



Company Registration Number: 196300098Z

Sembcorp Marine Enters into Amendment Agreements with Transocean Offshore Deepwater Holdings Limited

Singapore, 7 June 2021: Sembcorp Marine Ltd (the “Company”) wishes to announce that Jurong Shipyard Pte Ltd (“JSPL”), a wholly owned subsidiary of the Company, has entered into Amendment Agreements with Transocean Offshore Deepwater Holdings Limited (“Transocean”) to revise the delivery dates of two ultra-deepwater drillships it has contracted to build for Transocean.

Under the Amendment Agreements which took into due consideration work disruptions arising from the COVID-19 pandemic, the delivery dates of the two vessels have been rescheduled to December 2021 for the first vessel, Deepwater Atlas, and May 2022 for the second vessel, Deepwater Titan.

The Amendment Agreements further provide that upon the respective delivery of the vessels, Transocean will make a partial delivery payment, followed by deferred delivery instalment payments of the balance amounts payable under the contracts. To date, Transocean has already paid 35% and 30% of the contract price for Deepwater Atlas and Deepwater Titan respectively.

Deepwater Atlas: Under the first Amendment Agreement, Transocean will make a US\$50 million payment to JSPL upon delivery, with the remaining sum of approximately US\$370 million payable in quarterly instalments with accrued interest within five years from the delivery date. All amounts outstanding are secured by a mortgage over the vessel and parent company guarantee issued by Transocean Inc. Deepwater Atlas is expected to commence drilling operations on the Shenandoah project in the U.S. Gulf of Mexico with BOE Exploration & Production LLC in the second half of 2022.

Deepwater Titan: Under the second Amendment Agreement, Transocean will pay JSPL 80% of the amount payable upon delivery or approximately US\$350 million, and the remaining 20% or approximately US\$90 million will be payable in quarterly instalments with accrued interest within five years from the delivery date. All amounts outstanding are secured by a parent company guarantee provided by Transocean Inc. Deepwater Titan is expected to commence drilling operations with Chevron U.S.A Inc. in the first quarter of 2023.

Deepwater Atlas and Deepwater Titan are the first set of next-generation drillships with ultra-deepwater drilling capability to be constructed in Singapore. They are also the only drillships in the world with three million pound hook-load and capable of 20,000 psi drilling operations. Designed and equipped to optimise fuel consumption and reduce emissions, these drillships will support the industry’s commitment to a reduction in carbon footprint.

“The completion of the Amendment Agreements is a significant step forward and underlines the collaborative spirit of all parties and their determination to see two drillships built to the highest specifications for ultra-deepwater deployment be put into operation,” said Mr Wong Weng Sun, President & CEO of Sembcorp Marine.

“In the face of challenges stemming from the COVID-19 pandemic, Transocean has demonstrated understanding of the situation and confidence in Sembcorp Marine’s EPC capabilities to complete the two highly complex drillship projects. Excluding these two drillships, Sembcorp Marine has delivered eight drilling rigs to Transocean,” Mr Wong added.

The two Amendment Agreements are not expected to have any material impact on the consolidated net tangible assets per share and earnings per share of the Company for the year ending 31 December 2021.

About Sembcorp Marine

Sembcorp Marine provides innovative engineering solutions to the global offshore, marine and energy industries. Headquartered in Singapore, the Group has close to 60 years of track record in the design and construction of rigs, floaters, offshore platforms and specialised vessels, as well as in the repair, upgrading and conversion of different ship types. Sembcorp Marine’s solutions focus on the following areas: Renewables, Process, Gas, Ocean Living and Advanced Drilling Rigs.

Sembcorp Marine’s customers include major energy companies, owners of floating production units, shipping companies and cruise and ferry operators. They are supported by four commercial units: Rigs & Floaters; Repairs & Upgrades; Offshore Platforms and Specialised Shipbuilding.

Sembcorp Marine operates shipyards and other facilities in Singapore, Indonesia, the United Kingdom, Norway and Brazil.

Discover more at www.sembmarine.com.

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