



Press Release

CONTINUED GROWTH IN SHIP CONVERSION AND SHIP REPAIR ACTIVITIES

Singapore, November 5, 2004: SembCorp Marine today reported net profit (exclude EI) of \$24.8 million for the third quarter (3Q 2004), taking net profits for the nine months (9M) 2004 to \$73.1 million, up 25% over the same period last year.

Group turnover for 3Q 2004 increased from \$339.2 million to \$390.0 million with 9M 2004 revenue at \$965.8 million, up 17% over the same period last year. The increase was mainly attributable to increases in both ship conversion and ship repair activities. Some of the new building projects are still in the early stages of production and are not taken up.

Group operating profit increased by 29% from \$58.6 million for 9M 2003 to \$75.6 million for the same period in 2004. Group pre-tax profit increased by 13% from \$75.3 million for 9M 2003 to \$85.1 million for 9M 2004.

Group tax charge in for 9M 2004 decreased from the 9M 2003 mainly due to write-backs of over-provision of tax in respect to prior years arising from a 2% reduction on corporate income tax rate. Group attributable profits increased by 19% from \$59.0 million in 9M 2003 to \$70.1 million in 9M 2004.

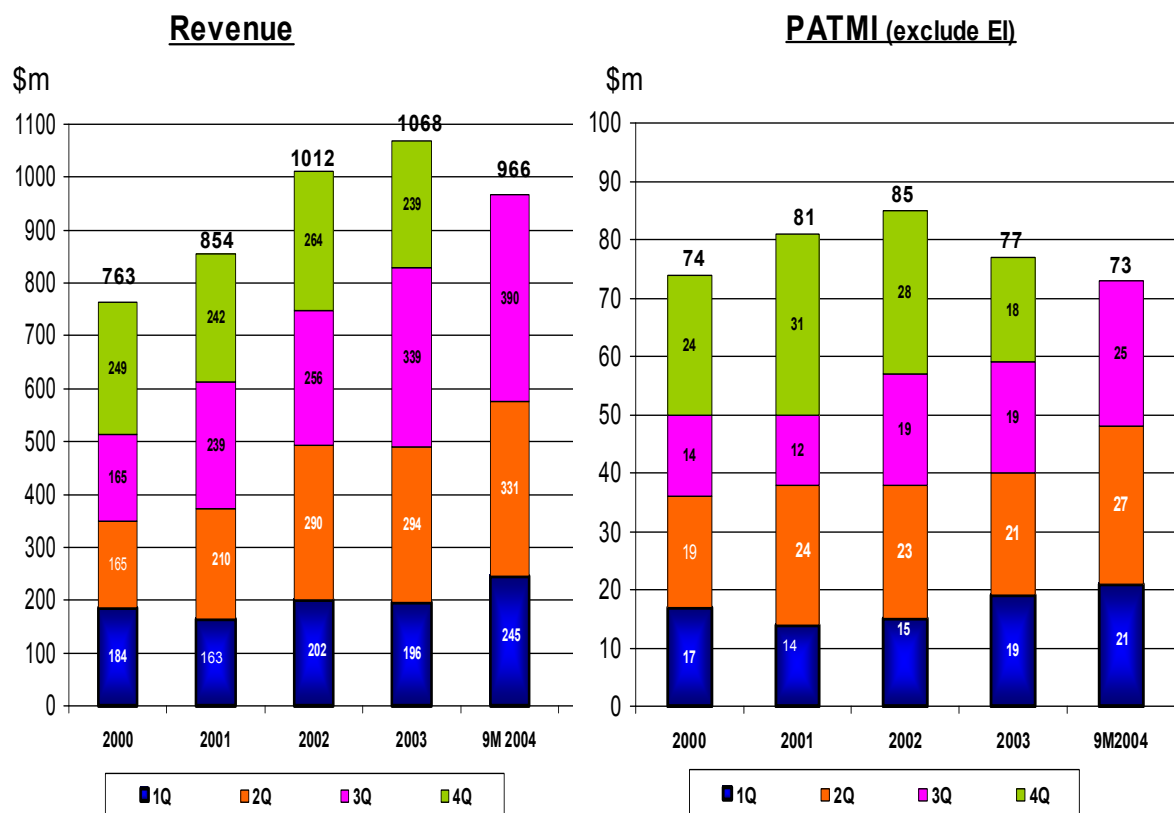
Excluding exceptional items, Group attributable profits would have increased by 25% from \$58.6 million for 9M 2003 to \$73.1 million for the same period in 2004.

