SembCorp Marine

1H 2005 Financial Results

August 1, 2005

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Scope of Briefing

Part I

- Financial Review

Part II

- Operations Review & Outlook
- Strategy for Sustainable Growth
- Outlook for 2005

Part III

- Rig Operations

Part IV

- Q & A

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Financial Review

1H 2005 Performance Highlights

•Stronger Growth in 2Q 2005

- Revenue increased by 59% to a record high at $918.1million
- Operating profit increased 29% to $56.1million
- PBT increased 38% to $75.1million
- PATMI increased 22% to $58.4 million
- PATMI (exclude tax writeback) increased 34% to $58.4 million
- EPS at 4.08 cents (1H 2004 : 3.38 cents) : up 21%
- Operating cashflow*at $73.4 million (1H 2004 : $58.4m) :up 26%
- Total dividend for 1H 2005 : 2.5 cents per share : up 67%
  - 1H 2004 Interim & Special Dividend total at 1.5 cents

* before reinvestment in working capital

Earnings & EPS

PATMI growth at 28% to $34.6 million in 2Q 2005 & YTD growth at 22% to $58.4 million

Description \ Year	2Q 2005	2Q 2004	% Δ	YTD 2005	YTD 2004	% Δ
Revenue ($'m)	470.4	330.8	42.2	918.1	575.8	59.4
EBITDA	41.1	34.3	19.8	72.9	61.6	18.3
Operating Profit ($'m)	32.6	25.4	28.1	56.1	43.6	28.8
Pre-tax Profit	44.6	31.8	40.2	75.1	54.5	37.7
PATMI	34.6	27.0	28.3	58.4	48.0	21.6
PATMI (exclude tax writeback)	34.6	27.0	28.3	58.4	43.7	33.6
Operating Margin (%)	6.9	7.7	(10.4)	6.1	7.6	(19.7)
EPS (cents)	2.40	1.90	26.3	4.08	3.38	20.7

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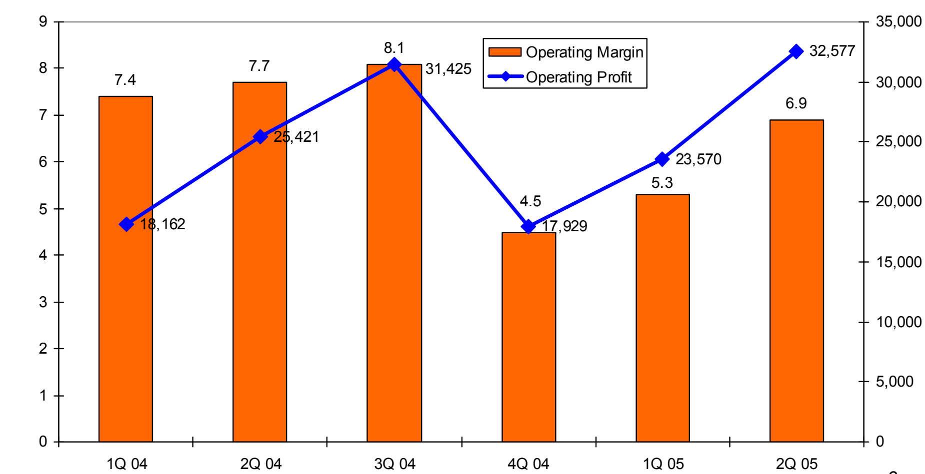
Operating Margin & Operating Profit

Operating Margin continues to improve from 4Q 2004 to 2Q 2005



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5-Year Revenue & PATMI

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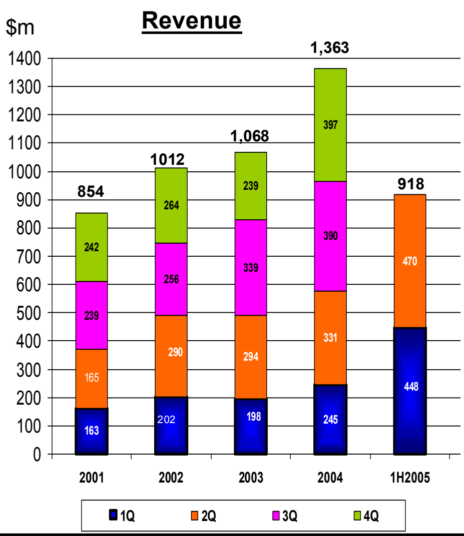
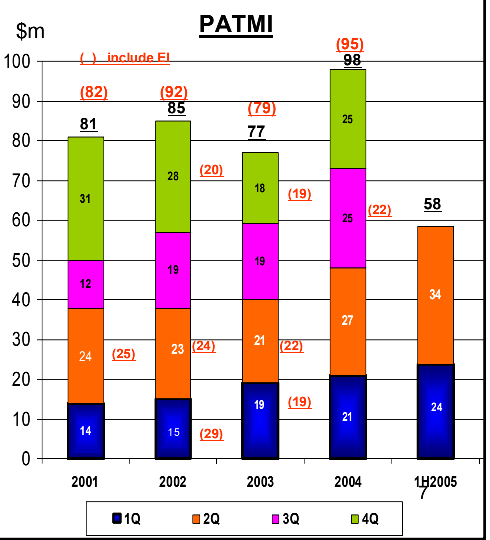
1H2005 revenue grew by 59% to $918 million

