

**STRONG GROWTH ACROSS ALL BUSINESS SEGMENTS FOR 9M 2005**

**Singapore, October 27, 2005:** SembCorp Marine today reported net profit of \$32.7 million for the third quarter (3Q 2005), taking net profits for the nine months (9M) 2005 to \$91.1 million, up 31.1% over the same period last year.

Group turnover for 3Q 2005 increased from \$390.0 million to \$451.2 million with 9M 2005 revenue at \$1,369.3 million, up 41.8% over the same period last year. The increase is mainly attributable to growth across all business segments.

Group operating profits increased by 21.9% from \$75.0 million for 9M 2004 to \$91.4 million for the same period in 2005. Group pre-tax profits increased by 38.3% from \$84.6 million for 9M 2004 to \$117.0 million for 9M 2005. The increase is mainly attributable to better operating profit as well as contribution from the associated company acquired during the year.

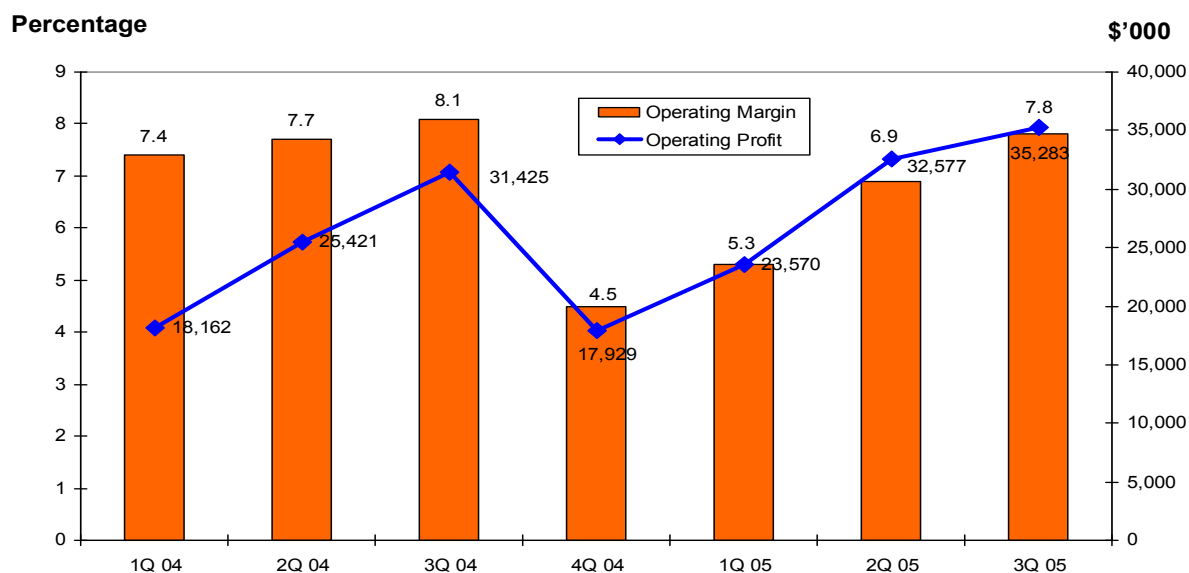
Group tax charge for 9M 2005 is higher than 9M 2004 mainly due to a \$4.0 million net write-back of prior years' tax over-provision, arising from a 2% reduction in corporate income tax rate in 9M 2004. Excluding this tax write-back last year, Group attributable profits actually increased 39.0% from \$65.6 million in 9M 2004 to \$91.1 million.

