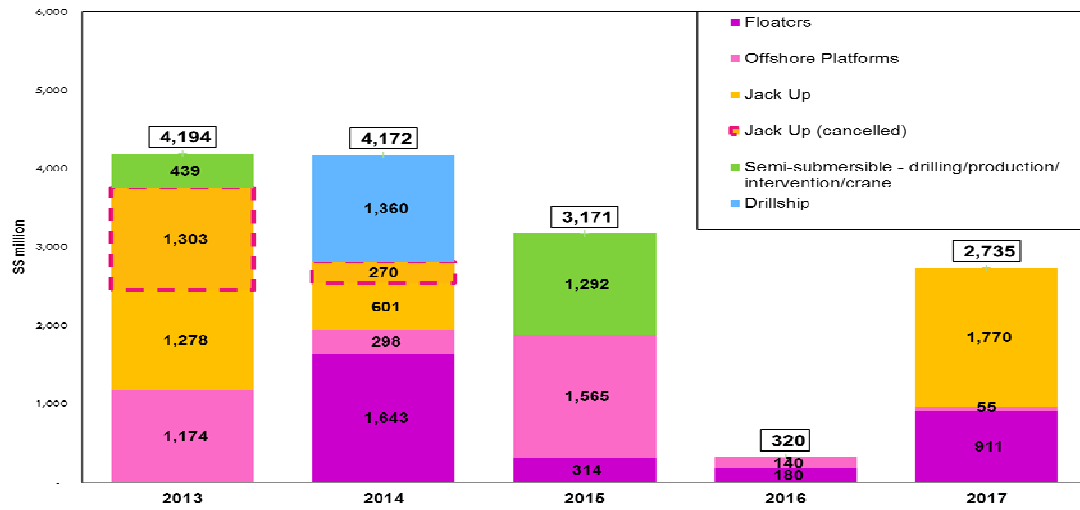
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CASHFLOW

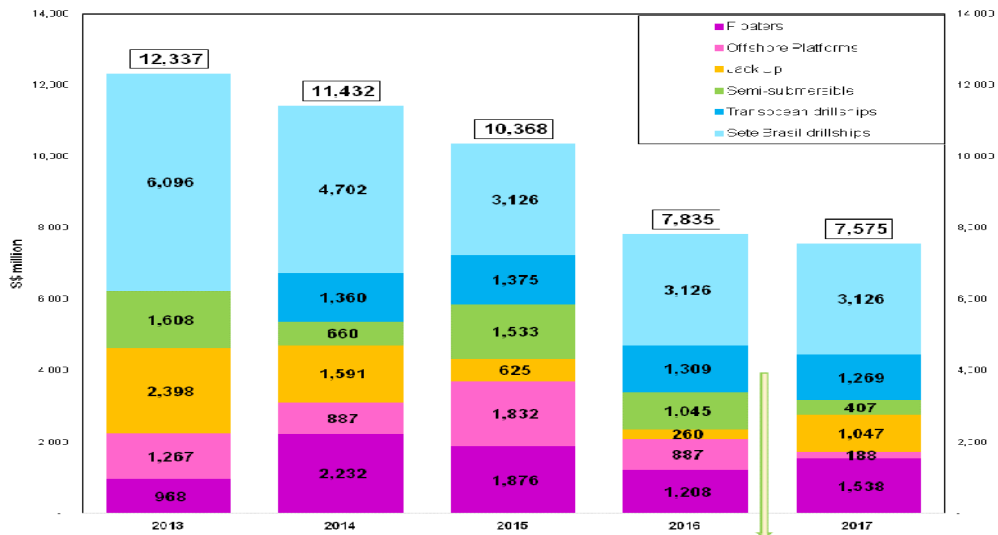
Group (\$ million)	4Q 2017	4Q 2016	% change	FY 2017	FY 2016	% change
Operating (loss)/profit before working capital changes	(31)	140	n.m.	203	384	(47)
Cash generated from/ (used in) operations	556	(133)	n.m.	144	669	(78)
Net cash generated from/ (used in) operating activities	539	(153)	n.m.	50	569	(91)
Net cash generated from/ (used in) investing activities	(5)	(149)	(97)	65	(490)	n.m.
Net cash (used in)/ generated from financing activities	(289)	3	n.m.	(24)	534	n.m.
Net increase in cash & cash equivalents	246	(298)	n.m.	91	612	(85)
Cash & cash equivalents in balance sheets				1,301	1,217	7
Borrowings				(4,100)	(4,155)	(1)
Net Debt				(2,799)	(2,938)	(5)
Progress Billing > WIP				174	193	(10)

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Contracts secured (excludes Repair)

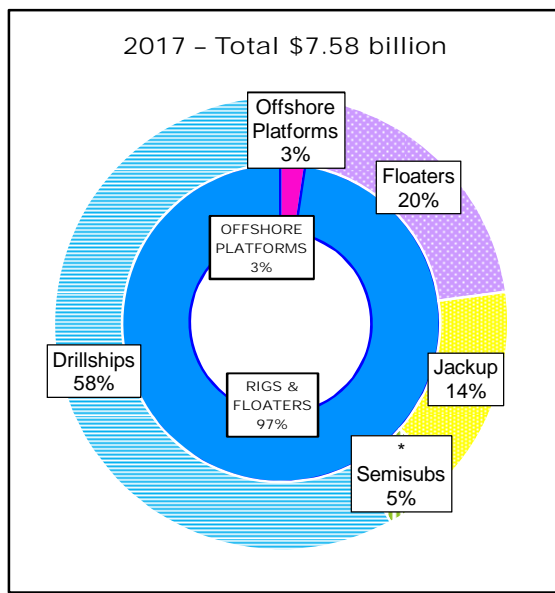
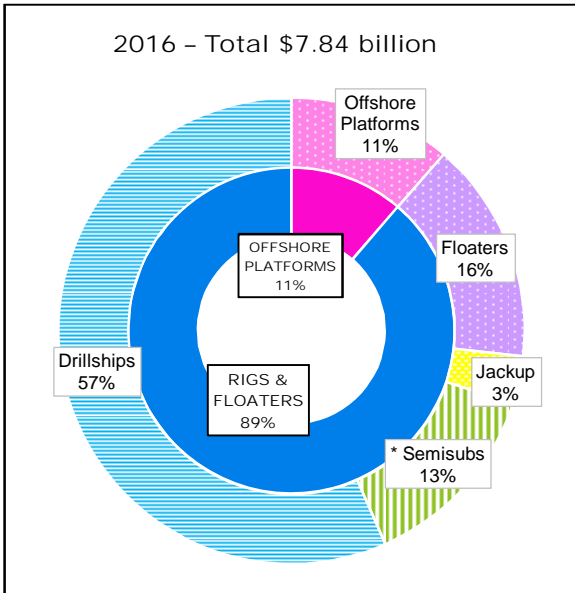


Net order book by product type



Note: FY 2017 net order book is \$4.45 billion excluding Sete Brasil drillship contracts valued at \$3.126 billion.

Net order backlog by division and product type



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



This presentation 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.



Integrated Synergies, Global Possibilities.