1H2005 PATMI grew by 22% to $58 million





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Capital and ROE

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- ROE improved to almost 12%
- Net Cash at $607 million

Year / Description	1H 2005	1H 2004	% change
Shareholders' Funds	1,032	937	10.1
Capital Employed	1,074	962	11.6
Net Cash	607	160	279.4
ROE (%) (annualised)	11.7	10.3	13.6
Net Asset Value (cents)	71.6	65.9	8.6

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Free Cashflow

Net Cash as at 1H 2005 at $607 million after record dividend payment

Description \ Year	1H 2005	1H 2004	% change
Cashflow from operation before reinvestment in working capital	73	58	25.7
Net cash provided by/(used in) operating activities	290	(19)	n.m.
Net cash provided by/(used in) investing activities	(101)	9	n.m
Dividends paid to shareholders	(69)	(40)	72.5
Net increase in cash & cash equivalent	137	12	1022.3

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Capex

Our 30% investment in Cosco Shipyard Group takes effect in 2005

Description \ Year($m)	2005 Forecast	2004 Actual
Rig	100	58
Buildings	2	4
Plants, Machinery & Cranes & Workshop Equipment	40	27
	142	**89**
Other Investment		
Cosco Corporation (S) Ltd	-	14
Cosco Shipyard Group	48	-
Others	8	2
	56	**16**
Total	**198**	**105**

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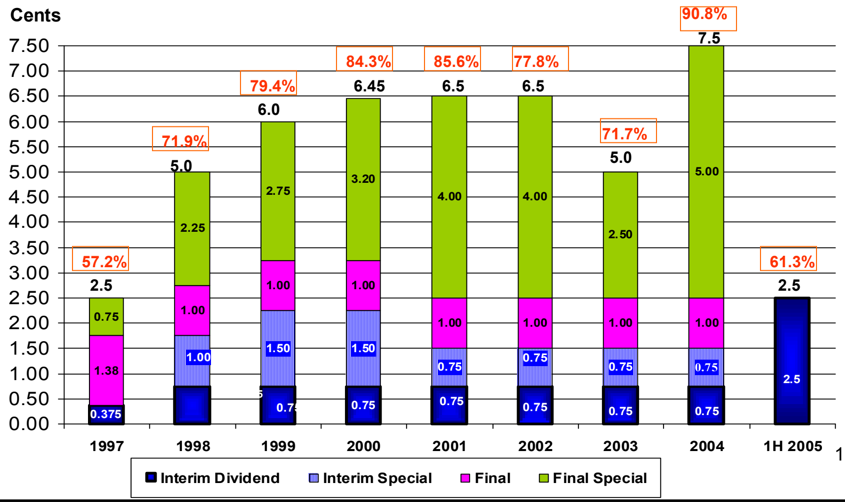
Dividend Payout Policy

Record Interim Dividend Payout at 2.5 cents per share
67% increase in interim dividend payment
We will continue to pay high dividend



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Operations Review & Outlook

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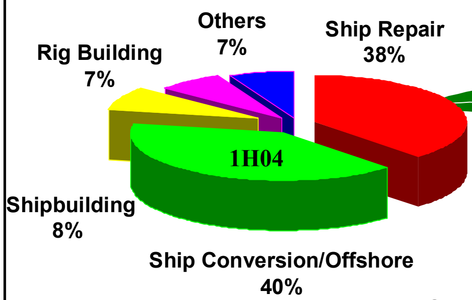
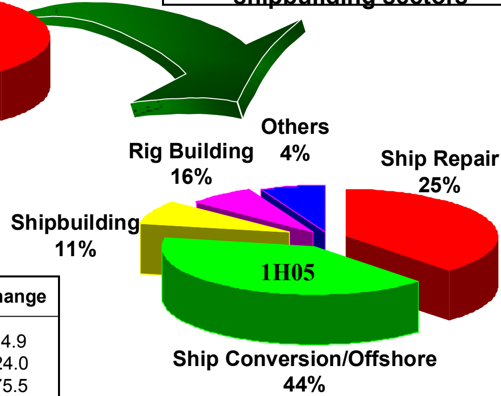
Turnover by Segments

The rig building sector registered the strongest growth followed by ship conversion/offshore and shipbuilding sectors





Sector	1H05	1H04	% change
Ship Repair	231.2	220.4	4.9
Shipbuilding	99.0	44.2	124.0
Ship conversion/offshore	402.5	229.4	75.5
Rig Building	145.1	41.6	248.8
Others	40.3	40.2	0.2
Total	918.1	575.8	59.4

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Turnover by Segments
(2Q2005 vs 2Q2004 & YTD2005 vs YTD2004)