**FINANCIAL HIGHLIGHTS**

<b>\$'m</b>	<b>3Q 2005</b>	<b>3Q 2004</b>	<b>% Change</b>	<b>9M 2005</b>	<b>9M 2004</b>	<b>% Change</b>
Revenue	451.2	390.0	15.7	1,369.3	965.8	41.8
Operating Profit	35.3	31.4	12.3	91.4	75.0	21.9
EBITDA	44.5	40.7	9.3	117.4	102.3	14.8
Profit before tax	41.9	30.0	39.5	117.0	84.6	38.3
PATMI	32.7	21.5	52.1	91.1	69.5	31.1
PATMI exclude prior years tax writeback	32.7	21.9	49.7	91.1	65.6	39.0
Earnings per share (cents)						
- Basic	2.27	1.51	50.3	6.35	4.89	29.9
- Fully diluted	2.21	1.51	46.4	6.19	4.87	27.1

## OPERATING MARGIN & OPERATING PROFIT

Operating Margin continues to improve from 2Q 2005 at 6.9% to 7.8% in 3Q 2005



## CAPITAL & ROE : 9M 2005

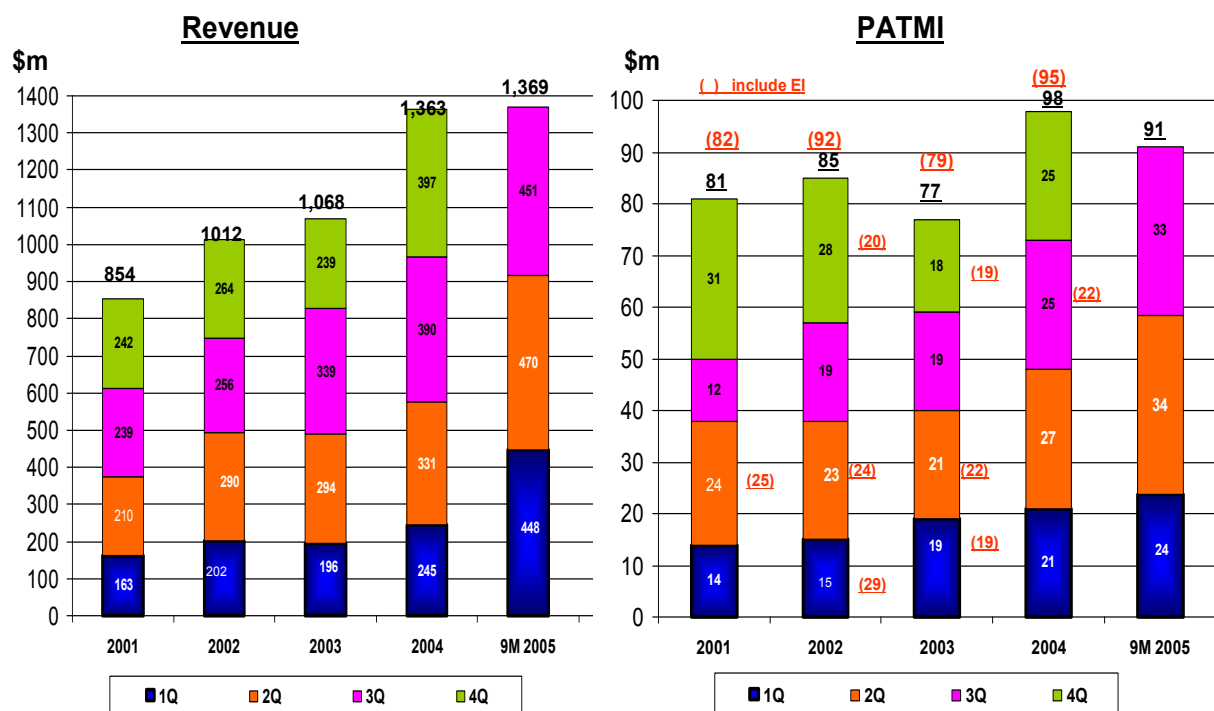
- ROE increased to 12% in 9M 2005
- Cash remains strong at \$547m
- NTA increased 11% to 73.5 cents

S\$'million	9M 2005	9M 2004	Change
Shareholders' Fund	1,064	944	13%
Capital Employed	1,106	977	13%
Cash & Cash Equivalent	547	220	149%
ROE (%) – annualised	12.0	9.9	21%
Net Asset Value (cents)	73.5	66.3	11%

