

## STATEMENT BY THE COMPANY IN RELATION TO BRAZIL

Sembcorp Marine Ltd (“**SCM**” or the “**Company**”) refers to its announcement dated 3 July 2019 in connection with the ongoing investigations related to “Operacao Lava Jato” (Operation Car Wash) in Brazil. The Company wishes to update that in light of the investigation by the Brazilian authorities into the activities of Mr Martin Cheah Kok Choon (“**MCKC**”) during the time he was in the employment of the Group, the Company has lodged a suspicious transaction report in respect of MCKC with the Commercial Affairs Department of the Singapore Police Force.

MCKC is the former President of Estaleiro Jurong Aracruz Ltda (“**EJA**”), the Company’s Brazilian subsidiary. His employment with the Group was terminated in June 2015. As stated in the Company’s announcement dated 3 July 2019, he has been named in the search warrant executed on EJA as being subject to investigations by the Brazilian authorities. Other than MCKC, the Company is not aware that any director or management of the Company is a subject of the current investigations being conducted by the Brazilian authorities.

Due to the evolving nature of the matters in Brazil, the internal investigations being conducted by the Company are still ongoing and have not yet been concluded. These internal investigations remain legally privileged.

A brief summary of the events in Brazil is set out below:

In 2012, the Company’s subsidiaries secured a number of drill rig construction contracts (the “**Contracts**”) with the subsidiaries of Sete Brasil. Companies connected to Mr Guilherme Esteves de Jesus (“**GDJ**”) were engaged by the Company’s subsidiaries as consultants in Brazil.

In February 2015, there were various media reports that, *inter alia*, Mr Pedro Jose Barusco (“**PJB**”), Petrobras’ former engineering manager, had made statements to the effect that illegal payments had been made in connection with contracts entered into by Petrobras and/or Sete Brasil. Following the publication of these media reports, the Company established a Special Committee of the Board (the “**Special Committee**”). The Special Committee then appointed legal counsels from Singapore and Brazil to conduct internal investigations and to advise the Company. The Company announced on 30 March 2015 that it had received a copy of a plea bargain entered into between PJB and the Brazilian authorities, in which PJB made allegations against GDJ in connection with the Contracts, and that GDJ was arrested by the Brazilian authorities in late March 2015.

In April 2017, GDJ was charged by the Brazilian authorities and he defended the charges when his trial commenced in 2018. These criminal proceedings against GDJ have not been concluded and the Company has been monitoring, and continues to monitor, such proceedings.

All contracts for consultancy services provided to the Company’s subsidiaries by companies connected to GDJ were suspended and remain suspended. The Group has not had any dealings with GDJ or the companies connected to GDJ following such suspension.

As announced by the Company on 3 July 2019, the Brazilian authorities executed a search warrant on EJA in connection with the ongoing investigations related to Operation Car Wash and against GDJ, who

has been arrested by the Brazilian Federal Police. The Company co-operated fully with the Brazilian Federal Police and provided materials within the scope of the warrant. The Company also learnt that the investigations which led to the execution of the search warrant on EJA have been expanded to include MCKC.

The Company wishes to reiterate that the Group is committed to the highest standards of compliance with anti-corruption laws and does not condone and will not tolerate any improper business conduct. The Group has a strict compliance program and continuously works to ensure that policies and procedures are in place to prevent any violation of any anti-corruption laws applicable to our operations.

The Company will continue to monitor developments in Brazil and other jurisdictions with respect to the above matters, and will make appropriate announcements in the event of any material developments.

**For more information, please contact:**

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