Increase in rig building & ship conversion/offshore contributions in 2Q 2005

Sector \ $m	2Q 2005	2Q 2004	% Change	YTD 2005	YTD 2004	% Change
Ship Repair	135.1	124.5	8.5	231.2	220.4	4.9
Shipbuilding	47.6	42.1	13.1	99.0	44.2	124.0
Ship Conversion Offshore	179.4	124.4	44.2	402.5	229.4	75.5
Rig Building	97.2	18.7	419.8	145.1	41.6	248.8
Others	11.1	21.1	(47.4)	40.3	40.2	0.2
Total	**470.4**	**330.8**	**42.2**	**918.1**	**575.8**	**59.4**

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Ship Repair : Review

- Ship Repair remains strong
- 2H 2005 is expected to be strong

Description / Year	2Q 05	2Q 04	% change	YTD2005	YTD2004	% change
Revenue contributions	135.1	124.5	8.5	231.2	220.4	4.9
No. of vessels	89	86	3.5	169	172	(1.7)
Average value per vessel ($m)	1.52	1.45	4.8	1.37	1.28	7.0

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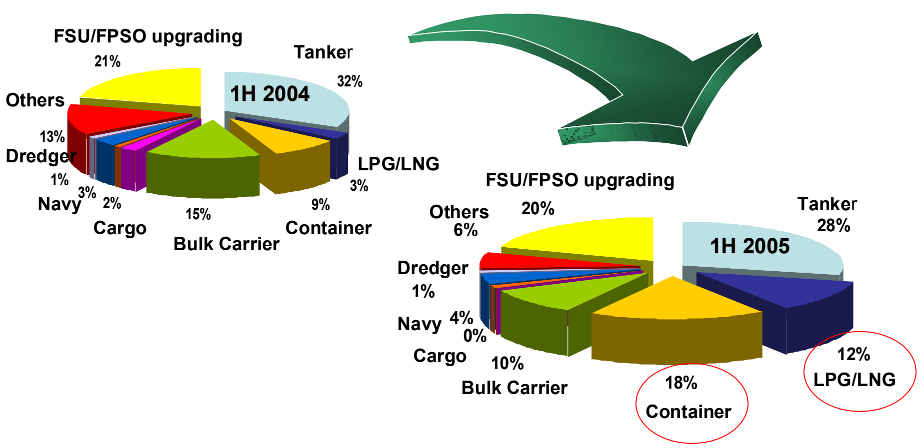
Ship Repair : Review

Growing contributions from container vessels & gas tankers



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Shipbuilding : Review

Increasing shipbuilding contributions with more vessels in work-in-progress stage

Description \ Year	2Q 05	2Q 04	% change	YTD 2005	YTD 2004	% change
No. of vessels delivered	-	-	-	2*	1	100
No. of vessels (WIP)	8	6	33.3	8	6	33.3
In planning & engineering stage	2	-	na	2	-	na
Percentage completion ($m)	47.6	42.1	13.1	99.0	44.2	124.0

WIP – work in progress
* - Fast Boat/tugs

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Shipbuilding: Review

Increasing trend in shipbuilding activities from 2H 2005 & 2006

Project Name/Type	Customer	Delivery schedule
Completed		
• 2 units 3,200 hp tugs	Pacific Workboats	1Q 2005
Work-In-Progress Stage		
• 2 units 2,600 TEU container	Wan Hai Lines	3Q & 4Q 2005
• 2 units 2,600 TEU container	Wan Hai Lines	1Q 2006 & 3Q 2006
• 2 units 4,950 dwt tanker	Kuwait Oil Tanker	2Q 2006
• 2 units 2,600 TEU container	Reederei F Laeisz	1Q & 3Q 2006
Engineering Stage		
• 2 units 2,600 TEU container	Wan Hai Lines	2Q & 3Q 2007

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Ship Conversion & Offshore : Review

Stronger conversion/offshore due to major progressive completion of P-50 FPSO conversion and P-54 Marine conversion

Description / Year	2Q 05	2Q 04	% change	YTD 2005	YTD 2004	% change
No. of vessels completed	-	1	-	1	1	-
No. of vessels (WIP)	5	5	-	5	5	-
In planning & engineering stage	4	1	300	4	1	300
Percentage completion ($m)	179.4	124.4	44.2	402.5	229.4	75.5

WIP – work in progress

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Ship Conversion & Offshore : Review

Several conversion projects in advance stage by year end

Project Name	Type	Customer	Delivery schedule
Completed			
• Modec Venture	FPSO conversion	Modec	1Q 2005
Work-In-Progress Stage			
• Erha	FPSO Topsides Installation & comm	ExonMobil	4Q 2005
• P-50	Topsides Integration	Petrobras BV	3Q 2005
• P-54	Marine Conversion	Petrobras BV	1Q 2006
• P-54	Topsides Fabrication & Compressor modules	Petrobras BV	3Q 2006
• P-54	Topsides Integration & Commissioning	Petrobras BV	3Q 2007

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Ship Conversion & Offshore : Review

2 new (1 FPSO & 1 FSO) conversion projects recently secured

Project Name	Type	Customer	Delivery schedule
Planning & Engineering Stage			
• Sapura Crest	Heavy Lift Pipelay vessel	SapuraCrest	4Q 2006
• ConocoPhillips	Fabrication & Integration of Topsides Production	ConocoPhillips	2Q 2008
New Projects			
• -	**FPSO conversion**	**-**	**3Q 2006**
• -	**FSO conversion**	**-**	**3Q 2006**