Financial Highlights

\$'m	3Q 2004	3Q 2003	% Change	9M 2004	9M 2003	% Change
Revenue	390.0	339.2	15	965.8	829.0	17
Operating Profit	31.7	17.8	78	75.6	58.6	29
<i>Operating Margin (%)</i>	<i>8.1</i>	<i>5.2</i>	<i>56</i>	<i>7.8</i>	<i>7.1</i>	<i>10</i>
EBITDA	41.0	27.0	51	102.9	84.3	22
Pre-tax Profit (exclude EI)	33.3	24.3	37	88.1	74.9	18
Pre-tax Profit	30.3	24.4	24	85.1	75.3	13
PATMI (exclude EI)	24.8	18.8	32	73.1	58.6	25
PATMI	21.8	18.9	15	70.1	59.0	19
Earnings per share (cents) (exclude EI)	1.74	1.33	31	5.14	4.14	24
Earnings per share (cents)	1.53	1.34	14	4.93	4.17	18

EI : Exceptional Items

5-Year Revenue & PATMI



Performance of Associates (Profit before Tax)

Company	\$'m	3Q 2004	3Q 2003	% Change	9M 2004	9M 2003	% Change
Cosco (Dalian) Shipyard		1.91	0.92	107	5.11	2.33	119
Jurong Shipyard Inc.		(3.19)	0.19	n.m.	(1.34)	1.00	n.m.
PPL Shipyard		-	-	-	-	0.88	(100)
Jurong Clavon		-	(0.75)	100	(0.09)	(0.85)	(89)
Bohai Sembawang		-	0.09	(100)	-	0.21	(100)
Pacific Workboats		0.07	-	n.m.	0.36	-	n.m.
Others		(0.30)	2.46	n.m.	(0.47)	2.68	n.m.
Total		(1.51)	2.91	n.m.	3.57	6.25	(43)

