



Company Registration Number: 196300098Z

## **EXTENSION OF TIME FOR PAYMENT OF RECEIVABLES FROM BORR DRILLING**

**Singapore, 28 December 2021** – Sembcorp Marine Ltd (the “Company”) wishes to announce that its wholly-owned subsidiary, PPL Shipyard Pte Ltd (“PPLS”), has reached in-principle agreement (“Agreement”) with Borr Drilling Limited (“Borr Drilling”) to defer PPLS’ receivables from Borr Drilling from 2023 to 2025.

### **Background**

In October 2017, Borr Drilling and its subsidiaries entered into agreements to purchase from PPLS nine Pacific Class 400 jackup drilling rigs (“Rigs”) at an aggregate consideration of approximately US\$1.3 billion. Borr Drilling made an upfront down payment of about US\$0.5 billion. The balance amount of approximately US\$0.8 billion (“Balance Amount”) was to be paid within five years from the respective delivery dates of the Rigs. Borr Drilling would pay interests at market rates for the periods between the respective delivery dates of the Rigs and the full payment of the Balance Amount. The Balance Amount and all interest payable were secured by first priority mortgages over the nine Rigs and corporate guarantee from Borr Drilling.

Borr Drilling took delivery of all nine rigs progressively from November 2017 to January 2019. The mortgages secured by the Group over the nine Rigs continue to be in force. Eight out of the nine rigs have secured contracts and are presently in operation.

### **Deferment of the Receivables**

The Balance Amount was scheduled to mature on 1 May 2023, and a majority of the interest payable was capitalised and also due in 1Q2023. The Company has, at Borr Drilling’s request, agreed in-principle to defer the maturity date of the Balance Amount by 24 months to 1 May 2025. Borr Drilling has also agreed to pay PPLS an extension fee, and also make earlier payments of part of the capitalised interest previously due in 1Q2023. The remaining capitalised interest will be repaid in quarterly instalments in 2023 and 2024. Interest will continue to accrue at market rates acceptable to PPLS.

Borr Drilling has also committed to refinance or otherwise extend the maturities of its other credit facilities and convertible bonds to 2025 or later. If such refinancing or maturity extensions are not completed by June 2022, the deferment of PPLS’ Receivables by 24 months will not proceed and their maturities will revert to the current due date of 1 May 2023.

### **Outlook for Jackup Drilling**

The industry outlook for jackup drilling activities has been improving and the operating performance of Borr Drilling has continued to improve in tandem. The Company is supportive of giving Borr Drilling more time to leverage on the improving industry outlook to generate more operating cash flow to meet its debt service obligations and further strengthen its balance sheet.

### **No Material Impact on NTA**

The entry into this in-principle agreement and subsequent definitive agreement are not expected to have a material impact on the net tangible assets or earnings per share of the Company in FY2021.

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

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