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Rig Building : Review

Rig Building still in early stages of production

Year / Description	2Q 05	2Q 04	% change	YTD 2005	YTD 2004	% change
No. of Rigs delivered	-	1(1)	-	2	1(1)	100
No. of Rigs (WIP)	3	2	50	3	2	50
No. in planning & Engineering stage	8	-	n.m.	8	-	n.m.
Percentage completion ($m)	97.2	18.7	419.8	145.1	41.6	248.8

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WIP – work in progress
( ) PPL Shipyard

Rig Building : Review

Successful completion & delivery of 2 units of semi-submersibles in 1Q 2005

Completed in 1Q 2005

• Development Driller I	Semi-submersible	GlobalSantaFe
• Development Driller II	Semi-submersible	GlobalSantaFe

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Rig Building : Review

Rig building activities expected to increase from 2H 2005 onwards

Project Name/Type	Customer	Delivery schedule
Work-In-Progress Stage		
• Atlantia semi-sub hull	Atlantia Offshore	1Q 2006
• 1st unit Jack-up	Kristiansand Drilling	1Q 2006
• 2nd unit Jack-up	WilPower	2Q 2006
Planning & Engineering Stage		
• 3rd unit Jack-up	Petrojack I	2Q 2007
• 4th unit Jack-up	Apexindo	1Q 2007
• 5th unit Jack-up	Deep Drilling Invest	2Q 2007
• 6th unit Jack-up	WilSuperior	2Q 2007
• 7th unit Jack-up	Seatanker Management	4Q 2007
• 8th unit Jack-up	Petrojack II	1Q 2008
• 9th unit Jack-up	Japan Drilling	1Q 2008
• 10th unit Jack-up	Petrojack III	4Q 2008
• 1st unit Semi-sub	Seatankers	4Q 2008
• 2nd unit Semi-sub	Seatankers	2Q 2009

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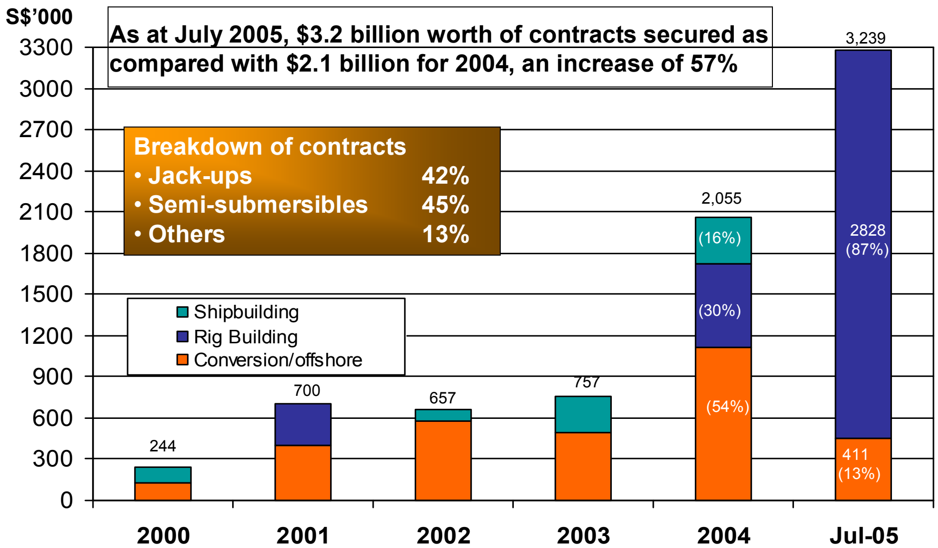
Details of Contracts Secured in 2005 (To-date)

Month	Value (S$m)	Details
January	$ 217	1 unit Baker Marine Pacific Class 375 Jack-up rig for Apexindo
February	$ 161	Fabrication & integration of topsides production modules for newbuild FPSO for ConocoPhillips China
	$ 123	Design & construction of a Self-Propelled DP2 Heavy Lift Pipelay vessel for SapuraCrest Petroleum Berhad
	$ 82	Fabrication of a deep draft semi-submersible hull for Atlantia Offshore
	$ 194	1 unit Baker Marine Pacific Class 375 Jack-up rig for Deep Drilling Invest
March	$ 196	1 unit Baker Marine Pacific Class 375 Jack-up rig for Wisuperior, a subsidiary of Awilco Offshore ASA
April	$ 212	1 unit Baker Marine Pacific Class 375 Jack-up rig for Seatankers
	$ 209	1 unit Baker Marine Pacific Class 375 Jack-up rig for Petrojack
	$ 215	1 unit Baker Marine Pacific Class 375 Jack-up rig for Japan Drilling
June	$1,287	2 units of Friede &Goldman ExD designed semi-submersible rigs for Seatankers
	$ 216	1 unit Baker Marine Pacific Class 375 Jack-up rig for Petrojack
July	$ 127	1 unit FPSO & 1 unit FSO conversions
Total	**$3,239**	

