Company Registration Number: 196300098Z

PRESS RELEASE

FIRST QUARTER 2015 NET PROFIT AT $106 MILLION

Key highlights:

- **Group Revenue decreased 2% year-on-year to $1.3 billion in 1Q2015.**
- **Group EBITDA decreased 4% year-on-year to $169 million.**
- **Group Net Profit decreased 14% year-on-year to $106 million.**
- **Return on equity (ROE) at 14%.**
- **Net asset value at 148.7 cents.**

Singapore, April 27, 2015: Sembcorp Marine achieved a net profit of $106 million for the three months ended March 31, 2015, which represented a 14% decline compared with 1Q2014.

Group turnover for three months ended March 31, 2015 declined 2% year-on-year to $1.30 billion, which compares with $1.34 billion for the corresponding period in 2014. The decline in revenue was due mainly to decline in rig building and repair revenue recognised during the first quarter compared with last year.

In 1Q2015, Group EBITDA (earnings before interest, tax and depreciation) declined 4% year-on-year to $169 million, while operating profit fell 7% to $138 million, from $149 million in the previous corresponding period.

At the pre-tax level, Group profit of $135 million was 13% lower than the $155 million achieved in the previous year. Associate and joint venture income declined 32% year on year to $3.9 million.

Turnover for the Rig building sector declined 5% year on year from $796 million to $753 million. The Group delivered the Prosafe accommodation semi-submersible as well as one Hakuryu jack-up rig during the quarter, with another nine rigs in the work-in-progress stage and scheduled for delivery this year.

Offshore and conversion revenue increased 19% from $362 million in 1Q2014 to $431 million in 1Q2015.

Ship repair revenue was 37% lower at $100 million in 1Q 2015 compared with $158 million in the corresponding period in 2014 as average revenue per vessel remained low although the number of ships repaired increased.

FINANCIAL HIGHLIGHTS

Period (S$'m)	1Q 2015	1Q2014	*% change*
Turnover	1,304	1,335	*(2)*
Gross Profit	169	171	*(1)*
EBITDA	169	176	*(4)*
Operating Profit	138	149	*(7)*
Pretax Profit	135	155	*(13)*
Net Profit	106	122	*(14)*
EPS (basic) (cts)	5.07	5.87	*(14)*
NAV (cts)	148.7	*141.92	
* NAV as at Dec 31, 2014.			

1Q 2015 VERSUS 1Q 2014

On a quarterly basis, Group turnover for 1Q 2015 at $1.30 billion was 2% lower when compared with $1.34 billion for the same period in 2014.

Group gross profit of $169 million was 1% lower on year-on-year basis while operating profit was 7% lower at $138 million, mainly due to lower rig building and repair segment earnings.

At the operating level, Group profit fell 7% year on year to $138 million on higher operating expenses of which a forex loss of $10.9 million was booked. This arose mainly from the revaluation of assets and liabilities denominated in Euro, United States dollar and Brazilian Real.

Group pre-tax profit was 13% lower at $135 million, again on lower repair and rig building segments contribution. Group interest expense also increased to $9.5 million from $2.5 million previously, while interest income fell 18% year on year to $2.4 million.

Net profit in 1Q 2015 declined 14% year-on-year to $106 million compared with $122 million in 1Q 2014.

OUTLOOK

The ongoing cutback in global exploration and production expenditure has resulted in a scarcity of new orders for the industry this year. Customers strive to conserve cash and consolidate their offshore fleet operations as charters are not renewed or are renewed at significantly lower rates. New rigs face the prospect of not securing charters despite their higher technical specifications and superior capabilities. As a result, the Group faces a challenging year ahead.

Meanwhile, Brazil's oil and gas industry continues to be mired in uncertainty. We continue to engage with our customers to find the best way forward for our drillship projects and are exploring all options including slowing down the construction.

The Group's net orderbook to-date stands at $10.6 billion with deliveries stretching into 2019. Competition for new projects remains intense. The Group will focus on cost and capital management and will continue to leverage on its strong track record, expanded product capabilities and alliance partnerships.