## 5-YEAR REVENUE & PATMI

9M 2005 revenue grew by 42%  
to \$1,369 million

9M 2005 PATMI grew by 31%  
to \$91 million



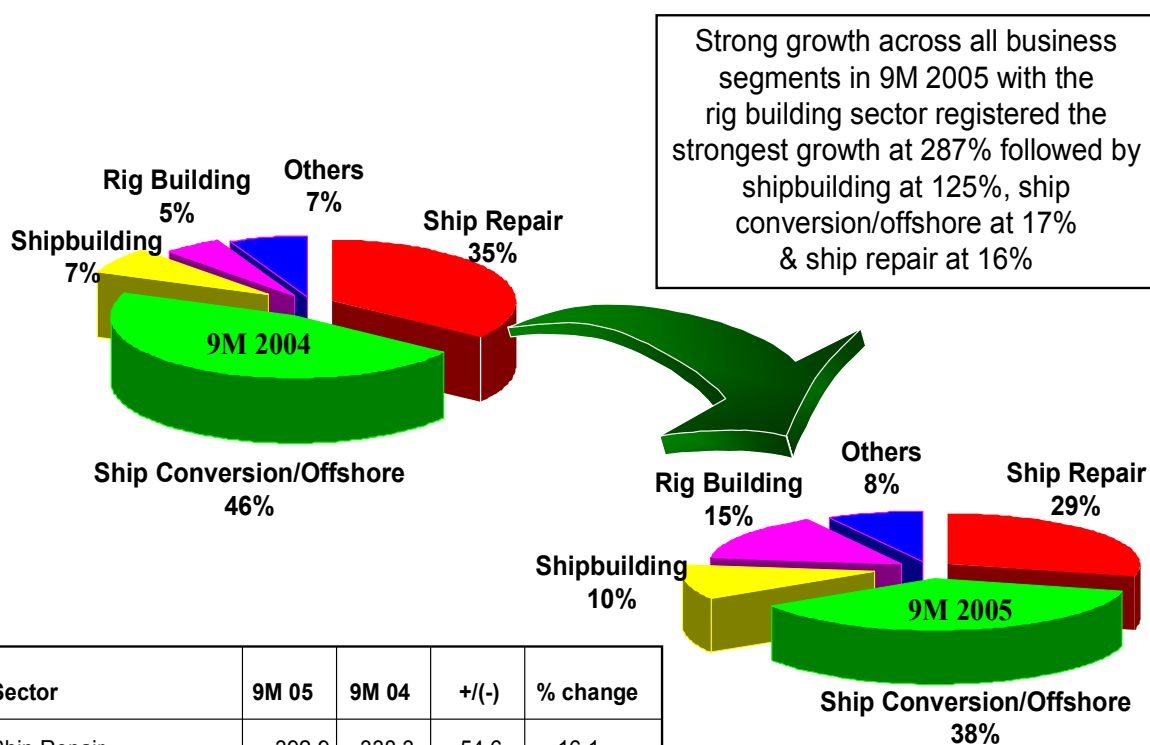
## CAPEX

Description	Year(\$'m)	2005 Forecast	2004 Actual	9M 2005 Actual
Rigs		88	58	66
Buildings		2	4	1
Plants, Machinery & Cranes & Workshop Equipment		44	27	32
		<b>134</b>	<b>89</b>	<b>99</b>
Other investment				
Cosco Corporation (S) Ltd		-	14	-
Cosco Shipyard Group		48	-	48
Others		15	2	-
<b>Sub-total</b>		<b>63</b>	<b>16</b>	<b>48</b>
<b>Total</b>		<b>197</b>	<b>105</b>	<b>147</b>