Record Contracts Secured

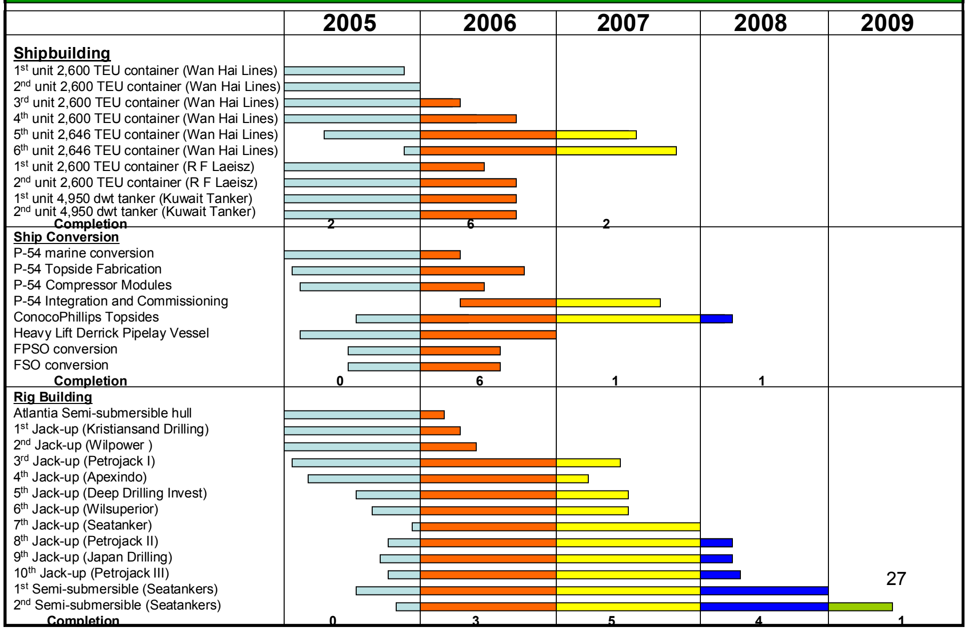
As at July 2005, $3.2 billion worth of contracts secured as compared with $2.1 billion for 2004, an increase of 57%

Breakdown of contracts
- Jack-ups 42%
- Semi-submersibles 45%
- Others 13%



Contracts Secured

Schedule of Delivery & Completion



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Total Order Book (exclude ship repair)

Order Book remains strong at record high at S$5 billion

Sector \ S$m	Contract Value carried forward from 1Q 2005 plus new contracts secured as at to-date	Taken 2Q 2005	Balance	Percentage of Total Order Book
Shipbuilding	436	48	388	**8%**
Ship Conversion & Offshore	1,443	180	1,263	**25%**
Rig Building	3,447	97	3,350	**67%**
Total	**5,326**	**325**	**5,001**	**100%**

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Ship Repair : Outlook

- **Ship Repair expected to be strong**
  - strong demand
  - market still competitive
  - ability to deliver on schedule important
  - owners are more willing to spend in dockings

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Shipbuilding : Outlook

- Shipbuilding supported by strong demand
- Continual demand for niche market in feeder container vessels & offshore supply vessels

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Ship Conversion & Offshore : Outlook

- **Oil demand continues to grow**
  - IEA expects global oil demand to increase 3.4% from 2003 to 2004 & continued growth expected in 2005
  - strong economic growth from China & India
- **Oil and gas prices remain high**
  - oil spot prices have soared to above US$50/barrel
  - natural gas prices have also been strong
- **E & P Activity reacting to high oil & gas prices**
  - worldwide exploration & production spending will continue to rise in 2005
  - spending expected to climb 5.7% (US$167.3 billion in 2004 to US$176.8 billion in 2005)*

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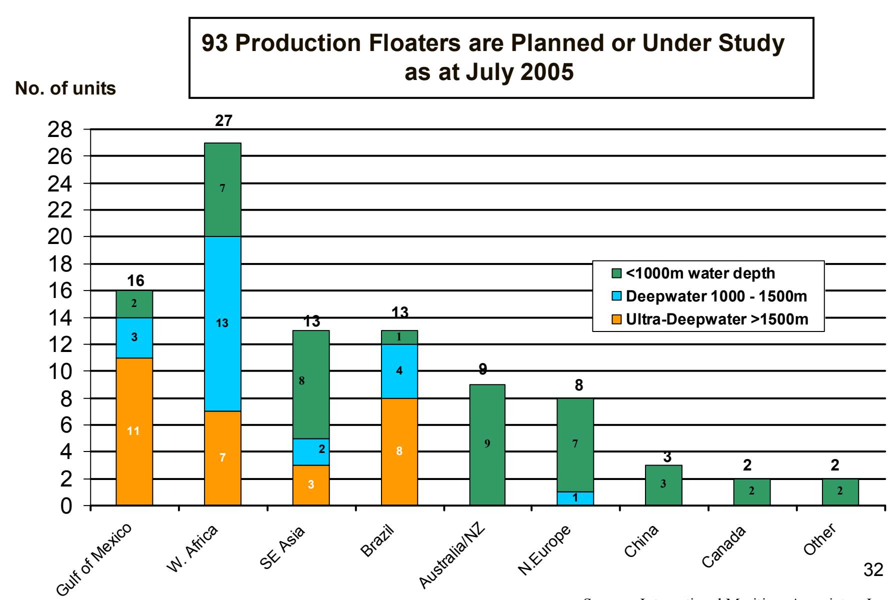
* industry survey by Lehman Brothers