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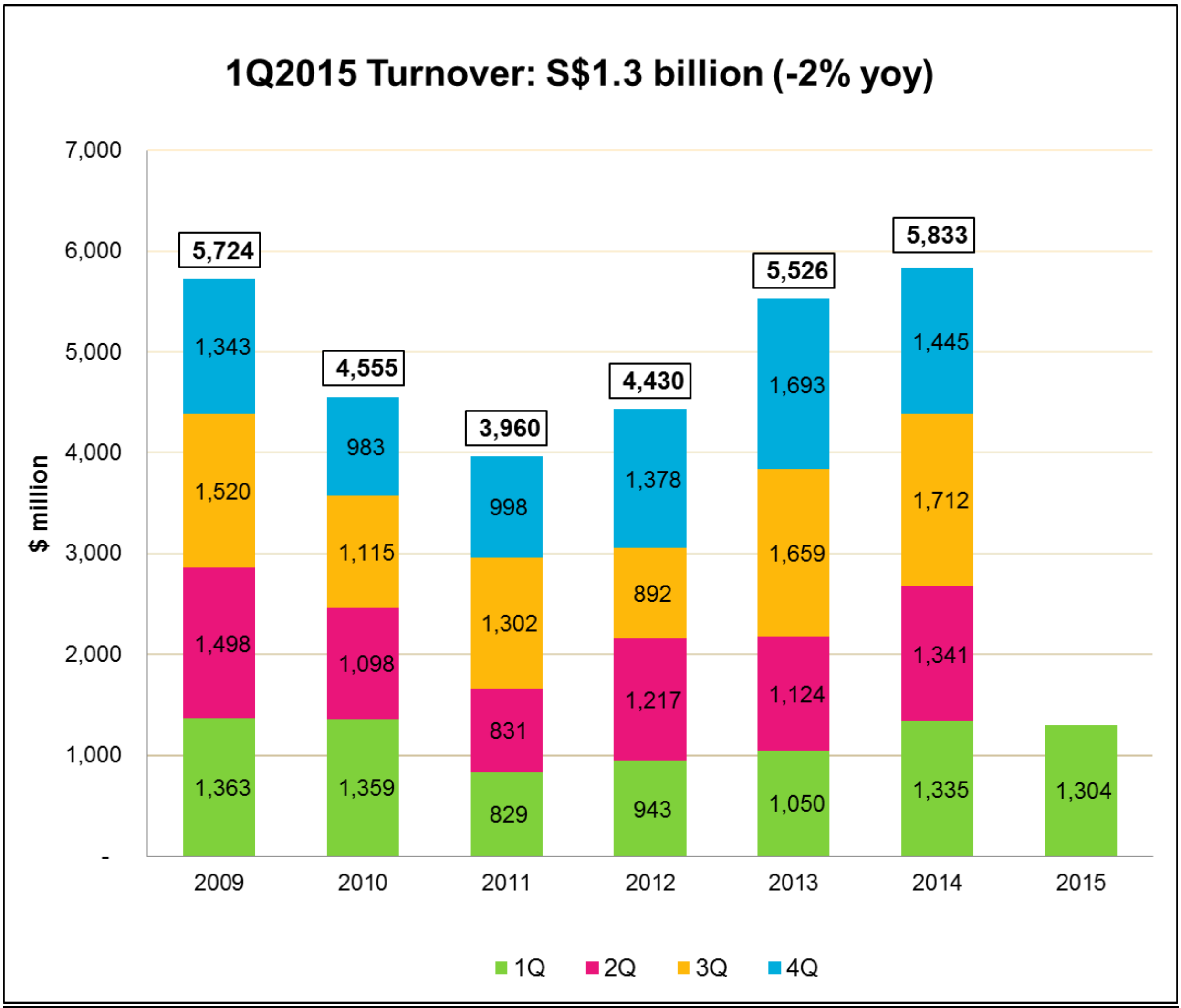
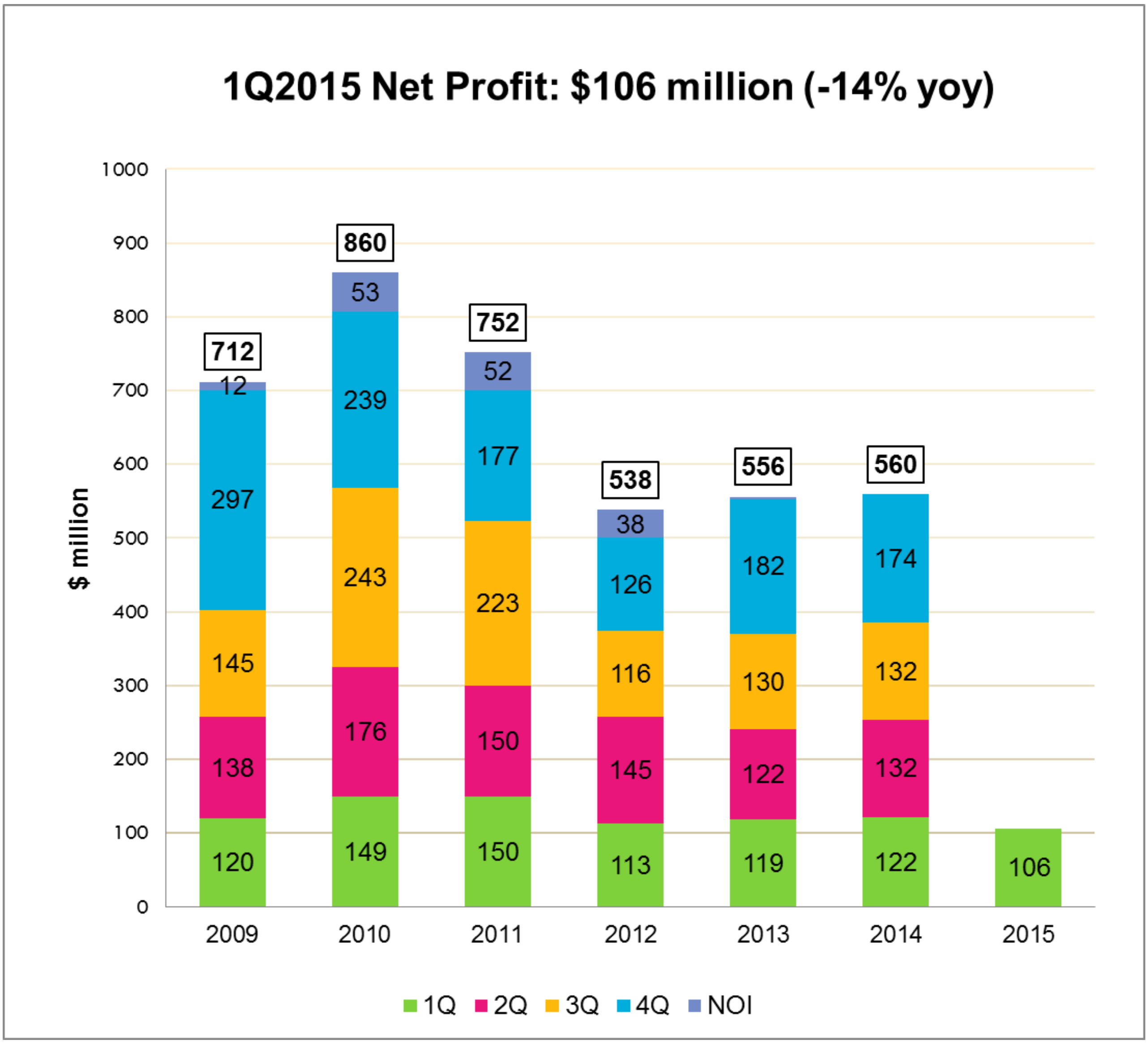
Appendix

