



Company Registration Number: 196300098Z

PRESS RELEASE

CONTINUOUS STRONG GROWTH IN 1H 2007

- Turnover increased 30% to \$2,005 million in 1H 2007
- PATMI grew by 62% to \$158.8 million
- PATMI, excluding Nol (Non-operating Items) grew by 66% to \$160.0 million
- EVA increased 85% to \$108.2 million
- ROE, excluding AFS (Available For Sales) Reserves increased to 27.4%
- EPS increased 60% to 10.84 cents
- Record Interim Dividend at 5.0 cents per share (one-tier tax-exempt), up 79%
- Proposed 2 Bonus Shares for every 5 Ordinary Shares

Description (\$m)	Year		% Change	1H		% Change
	2Q 2007	2Q 2006		2007	2006	
Turnover	1,051.6	1,041.2	1	2,005.3	1,540.3	30
EBITDA	88.0	60.0	47	175.3	120.8	45
Operating Profit	74.0	49.5	50	148.1	100.3	48
Pre-tax Profit	106.7	71.4	50	191.4	127.5	50
PATMI	85.1	57.5	48	158.8	98.4	62
PATMI, exclude Nol*	86.0	49.6	73	160.0	96.6	66
EPS (cents)	5.80	3.96	47	10.84	6.77	60
NAV (cents)	105.6	75.0	41	105.6	91.4 Dec '06	16

* Non-operating Items

Singapore, August 2, 2007 : SembCorp Marine today reported a strong 2Q 2007 growth with earnings increased by 47.9% from \$57.5 million in 2Q 2006 to \$85.1 million in 2Q 2007 on the back of a 1% increase in Group turnover from \$1,041.2 million to \$1,051.6 million for the corresponding period. Excluding net non-operating items, Group attributable profits increased by 73.3% to \$86.0 million for the same period.

Group operating profits saw an increase by 49.5% from \$49.5 million in 2Q 2006 to \$74.0 million in 2Q 2007. Group pre-tax profits recorded an increase by 49.5% from \$71.4 million in 2Q 2006 to \$106.7 million in 2Q 2007. The increase is mainly attributable to higher operating margin from rig building and ship repair businesses, better contribution from associated companies and offset by a non-recurring gain on disposal of subsidiary of \$11.0 million made in 2Q 2006.

On a half yearly basis, Group turnover increased by 30.2% from \$1,504.3 million in 1H 2006 to \$2,005.3 million in 1H 2007 with growth coming mainly from the rig building, offshore, ship conversion and repair businesses.

Group operating profits for 1H 2007 increased by 47.7% to \$148.1 million as compared with \$100.3 million recorded in 1H 2006. Group pre-tax profits jumped 50.1% from \$127.5 million in 1H 2006 to \$191.4 million in 1H 2007. The increase is mainly attributable to higher operating margin from rig building and ship repair businesses, better contribution from associated companies, a non-recurring allowance for impairment in value of assets previously held for sale of \$6.1 million made in 1H 2006, and offset by non-recurring gain on disposal of subsidiary of \$11.0 million made in 1H 2006.

Group attributable profits in 1H 2007 grew by 61.5% to \$158.8 million as compared with \$98.4 million in 1H 2006. Excluding net non-operating items, Group attributable profits grew by 65.7% to \$160.0 million.

Record Interim Dividend

In view of the Company's record performance for 1H 2007 and to reward shareholders for their continuous support for the Group, the Board of Directors is recommending an interim dividend of 5.0 cents per share (one-tier tax-exempt) for 2007. This is 79% higher than the net interim dividend of 2.8 cents paid in 1H 2006.

The interim dividend will be paid on 31 August 2007.

Bonus Issue

The Board of Directors of SembCorp Marine is also proposing a bonus issue of new ordinary shares in the capital of the Company ("Bonus Shares") on the basis of two (2) Bonus Shares credited as fully paid for every five (5) existing ordinary shares held by the shareholders of the Company ("Proposed Bonus Shares").