Ship Conversion & Offshore : Outlook



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Source : International Maritime Associates, Inc

Rig Building : Outlook

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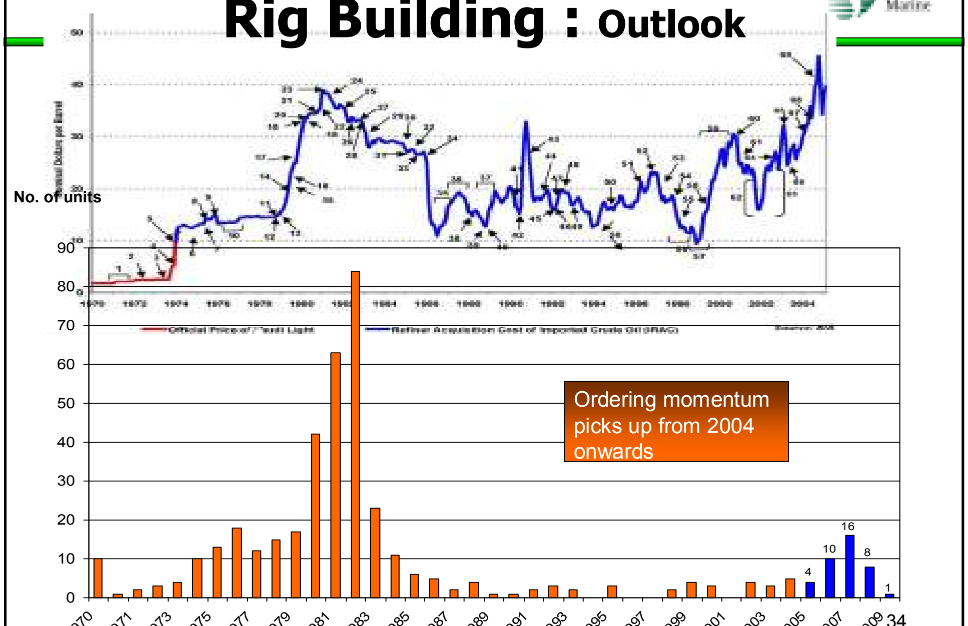
- **High utilisation levels**
  - worldwide utilisation levels expected to increase further
  - operators increasingly commit to long-term charters to ensure rig access
- **Growing demand for high-specification rigs**
  - operators prepared to commit ahead of time in anticipation of their drilling programs
- **Demand for floaters continues to grow**
  - both standard and deepwater sectors are tightening worldwide
  - dayrates increasing across the board

Rig Building : Outlook

SembCorp Marine

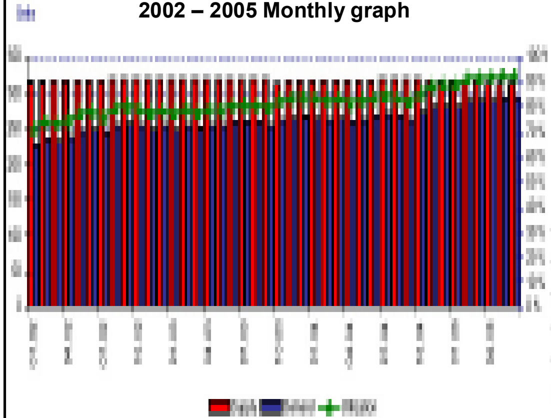


Source : ODS - Petrodata

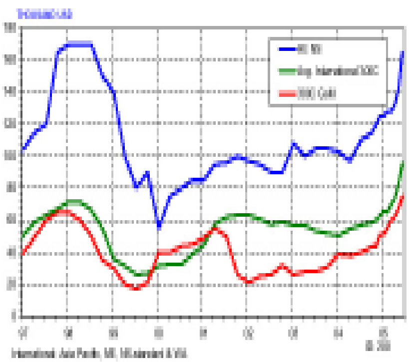
As at 28 July 2005

Rig Building : Outlook

Jackup Worldwide Supply & Demand
2002 – 2005 Monthly graph



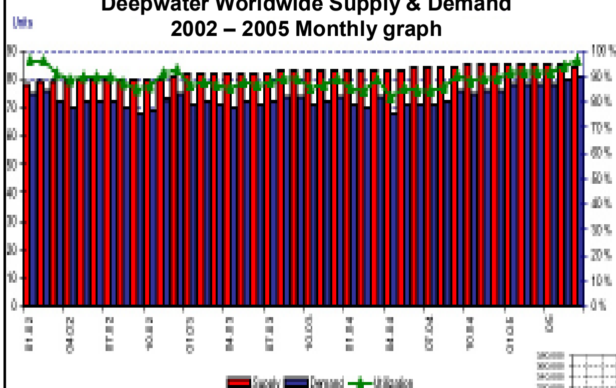
Average Dayrates in Given Market Segments
300IC & HE Jackup Drilling Units