QUARTERLY TURNOVER (2009 TO 2015)



- Group turnover declined 2% year on year from $1,335 million in 1Q 2014 to $1,304 million in 1Q 2015. The lower turnover was attributable to lower repair and rig building revenue recognition in the first quarter of this year as compared with the previous year.

QUARTERLY NET PROFIT (2009 TO 2015)



- Net profit declined 14% year on year, from $122 million in 1Q 2014 to $106 million in 1Q 2015.

CASHFLOW

Group (S$ million)	1Q 2015	1Q 2014	% change
Cashflow from operations before working capital changes	173	180	(4)
Net cash (outflow)/inflow from operating activities	(50)	686	n.m.
Net cash outflow from investing activities	(221)	(138)	60
Net cash inflow from financing activities	306	36	n.m.
Cash & cash equivalents	1,125	2,283	(51)
Borrowings	(2,034)	(811)	n.m.
Net (Debt)/Cash	(908)	1,472	n.m.
Progress Billing > WIP	917	1,619	(43)

- Net debt position of $908 million, with positive progress billings in excess of WIP of $917 million.

CAPITAL, GEARING AND ROE

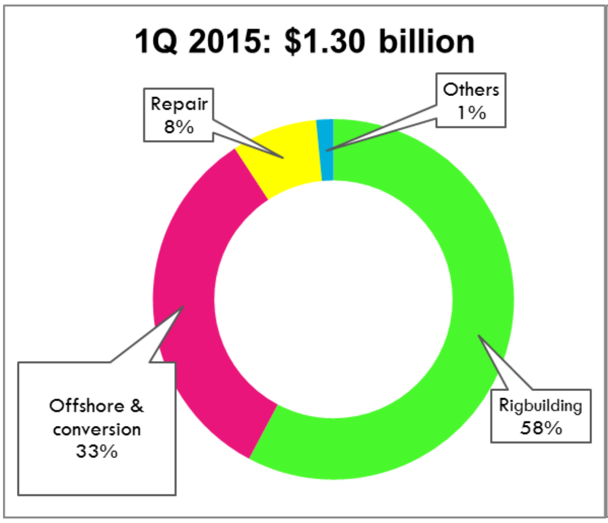
Group (S$ million)	1Q 2015	1Q 2014	% change
Shareholders' Funds	3,106	2,794	11
Net (Debt)/Cash	(908)	1,472	n.m.
Net Working Capital	1,204	668	80
Return on Equity (ROE) (%) Annualised	14.0	17.9	(22)
Net Asset Value (cents)	148.7	133.8	11
Return on Total Assets (ROTA) (%) Annualised	5.7	7.1	(20)
Economic Value Added	17	65	(74)

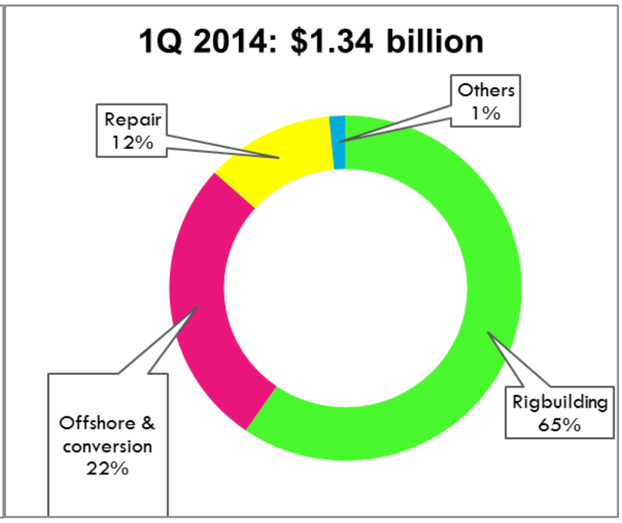
Note: n.m : not meaningful

- Return on Equity (ROE annualised) at 14%.
- Economic Value Added (EVA) was $17 million in 1Q 2015.
- The Group will continue to strive toward delivering creditable performance and value creation to shareholders.
- We will continue to maintain a strong balance sheet.

REVENUE CONTRIBUTION BY SECTORS (1Q 2015 versus 1Q2014)

