



Company Registration Number: 196300098Z

## **ACQUISITION OF INTELLECTUAL PROPERTY RIGHTS OF SEVAN MARINE ASA**

Singapore, June 8, 2018: Sembcorp Marine Ltd (the “Company”) wishes to announce that its wholly-owned subsidiary, Sembcorp Marine Integrated Yard Pte. Ltd. (“SMIY”), has entered into a sale and purchase agreement (“SPA”) with Norway’s Sevan Marine ASA (“Sevan Marine”) for:

- the acquisition of the latter’s interests and title to all its intellectual property,
- the acquisition of a 95% equity interest in HiLoad LNG AS, a Sevan Marine subsidiary which holds certain intellectual property rights;
- the takeover of all operating and associated costs, including unexpired leases, in maintaining Sevan Marine’s three office locations; and
- the transfer of 26 Sevan Marine employees (subject to their acceptance)

at a cash consideration of US\$28 million (the “Proposed Transaction”)

SMIY will further undertake to take over some of Sevan Marine’s existing service contracts and provide engineering services to some of Sevan’s existing contract partners which have outstanding licence fees payable to Sevan Marine. The litigation between SCM Group and Sevan Marine in the US Courts over the infringement of intellectual property rights of SCM Group will be terminated subject to completion.

The sale and purchase of the assets are subject to the approval of shareholders of Sevan Marine and the consent of certain third parties. If any of the conditions for completion of the sale and purchase of the assets are not satisfied on or before 31 December 2018 or such date as may be agreed by the parties, the SPA will be terminated.

If Sevan Marine receives a binding offer (subject to customary conditions) from another party for the Proposed Transaction for a cash price not less than 10 % higher than the cash consideration, or a voluntary or mandatory cash offer for all of Sevan Marine’s shares, SMIY shall have the right, but not an obligation to match such an offer. Sevan Marine has the right to terminate the Transaction if SMIY does not exercise its right.

If Sevan Marine terminates the SPA following such an offer, it will reimburse SMIY reasonable transaction costs. In such an event, the litigation between the Sembcorp Marine Group and Sevan Marine in the US Courts over the infringement of Sembcorp Marine’s intellectual property rights will then continue.

Sevan Marine, which is listed on the Oslo Bourse, specialises in the design, engineering and project execution of floating units for offshore applications. Their main product is a cylindrical platform used for floating production and drilling. Following the acquisition, HiLoad LNG AS (“HiLoad”) will become a subsidiary of SMIY.

Through the strategic acquisition of Sevan Marine’s intellectual property rights, the long-standing dispute over infringement of each other’s IP can be resolved.

Sembcorp Marine will be well placed with a suite of intellectual properties and knowledge to execute leading-edge design and engineering solutions for the global offshore and marine sectors. This puts the Company in a better position to offer alternative solutions to customers and partners.

The aggregate cash consideration of US\$28 million was agreed between the parties on a willing-buyer and willing-seller basis after taking into consideration the net book value of approximately US\$1million as at 31 May 2018.

The Company will fund the aggregate cash consideration by way of a combination of internal funds and bank financing.

Assuming the Proposed Transaction had been completed on 31 December 2017, being the end of the most recently completed financial year of the Group, the financial effects on the consolidated NTA of the Group as at 31 December 2017 are as follows:

	Before Proposed Transaction	After Proposed Transaction
NTA (S\$'000)	2,298,972	2,260,760
No. of Issued Shares ('000)	2,087,910	2,087,910
NTA per share (cents)	110.1	108.3

Assuming the Proposed Transaction had been completed on 1 January 2017, being the beginning of the most recently completed financial year of the Group, the financial effects on the consolidated earnings of the Group for FY 2017, calculated based on net profit attributable to owners of the Company, are as follows:

	Before Proposed Transaction	After Proposed Transaction
Profit after tax attributable to Shareholders (S\$'000)	14,076	9,910
Weighted average no. of Issued Shares ('000)	2,089,523	2,089,523
EPS – basic (cents)	0.67	0.47
EPS – diluted (cents)	0.67	0.47

#### Relative Figures under Chapter 10 of the Listing Manual

Relative Figures under Chapter 10 of the Listing Manual for the Proposed Transaction computed on the bases set out in Rule 1006 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), using the latest consolidated financial statements ended 31 March 2018, are as follows:

(a)	The net asset value of the assets to be disposed of, compared with the group's net asset value. This basis is not applicable to an acquisition of assets.	Not Applicable
(b)	The net profits attributable to the assets acquired or disposed of, compared with the group's net profits.	(3.3)%, based on: <ul style="list-style-type: none"> <li>i. the net loss attributable to HiLoad shares being acquired, of approximately S\$0.2 million; and</li> <li>ii. the Company's latest consolidated net profits of S\$6.1 million</li> </ul>
(c)	The aggregate value of the consideration given or received, compared with the issuer's market capitalisation based on the total number of issued shares excluding treasury shares.	0.9%, based on: <ul style="list-style-type: none"> <li>i. consideration of US\$28 million (S\$37.7 million); and</li> <li>ii. market capitalisation of S\$4,388.5 million as at 07 June 2018</li> </ul>

(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not Applicable
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets.	Not Applicable

None of the directors or controlling shareholders of the Company have any interest, direct or indirect, in the above transaction.

**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](http://www.sembmarine.com).