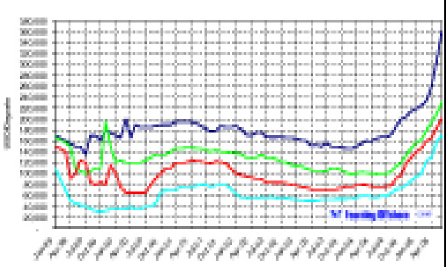
Source : Fearnley Offshore

Rig Building : Outlook

Deepwater Worldwide Supply & Demand
2002 – 2005 Monthly graph



Worldwide Deepwater Drilling Units
Market Rate Assessment by Waterdepth Segment



Source : Fearnley Offshore

Strategy for Sustainable Growth

Strategy for Sustainable Growth

- **Leveraging on Complementary Overseas Facilities**
  - Singapore and Brazil
  - Singapore and China
- **Technology-based**
  - proprietary designs for container vessels
  - proprietary designs for rigs
  - semi-submersibles track record
- **Strategic Alliances with customers**
  - facilities within the group

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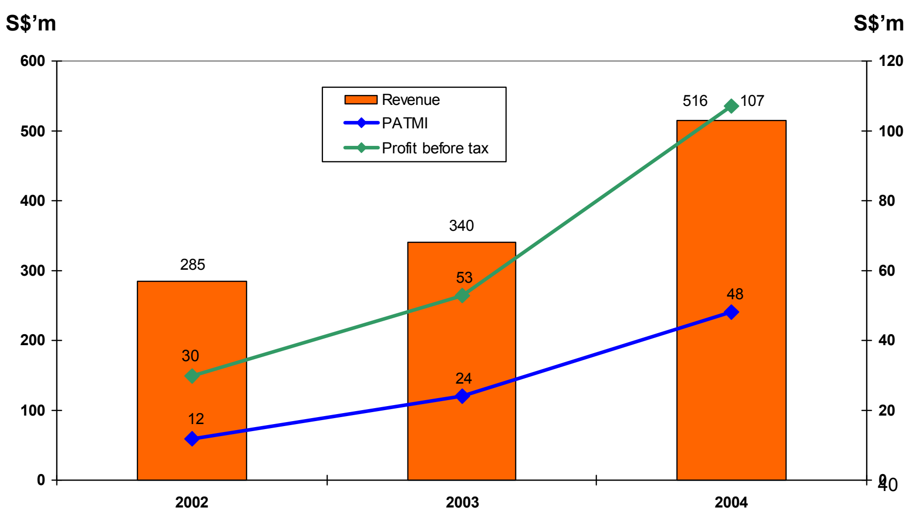
Leveraging on complementary facilities

Partnership in Growth

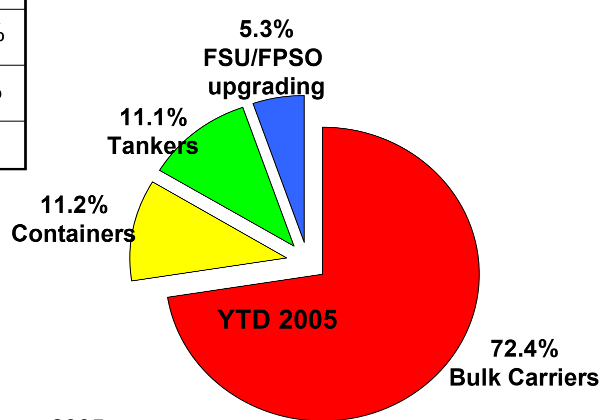
- Our 30% investment in Cosco Shipyard Group takes effect in 2005
- Higher contribution expected from the investment



Vessel Types

Breakdown of Revenue	
Ship Repair	86.0%
Conversion/offshore	8.1%
Others	5.9%
Total	**100%**

72% of repairs from Bulk Carriers



Cosco Shipyard Group as at June 2005

Proprietary Design in Container Feeder Vessels

- **Design & speed well received in the market**
- **We will continue to build**

From 830 TEU to 2,600 TEU

<u>**Specifications (2,600 TEU)**</u>

LOA	: 213.00m
LBP	: 202.10m
Beam	: 32.20m
Depth	: 16.50m
Design Draft	: 10.50m
Scantling Draft	: 11.50m
Design Speed	: abt 22.80 kts
Service Speed	: abt 22.30 kts
Complements	: 25 + 6 suez

- **6 units of 2,600 TEU container vessels for Wan Hai Lines**
- **2 units of 2,600 TEU for Reederei F. Laeisz**

Leveraging on Proprietary Design in Jack Up

Strong Demand for our high specifications Baker Marine Pacific 375 Class Rig

Rig Specifications – enhanced design

Design :Baker Marine Pacific class mobile offshore self-elevating drilling unit
Operating water : shallow water/375 ft
Depth : 375 ft
Drill depth: 30,000 feet
Cantilever :70 ft no skid off
Drawworks : 3,000 HP
Accommodation: 120 persons