## REVENUE BY SECTORS

Sector \ \$'m	3Q 2005	3Q 2004	% Change	9M 2005	9M 2004	% Change
Ship Repair	161.7	117.9	37.2	392.9	338.3	16.1
Shipbuilding	46.9	20.6	127.7	145.9	64.8	125.2
Ship Conversion & Offshore	117.6	214.4	(45.1)	520.1	443.8	17.2
Rig Building	55.7	10.3	440.8	200.8	51.9	286.9
Others	69.3	26.8	158.6	109.6	67.0	63.6
<b>Total</b>	<b>451.2</b>	<b>390.0</b>	<b>15.7</b>	<b>1,369.3</b>	<b>965.8</b>	<b>41.8</b>

## REVENUE CONTRIBUTIONS BY SECTORS (9M 2004/ 9M 2005)



## SECTOR OPERATIONS REVIEW & OUTLOOK

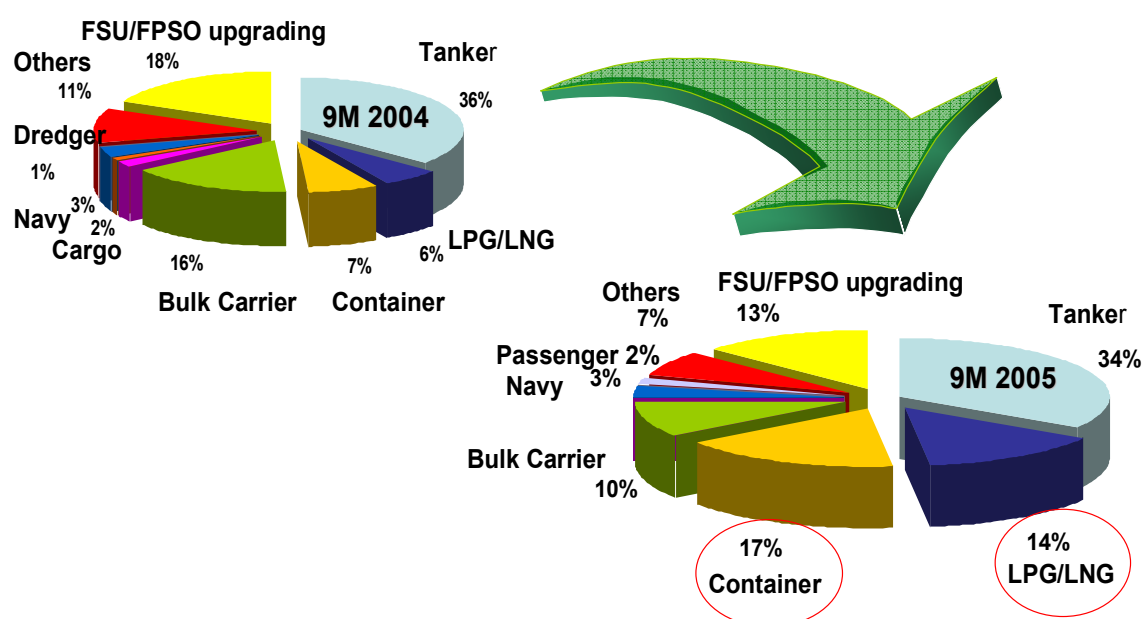
### SHIP REPAIR

	9M 2005	9M 2004	% Change
Revenue contributions (\$'m)	392.9	338.3	16.1
Number of Vessels	262	249	5.2
Average value per vessel (\$'m)	1.50	1.36	10.3

- Ship repair revenue increased 16% to \$392.9 million in 9M 2005
- Average value per vessel increased from \$1.36 million in 9M 2004 to \$1.50 million in 9M 2005, an increase of 10%
- No. of vessels repaired increased by 5% to 262 in 9M 2005 as compared with 249 for the same period last year

### TYPES OF VESSELS

Growing contributions from container vessels (17%) & gas tankers (14%)