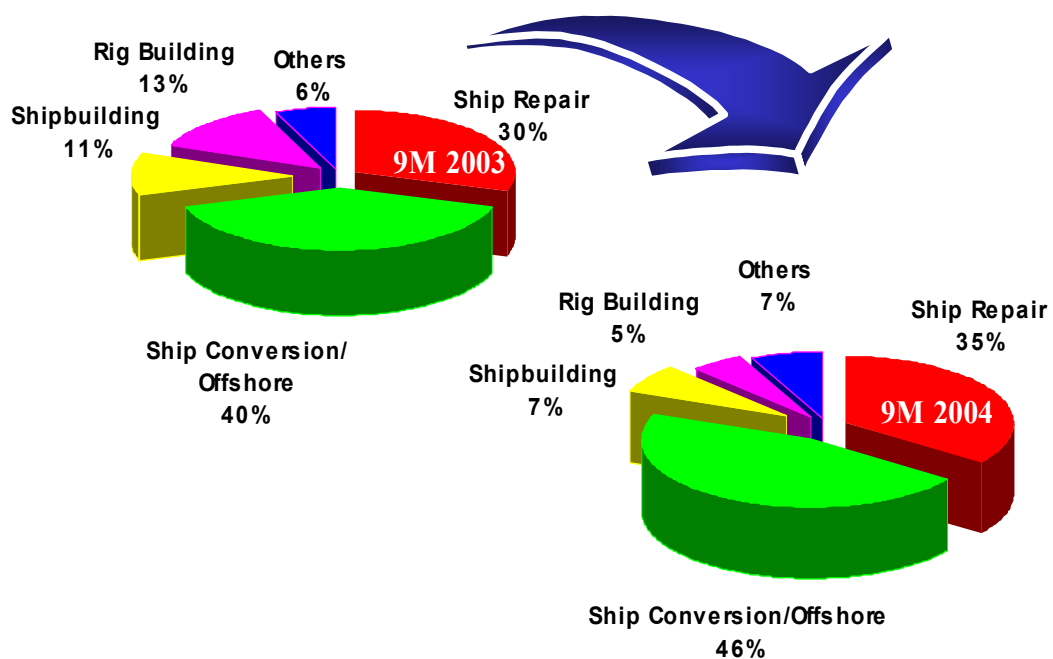
Capex

Year(\$'m)	2004 Forecast	2004 Budget	9M 2004 Actual
Description			
Rigs	76.4	-	22.1
Buildings	4.1	0.8	0.5
Plants, Machinery & Cranes	28.5	34.5	19.7
Office Equipment & Tools	3.0	6.4	2.0
Other investment			
Cosco Corporation	14.0	-	14.0
Cosco Shipyard Group	49.0	45.0	-
Others	2.0	-	2.0
Sub-total	65.0	45.0	16.0
Total	177.0	86.7	60.3

Revenue Contributions by Sectors

Sector	\$'m	3Q 2004	3Q 2003	% Change	9M 2004	9M 2003	% Change
Ship Repair		117.9	87.6	35	338.3	247.0	37
Shipbuilding		20.6	6.8	203	64.8	92.9	(30)
Ship Conversion & Offshore		214.4	175.8	22	443.8	329.4	35
Rig Building		10.3	48.2	(79)	51.9	107.4	(52)
Others		26.8	20.8	29	67.0	52.3	28
Total		390.0	339.2	15	965.8	829.0	17

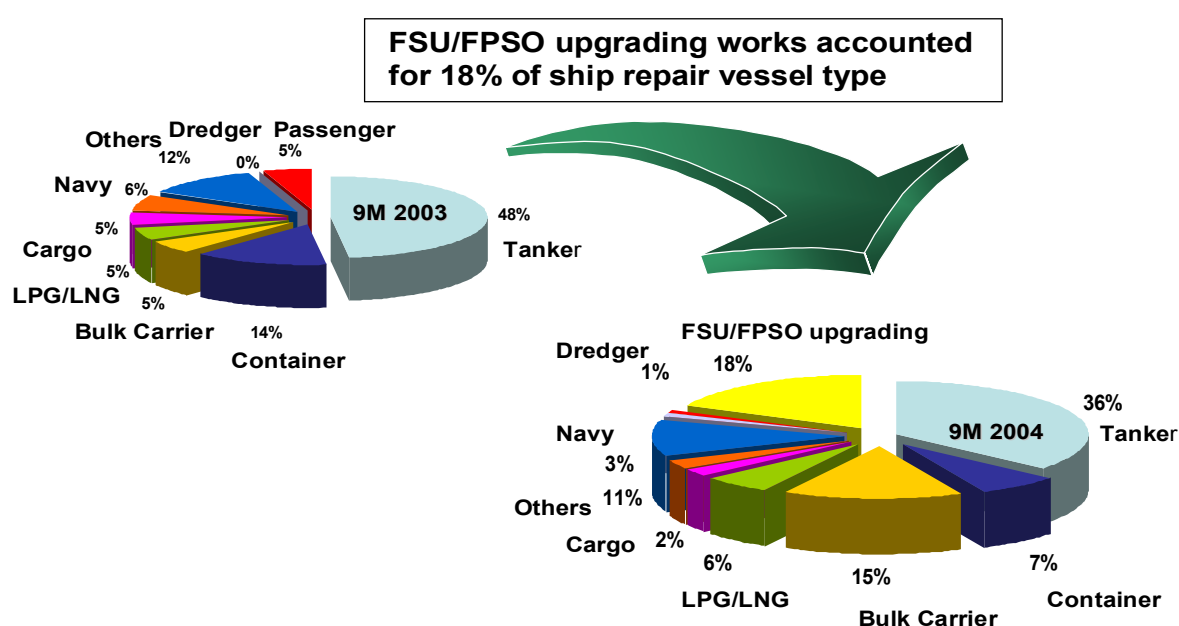
Revenue Contributions by Sectors (9M 2004/ 9M 2003)