- **57 Baker Marine rigs in operation worldwide**
- **10 such units secured so far with more to come**
- **World's market share at 26% as at end July 2005**

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Leveraging on track record in semi-submersibles

Growing Demand for Deepwater Semi-submersible rigs

Specifications

- Friede& Goldman Ex-D-Designed 5th Generation Deepwater Semi-submersible Drilling Rig
- Capable of drilling as a dynamically positioned drilling rig in water depths up to 2286m for operations in moderate environment & conventionally moored in water depths up to 1524m
- Designed for operations in Gulf of Mexico, offshore Brazil & West Africa, etc

- **2 units of semi-submersibles secured at US$780 million**
- **2 (29% market share) out of 7 units ordered worldwide**

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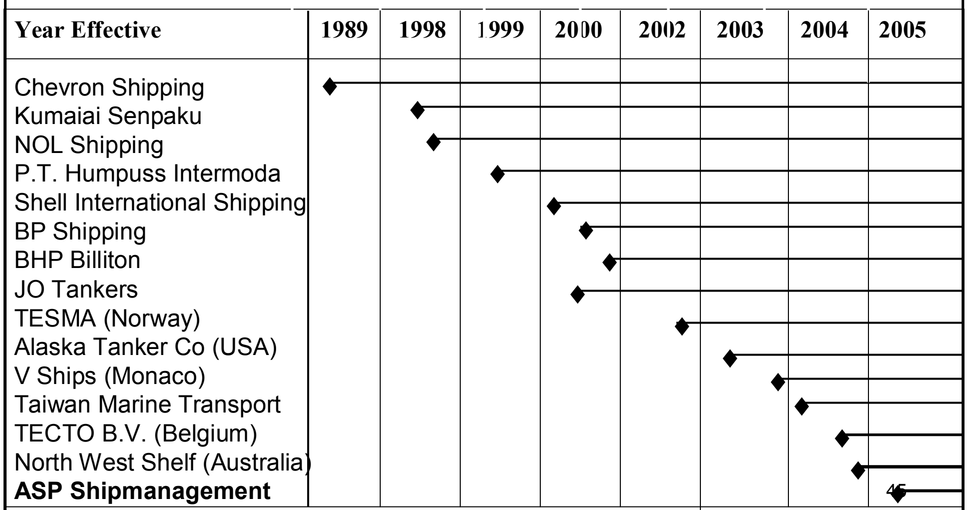
Strategic Alliance with Customers (ship repair)

Alliance Partners continue to support us with steady & growing baseload



Contributions (ship repair)

Emphasis on Quality, Safety & delivery on schedule

Type	1H 2005	1H 2004
Alliance Partners	32%	30%
Regulars	53%	53%
Total	85%	83%

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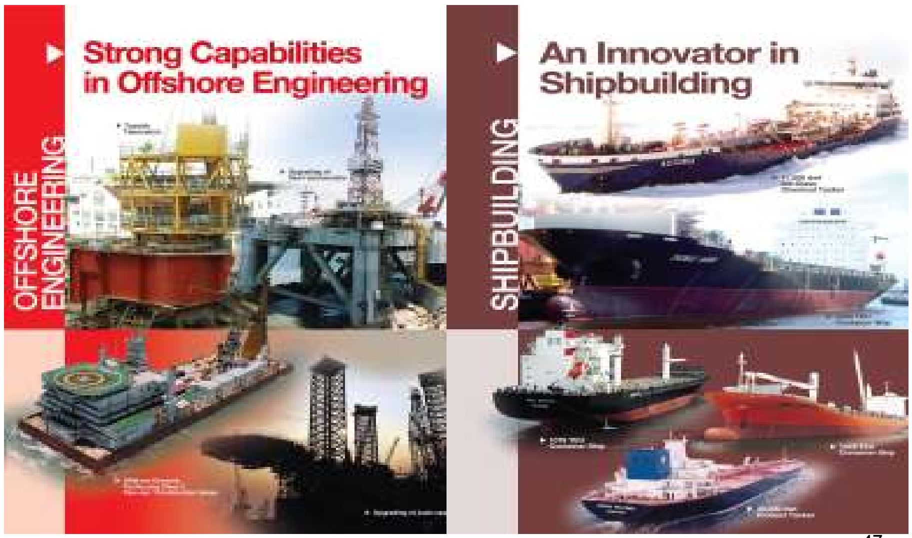
Outlook for FY 2005



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Outlook for 2005 (macro level)

- Strong fundamentals in offshore conversion
- Strong demand for high specifications rigs and deepwater drilling units
- Ship repair demand expected to be strong in 2H 2005 amid competitive environment
- Good demand for niche shipbuilding

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Financial Targets

- Growth in shipbuilding, ship conversion/offshore & rig building businesses estimated at 15%

  <u>- surpass estimates</u>

- Increasing contributions from overseas yards (Brazil & China) : about 15%

  <u>– surpass estimates</u>

- ROE target of 12% **<u>- annualised at 11.7%</u>**

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Thank You