## **SHIPBUILDING**

Number Completed in 1H 2005	2	<ul style="list-style-type: none"> <li>• 2 units 3,200 hp tugs for Pacific Workboats</li> </ul>
Number Completed in 3Q 2005	1	<ul style="list-style-type: none"> <li>• 1<sup>st</sup> unit 2,626 TEU container vessel for Wan Hai Lines</li> </ul>
No. of vessels in work-in-progress stages	6	<ul style="list-style-type: none"> <li>• 3 units of 2,626 TEU container vessel for Wan Hai Lines</li> <li>• 1 unit 2,626 TEU container for Reederei F Laeisz</li> <li>• 2 units 4,950 dwt tanker for Kuwait Oil Tanker</li> </ul>
No. of vessels in engineering stage	3	<ul style="list-style-type: none"> <li>• 2 units of 2,626 TEU container vessel for Wan Hai Lines</li> <li>• 1 unit of 2,626 TEU container vessel for Reederei F Laeisz</li> </ul>
<b>9M 2005 Percentage Completion (\$'m)</b>	<b>\$145.9</b>	

- Shipbuilding revenue increased 125% to \$145.9 million in 9M 2005
- only 1 unit of the 2,626 TEU container vessel was delivered to owner in 3Q 2005
- 4 units of the 2,626 TEU container vessels and 2 units of 4,950 dwt tankers are in various work-in-progress stages with deliveries and completion from end 2005 to 2006
- However, 3 units of 2,626 TEU container vessels are in the engineering stage

## SHIP CONVERSION & OFFSHORE

Number Completed in 1H 2005	1	<ul style="list-style-type: none"> <li>• Modec Venture FPSO conversion</li> </ul>
Number Completed in 3Q 2005	1	<ul style="list-style-type: none"> <li>• Erha FPSO Topsides installation &amp; commissioning</li> </ul>
No. of projects in work-in-progress stages	4	<ul style="list-style-type: none"> <li>• P-50 Topside integration &amp; commissioning for Petrobras</li> <li>• P-54 FPSO marine conversion for Petrobras</li> <li>• P-54 Topsides Production Modules Fabrication</li> <li>• P-54 compressor modules fabrication</li> </ul>
Projects in planning and engineering stage	5	<ul style="list-style-type: none"> <li>• Fabrication &amp; Integration of Topsides Production modules for ConocoPhillips China</li> <li>• Design &amp; construction of a self-propelled DP2 Heavy Lift Pipelay vessel for SapuraCrest</li> <li>• P-54 Integration &amp; commissioning</li> <li>• PRA-1 (FSO conversion)</li> <li>• RJS (FPSO conversion)</li> </ul>
<b>9M 2005 Percentage Completion (\$'m)</b>	<b>\$520.1</b>	

- The ship conversion & offshore sector registered an increase of 17% to \$520.1 million in 9M 2005
- No major completion in 3Q 2005 except the Erha FPSO Topsides installation & commissioning that was completed in 3Q 2005
- P-54 marine conversion, fabrication of topsides production modules and the compressor modules are still in various work-in-progress stages with the marine conversion due for completion only in 1Q 2006 and fabrication of topsides and compressor modules due in 3Q 2006
- 5 other projects are still in the various planning and engineering stages