By Value & Percentage Contributions

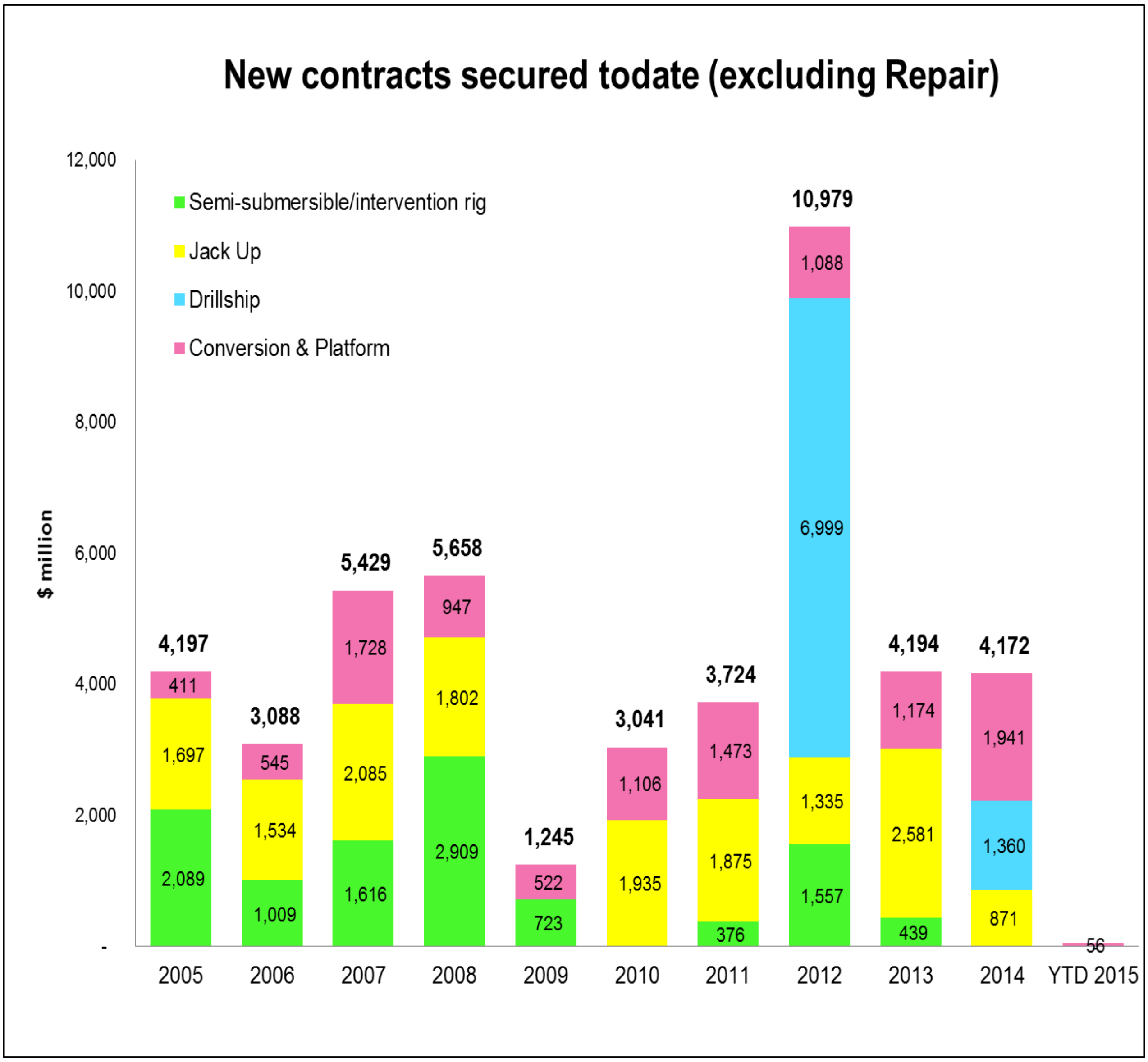




Turnover ($ million)	1Q 2015	1Q 2014	% change
Rigbuilding	753	796	(5)
Offshore & conversion	431	362	19
Repair	100	158	(37)
Others	20	20	0
TOTAL	1,304	1,335	(2)

