



PRESS RELEASE

A STRONG 3Q 2007 GROWTH

- **68% Growth in profit for 9M 2007 at \$240.2 million, surpassing 2006 full year's PATMI of \$238 million**
- **Group turnover for 9M 2007 increased 44% to \$3,176.4 million with growth mainly from rig building, ship conversion & offshore and ship repair businesses**
- **Earnings per share at 11.70 cents, up 66% from 9M 2006's 7.04 cents**
- **Annualised ROE, excluding AFS Reserves, rose to 27.3%**

Singapore, November 1, 2007 : SembCorp Marine today reported a strong 3Q 2007 growth with group turnover increased by 73.9% from \$673.3 million in 3Q 2006 to \$1,171.1 million with growth driven mainly by the rig building, offshore and conversion and repair businesses.

Group operating profits increased by 86.4% from \$39.7 million in 3Q 2006 to \$74.1 million in 3Q 2007. Group pre-tax profits increased by 75.7% from \$54.9 million in 3Q 2006 to \$96.4 million in 3Q 2007. The increase is attributable to higher operating margin from rig building and ship repair businesses, and better contribution from associated companies.

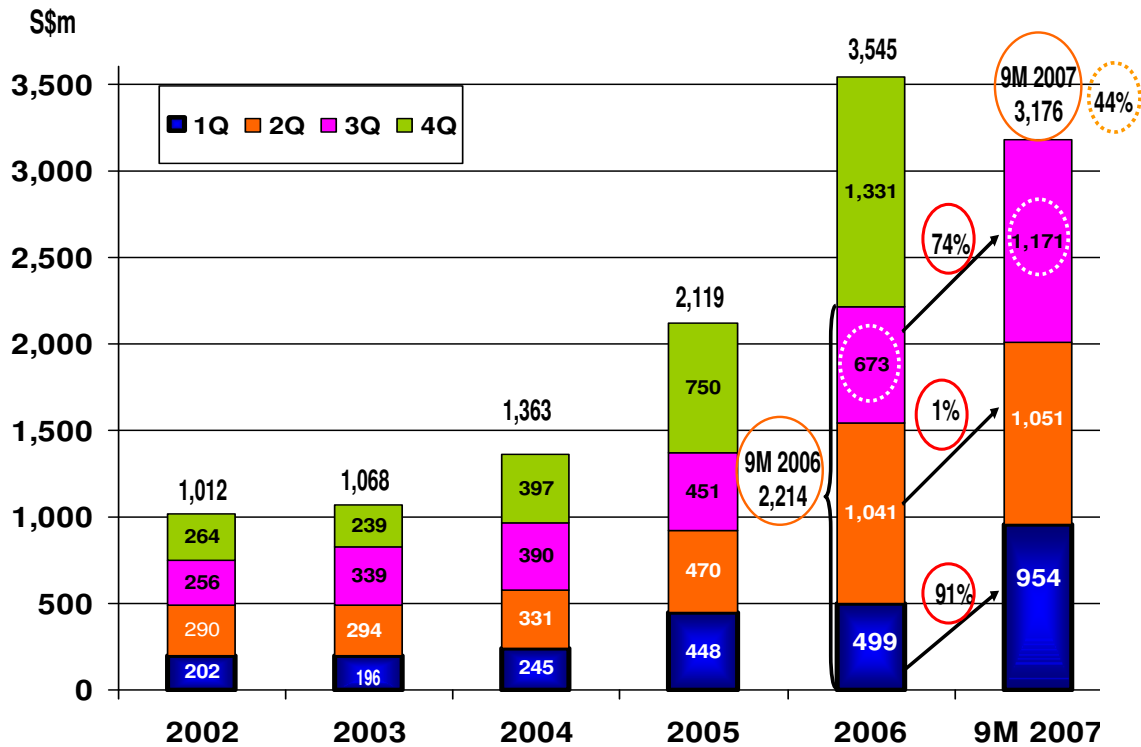
Group attributable profits increased by 82.0% from \$44.7 million in 3Q 2006 to \$81.4 million in 3Q 2007. Excluding net non-operating items, Group attributable profits increased by 79.7% to \$81.9 million.

Description (\$m)	Year		% Change	9M		% Change
	3Q 2007	3Q 2006		2007	2006	
Turnover	1,171.1	673.3	74	3,176.4	2,213.6	44
EBITDA	93.2	52.6	77	270.3	174.3	55
Operating Profit	74.1	39.7	86	222.2	140.0	59
Pre-tax Profit	96.4	54.9	76	287.7	182.3	58
PATMI	81.4	44.7	82	240.2	143.1	68
PATMI, exclude Nol*	81.9	45.6	80	241.9	142.2	70
EPS (cents)	3.95	2.19*	80	11.70	7.04*	66
NAV (cents)	88.0	Sept-06 *58.0	52	88.0	Dec-06 *65.3	35