## RIG BUILDING

Number Completed in 1H 2005	2	<ul style="list-style-type: none"> <li>• Semi-submersible Development Driller I</li> <li>• Semi-submersible Development Driller II</li> </ul>
Number Completed in 3Q 2005	nil	<ul style="list-style-type: none"> <li>• Nil</li> </ul>
Number of units in work-in-progress stages	4(1)*	<ul style="list-style-type: none"> <li>• Lower hull of semi-submersible for Atlantia Offshore</li> <li>• 1<sup>st</sup> unit Jack-up rig for Kristiansand Drilling*</li> <li>• 2<sup>nd</sup> unit Jack-up rig for WilPower</li> <li>• 3<sup>rd</sup> unit Jack-up rig for Apexindo</li> </ul>
Number of Jack-up units in planning and engineering stage	8	<ul style="list-style-type: none"> <li>• 4<sup>th</sup> unit Jack-up rig for Petrojack I</li> <li>• 5<sup>th</sup> unit Jack-up rig for Deep Drilling Invest</li> <li>• 6<sup>th</sup> unit Jack-up rig for WilSuperior</li> <li>• 7<sup>th</sup> unit Jack-up rig for Seatanker</li> <li>• 8<sup>th</sup> unit Jack-up rig for Petrojack II</li> <li>• 9<sup>th</sup> unit Jack-up rig for Japan Drilling</li> <li>• 10<sup>th</sup> unit Jack-up rig for Petrojack III</li> <li>• 11<sup>th</sup> unit Jack-up rig for Awilco</li> </ul>
Number of Semi-submersible units in planning and engineering stage	3	<ul style="list-style-type: none"> <li>• 1<sup>st</sup> unit of semi-submersible rig for SeaDrill</li> <li>• 2<sup>nd</sup> unit of semi-submersible rig for SeaDrill</li> <li>• 3<sup>rd</sup> unit of semi-submersible rig for PetroMena</li> </ul>
<b>9M 2005 Percentage Completion (\$'m)</b>	<b>\$200.8</b>	

( ) \* revenue & profit not taken up due to equity participation

- Rig building revenue increased 287% to \$200.8 million in 9M 2005
- Only 1 unit of the lower hull of semi-submersible and 3 jack-up rigs are in the various work-in-progress stages
- However, 1 unit of the Kristiansand Drilling rig's revenue & profit not taken up due to our equity participation
- Majority of rig building projects are still in early stages of construction
- 8 jack-up and 3 semi-submersible rigs are still in the planning and engineering stages