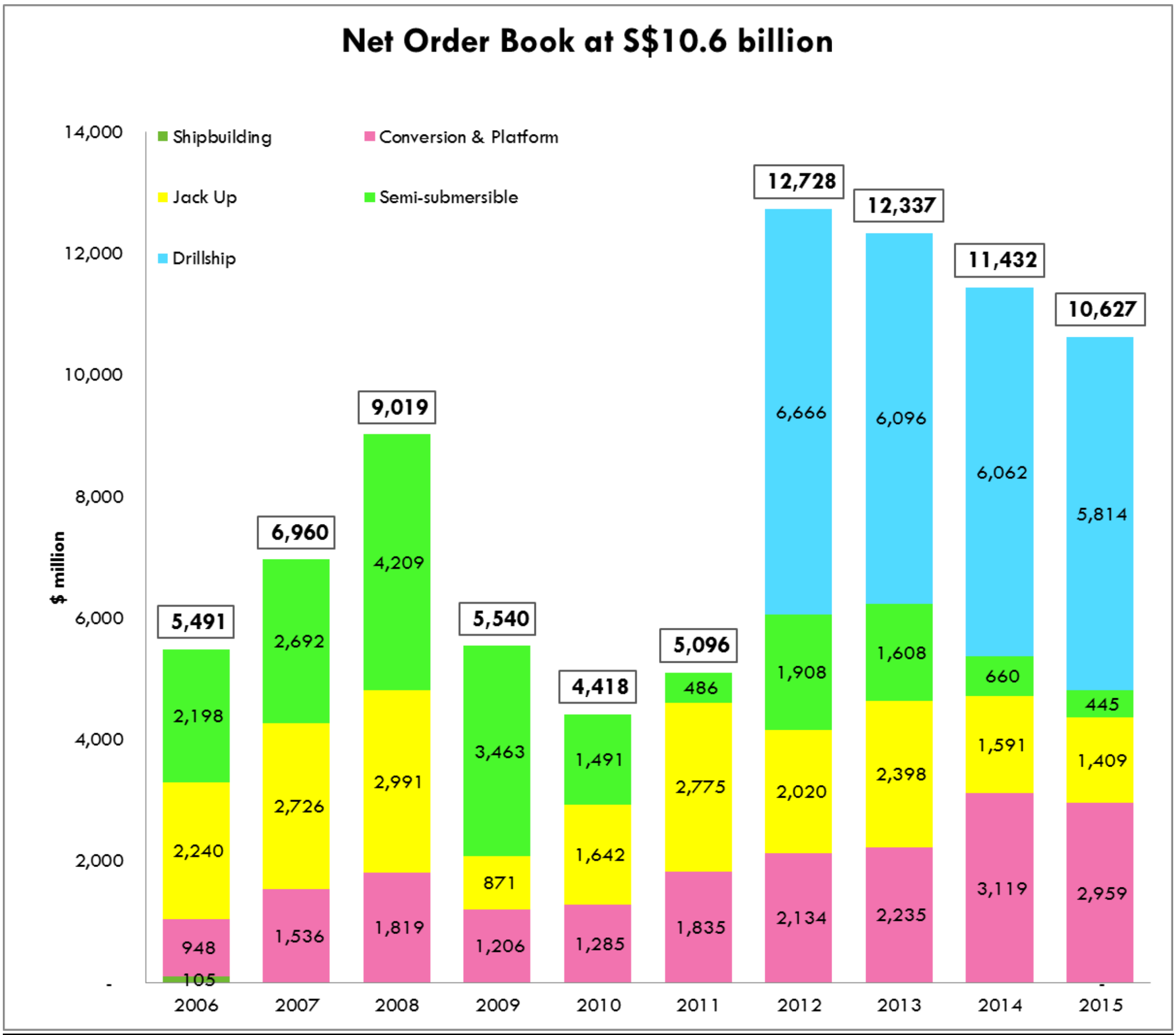
- Group revenue declined 2% year-on-year from $1.34 billion to $1.30 billion in 1Q2015, on lower revenue from the Repair and Rig building segments.
- Rig building remained the largest contributor accounting for 58% of total revenue followed by Offshore & conversion at 33%, ship repair at 8% and others at 1%.
- Despite challenging market conditions, the rig building sector registered a 5% decline in revenue from $796 million in 1Q 2014 to $753 million in 1Q 2015.
- The Offshore & conversion segment registered a 19% increase in revenue from $362 million to $431 million for the quarter.
- Ship repair registered a decline of 37% from $158 million in 1Q 2014 to $100 million in 1Q 2015.

CONTRACTS SECURED BY YEAR



- In March 2015, the Group signed a letter of intent with Heerema Offshore for the engineering and construction of a new semi-submersible crane vessel in the first quarter of 2015
- The Group also secured a $56 million FSO conversion contract with Teekay Offshore to convert a shuttle tanker into an FSO.

NET ORDER BOOK



- Net order book to-date stands at $10.6 billion with deliveries and completion stretching till 2019.
- Going forward, the Group expects to build up its order book despite the current challenging market environment.