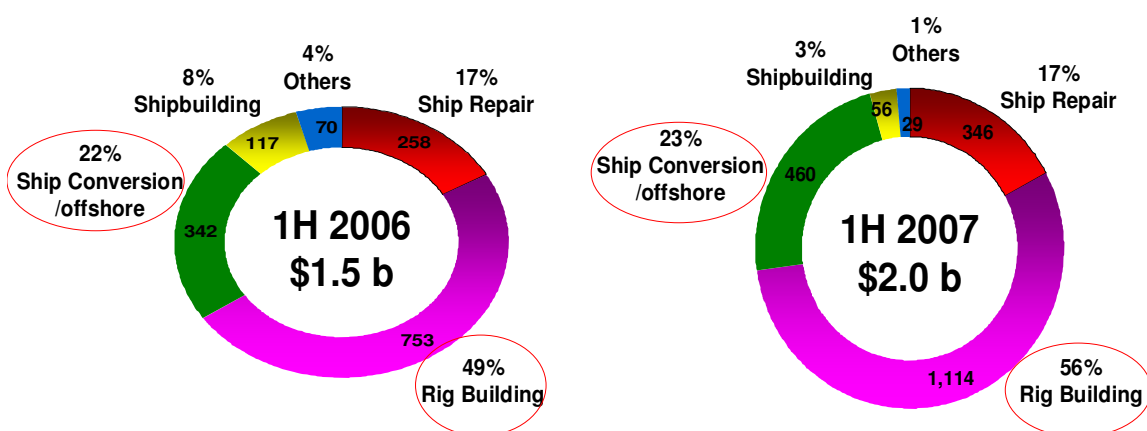
The Proposed Bonus Share Issue will augment the issued share capital base of the Company to reflect the growth prospects of the Group's businesses. The resultant enlarged share capital is expected to improve trading liquidity of the Company's shares which in turn encourage a wider spread of shareholders and increase market trading interest in the Company's shares.

The Bonus Shares will not be entitled to the 2007 interim dividend to be paid on 31 August 2007. There will be no impact to the value of the share capital arising from the Proposed Bonus Issue as the bonus shares are issued from the share premium account and the latter has become part of the Company's share capital pursuant to the Companies (Amendment) Act 2005 effective 30 January 2006.

The Proposed Bonus Issue is subject to the approval of the Singapore Exchange Securities Trading Limited ("SGX-ST") for the listing and quotation of the Bonus Shares on the official list of the SGX-ST ("Listing"). The Company will be making an application to the SGX-ST for the Listing of the Bonus Shares in due course.

Breakdown of Group Turnover by Sectors

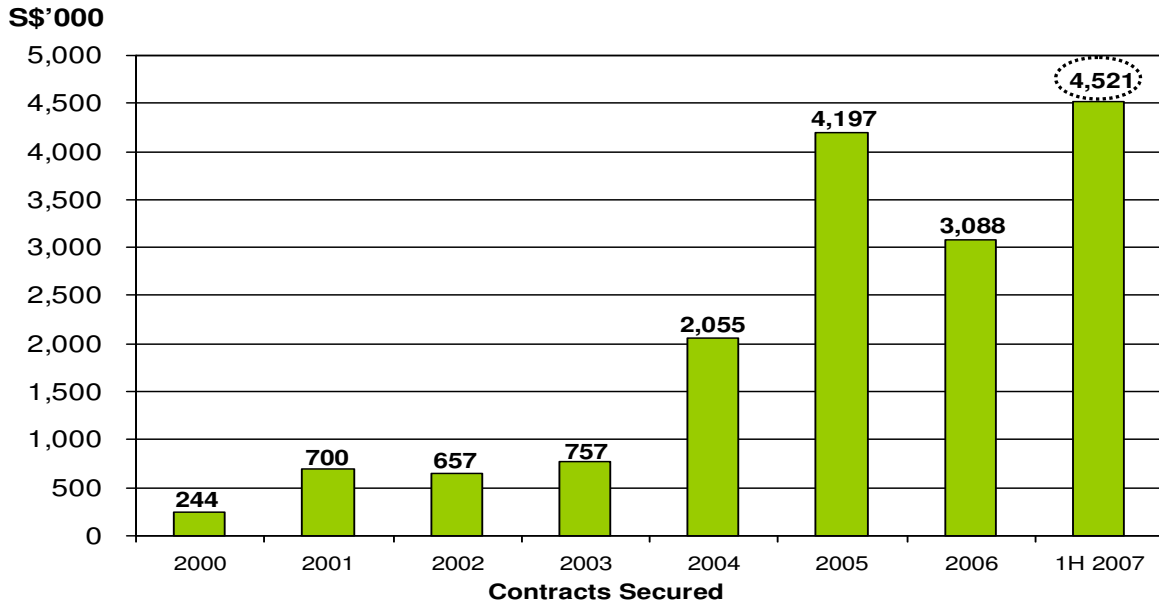
- Rig Building registered strongest growth contributing 56% to total revenue