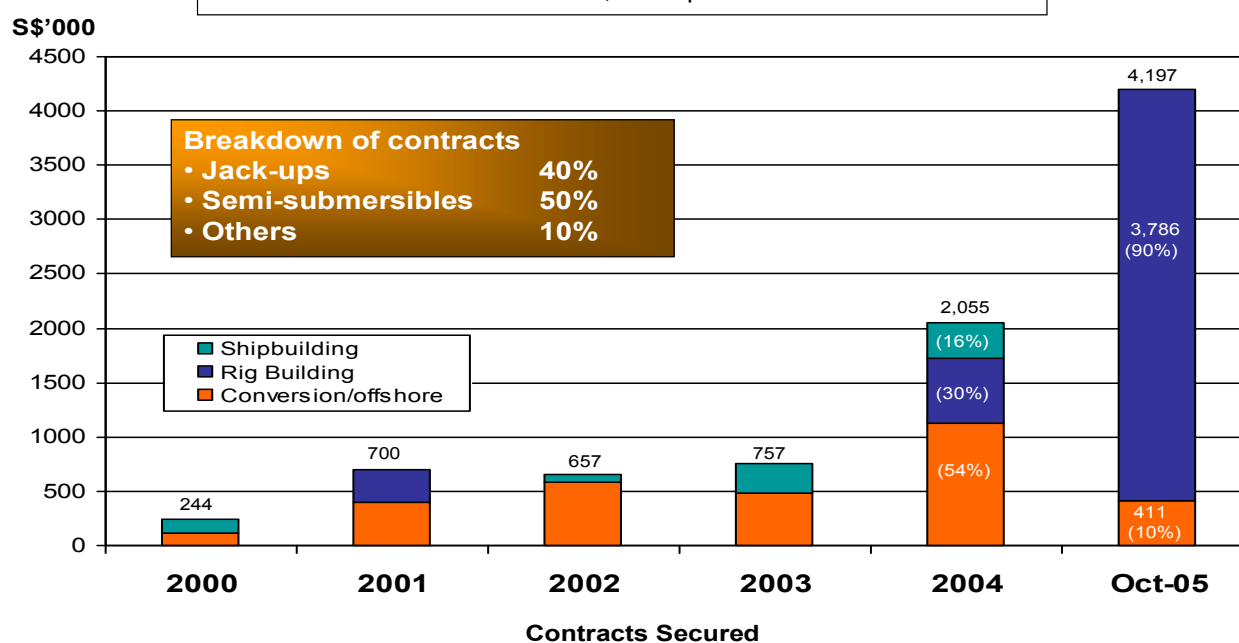


**DETAILS OF CONTRACTS SECURED IN 2005 TO-DATE (exclude ship repair)**

Month	Value (S\$)	Value (US\$)	Details
January	• 217	• 139	<ul style="list-style-type: none"> <li>• 1 unit Baker Marine Pacific Class 375 Jack-up rig for Apexindo</li> </ul>
February	• 161 • 123 • 82 • 194	• 100 • 75 • 50 • 120	<ul style="list-style-type: none"> <li>• Fabrication &amp; integration of topsides production modules for newbuild FPSO for ConocoPhillips China</li> <li>• Design &amp; construction of a self-propelled DP2 Heavy Lift Pipelay vessel for SapuraCrest Petroleum Berhad</li> <li>• Fabrication of a deep draft semi-submersible hull for Atlantia Offshore</li> <li>• 1 unit Baker Marine Pacific Class 375 Jack-up rig for Deep Drilling Invest</li> </ul>
March	• 196	• 121	<ul style="list-style-type: none"> <li>• 1 unit Baker Marine Pacific Class 375 Jack-up rig for WilSuperior</li> </ul>
<b>Total for 1Q 2005</b>	<b>• 973</b>	<b>• 605</b>	
April	• 212 • 209 • 215	• 129 • 127 • 130	<ul style="list-style-type: none"> <li>• 1 unit Baker Marine Pacific Class 375 Jack-up rig for Seatankers</li> <li>• 1 unit Baker Marine Pacific Class 375 Jack-up rig for Petrojack I</li> <li>• 1 unit Baker Marine Pacific Class 375 Jack-up rig for Japan Drilling</li> </ul>
June	• 1,310 • 216	• 794 • 131	<ul style="list-style-type: none"> <li>• 2 units of Friede &amp; Goldman ExD designed semi-submersible rig for SeaDrill</li> <li>• 1 unit Baker Marine Pacific Class 375 Jack-up rig for Petrojack III</li> </ul>
<b>Total for 2Q 2005</b>	<b>• 2,162</b>	<b>• 1,311</b>	
July	• 127	• 75	<ul style="list-style-type: none"> <li>• 1unit FPSO conversion (PRA-1) and 1 unit FSO conversion (RJS) for Modec</li> </ul>
August	• 697	• 423	<ul style="list-style-type: none"> <li>• 1 unit Friede &amp; Goldman ExD-designed semi-submersible rig for PetroMena</li> </ul>
October	• 238	• 144	<ul style="list-style-type: none"> <li>• 1 unit Baker Marine Pacific Class 375 Jack-up rig for Awilco Offshore</li> </ul>
<b>Total for 3Q 2005</b>	<b>• 1,062</b>	<b>• 642</b>	
<b>Grand Total</b>	<b>• 4,197</b>	<b>• 2,558</b>	

## RECORD CONTRACTS SECURED (exclude ship repair)

- \$4.2 billion worth of contracts secured to-date, an increase of 102% as compared with \$2.1 billion in 2004
- With the robust offshore market, we expect to secure more



## TOTAL ORDER BOOK (exclude ship repair)

- Order Book remains strong at a record high of \$5.7 billion
- This is expected to increase

Sector \ S\$m	Contract Value carried forward from 2Q 2005 plus new contracts secured as at to-date	Taken 3Q 2005	Balance	Percentage of Total Order Book
Shipbuilding	388	47	341	6%
Ship Conversion & Offshore	1,281	118	1,163	20%
Rig Building	4,285	56	4,229	74%
<b>Total</b>	<b>5,954</b>	<b>221</b>	<b>5,733</b>	<b>100%</b>