Ship Repair

	9M 2004	9M 2003	% Change
Revenue contributions (\$'m)	338.3	247.0	37
Number of Vessels	249	255	(2)
Average value per vessel (\$'m)	1.36	0.97	40

Types of Vessels



Major New Long-term Ship Repair Contracts

1. SembCorp Marine's Sembawang Shipyard signed long-term Favoured Customer Contract with Tecto Belgium N.V. (TECTO) which commits the retrofitting and dry-docking of 60 vessels owned by CMB and Euronav to Sembawang Shipyard for the foreseeable future. Estimated 8 to 10 vessels are expected to drydock in the shipyard annually.
2. SembCorp Marine's Sembawang Shipyard and Jurong Shipyard secured breakthrough long-term ship LNG refit contract with North West Shelf (NWS) venture to provide ship drydocking, refit and other marine services for their fleet of 9 LNG ships which require drydocking services every 30 months.

Ship Conversion & Offshore

Number Completed	2	<ul style="list-style-type: none"> P-50 Marine Conversion for Petrobras Jascon 5 DP Pipe-lay Construction barge for Consolidated Project
No. of projects in work-in-progress stages	7	<ul style="list-style-type: none"> P-50 Topside integration P-54 FPSO conversion for Petrobras Erha FPSO Conversion for Bouygues Offshore TT Nina FPSO Conversion for Modec Santos Mutineer FPSO Conversion for Modec CNOOC 114 FSO Conversion Berge Sisar LPG FPSO Conversion
9M 2004 Percentage Completion (\$'m)	\$443.8	

Shipbuilding

Number Completed	3	<ul style="list-style-type: none"> 1 unit Fast Boat for DML Overseas 2 units 3,200 hp tugs for Pacific Workboats
No. of vessels in work-in-progress stages	9	<ul style="list-style-type: none"> 2nd unit of 2,500 TEU container vessel for Reederei Karl Schlüter 4 units 2,600 TEU container for Wan Hai Lines 2 units 2,600 TEU container for Reederei F Laeisz 2 units 3,200 hp tug for Pacific Workboats
9M 2004 Percentage Completion (\$'m)	\$64.8	

Rig Building

Number Completed	1	<ul style="list-style-type: none"> Constellation II for Global SantaFe
Number of units in work-in-progress stages	4	<ul style="list-style-type: none"> Semi-submersible Rig - Development Driller I for Global SantaFe Semi-submersible Rig - Development Driller II for Global SantaFe Kristiansand Drilling Jack-up Rig Jack-up Rig for Mosbarron
9M 2004 Percentage Completion (\$'m)	\$51.9	

Total Order Book Balance (exclude ship repair)

Sector	\$'m	Contract Value carried forward from 2Q 2004 plus new contracts secured in 3Q 2004	Taken 3Q 2004	Balance
Shipbuilding		341	21	320
Ship Conversion & Offshore		1,551	214	1,337
Rig Building		399*	10	389
Total		2,291	245	2,046

* inclusive of 1 unit jack-up rig for Kristiansand Drilling

Outlook

The Group's order book as at September 30, 2004 for shipbuilding, ship conversion and offshore and rig building remains strong at \$2.046 billion with deliveries and completion from 4Q 2004 to 2007.

Based on the scheduled completion of projects, the Group expects a higher operating profit for the current year.

The Group sees a continued improvement in the ship repair sector. For shipbuilding, there is a continued demand for feeder container and supply vessels. Market fundamentals for floating production storage and offloading (FPSO) vessels and floating storage and offloading (FSO) vessels remain buoyant. Due to the ageing rig fleet, there is an ongoing demand for the repair and upgrading of existing rig fleet, construction of new rigs and offshore projects to meet the growth in the oil and gas sector.

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