Sector	\$m		% Change	\$m		% Change
	2Q 2007	2Q 2006		1H 2007	1H 2006	
Ship Repair	183.5	127.5	43.9	346.1	257.7	34.3
Shipbuilding	29.3	70.1	(58.2)	55.9	117.0	(52.2)
Ship Conversion/Offshore	262.9	266.7	(1.4)	460.4	342.4	34.5
Rig Building	560.1	558.8	0.2	1,114.0	753.3	47.9
Others	15.8	18.1	(12.7)	28.9	69.9	(58.7)
Total	1,051.6	1,041.2	1.0	2,005.3	1,540.3	30.2

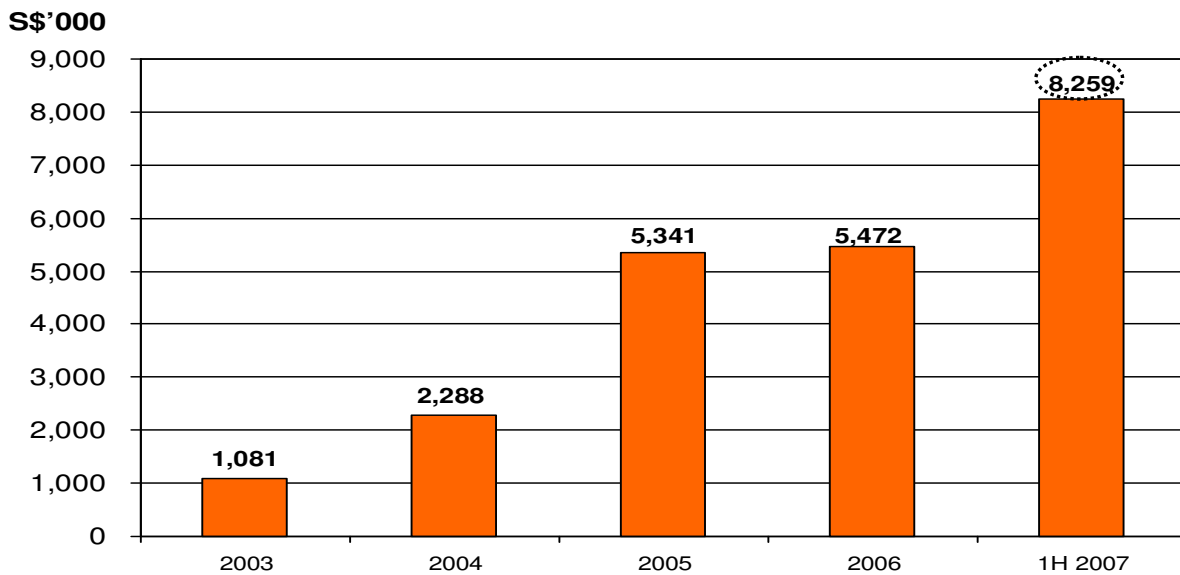
Contracts secured

- Contracts secured to-date as at January 2007 stand at S\$4.5 billion



Net Order Book

- Net Order Book continues to grow



Outlook

The Group has a strong net order book of \$8.3 billion with completion and deliveries till 2010. This includes new orders of \$4.5 billion secured since January 2007 to-date.

High demand for ship repair and dock space bookings continues to benefit the Group's ship repair sector.

Rig building fundamentals remain strong with demand trending towards deepwater rigs. The sustained higher level of exploration and production spending and the high oil prices will continue to support the demand for offshore fleet construction.

The positive outlook for the offshore production market will see increasing demand in fixed and floating production systems, including Floating Production Storage and Offloading (FPSO) units.

Overall, the Group expects the current year's overall performance to be stronger than FY 2006 based on the schedule completion of projects and underpinned by strong market fundamentals.

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