## SCHEDULE OF DELIVERY & COMPLETION

### Schedule of Delivery & Completion (exclude ship repair)

	2005	2006	2007	2008	2009	2010
<b>Shipbuilding</b>						
1 <sup>st</sup> unit 2,600 TEU container (Wan Hai Lines)						
2 <sup>nd</sup> unit 2,600 TEU container (Wan Hai Lines)						
3 <sup>rd</sup> unit 2,600 TEU container (Wan Hai Lines)						
4 <sup>th</sup> unit 2,600 TEU container (Wan Hai Lines)						
5 <sup>th</sup> unit 2,646 TEU container (Wan Hai Lines)						
6 <sup>th</sup> unit 2,646 TEU container (Wan Hai Lines)						
1 <sup>st</sup> unit 2,600 TEU container (R F Laeisz)						
2 <sup>nd</sup> unit 2,600 TEU container (R F Laeisz)						
1 <sup>st</sup> unit 4,950 dwt tanker (Kuwait Tanker)						
2 <sup>nd</sup> unit 4,950 dwt tanker (Kuwait Tanker)						
<b>Completion</b>	2	6	2			
<b>Ship Conversion &amp; Offshore</b>						
P-50 Integration & Commissioning						
P-54 marine conversion						
P-54 Topside Fabrication						
P-54 Compressor Modules						
P-54 Integration and Commissioning						
ConocoPhillips Topsides						
Heavy Lift Derrick Pipelay Vessel						
FPSO conversion						
FSO conversion						
<b>Completion</b>	1	6	1	1		
<b>Rig Building</b>						
1 <sup>st</sup> Jack-up (Kristiansand Drilling)						
2 <sup>nd</sup> Jack-up (Wilpower )						
3 <sup>rd</sup> Jack-up (Petrojack I)						
4 <sup>th</sup> Jack-up (Apexindo)						
5 <sup>th</sup> Jack-up (Deep Drilling Invest)						
6 <sup>th</sup> Jack-up (Wilsuperior)						
7 <sup>th</sup> Jack-up (Seatanker)						
8 <sup>th</sup> Jack-up (Petrojack II)						
9 <sup>th</sup> Jack-up (Japan Drilling)						
10 <sup>th</sup> Jack-up (Petrojack III)						
11 <sup>th</sup> Jack-up (Awilco)						
<b>Completion</b>	0	2	6	3		
<b>Lower Semi-submersible hull (Atlantia)</b>						
1 <sup>st</sup> Semi-submersible (SeatDrill)						
2 <sup>nd</sup> Semi-submersible (SeaDrill)						
3 <sup>rd</sup> Semi-submersible (PetroMena)						
<b>Completion</b>	0	1	0	2	0	1
<b>Total completion for rigs</b>	0	3	6	5	0	1

## **OUTLOOK**

The Group has secured record contracts worth a total of \$4.2 billion with deliveries and completion till early 2010. The increase is 102 per cent as compared with \$2.1 billion worth of contracts secured for the year 2004. Total outstanding order book, excluding ship repair stands at \$5.7 billion.

Based on the scheduled completion of the projects, the Group expects current year's overall performance to be stronger than FY 2004.

The market outlook for the ship repair sector is expected to be strong amid competitive environment. For the ship conversion and offshore sector, market fundamentals for Floating Production Storage & Offloading (FPSO) and Floating Storage & Offloading (FSO) vessels will continue to be strong driven mainly by high oil prices and increased exploration and production activities.

Rig building demand is also expected to be strong attributed mainly to worldwide high utilisation and unprecedented high charter rates.

Overall, the market outlook for all sectors in the marine and offshore industry is expected to be strong.

For media & investor enquiries, please contact the following:

Ms Judy Han  
Senior Vice President  
Investor Relations & Communications  
Tel No : 65-62627203  
Fax : 65-62610738  
E-mail : [judy@sembcorpmarine.com.sg](mailto:judy@sembcorpmarine.com.sg)  
Website: [www.sembcorpmarine.com.sg](http://www.sembcorpmarine.com.sg)