* Adjusted for 2 for 5 Bonus Issue

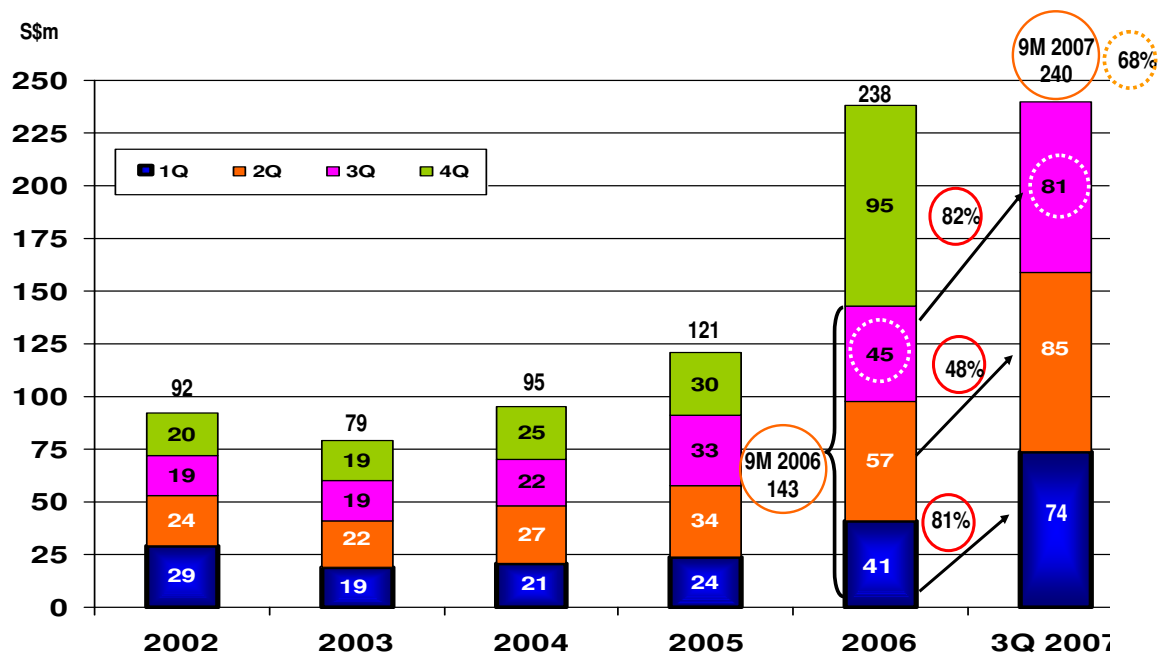
QUARTERLY REVENUE (2002 TO 9M 2007)

- Strong 9M 2007 Revenue Growth for 9M 2007 at \$3,176 million



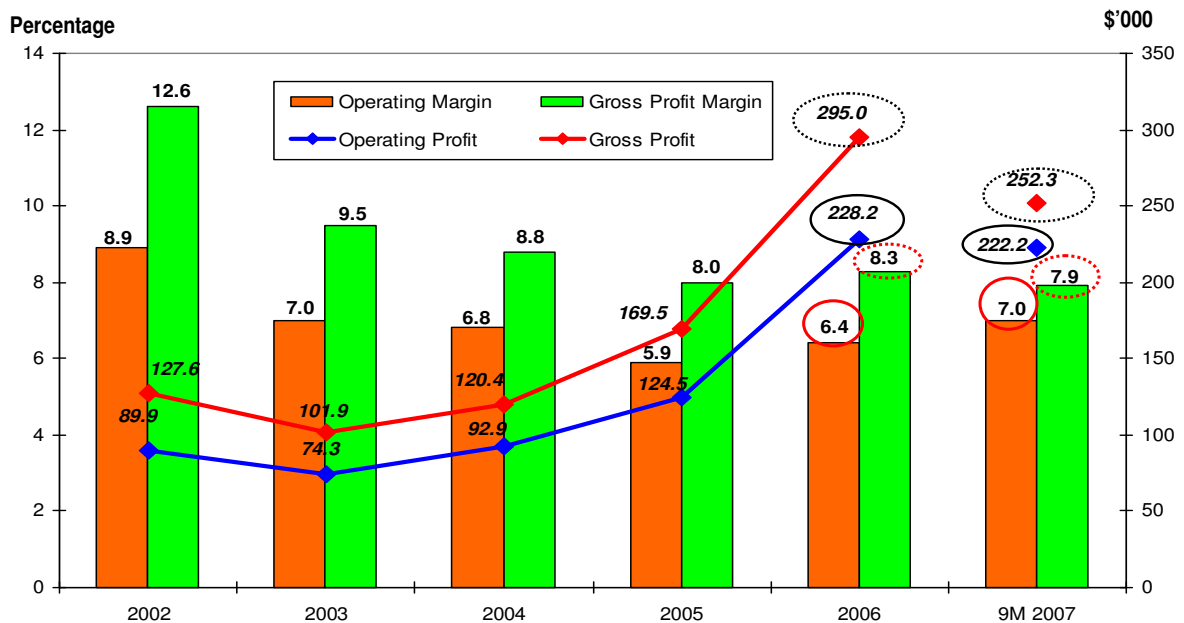
QUARTERLY PATMI (2002 TO 9M 2007)

- 9M 2007 PATMI at \$240 million exceeds FY2006's PATMI at \$238 million



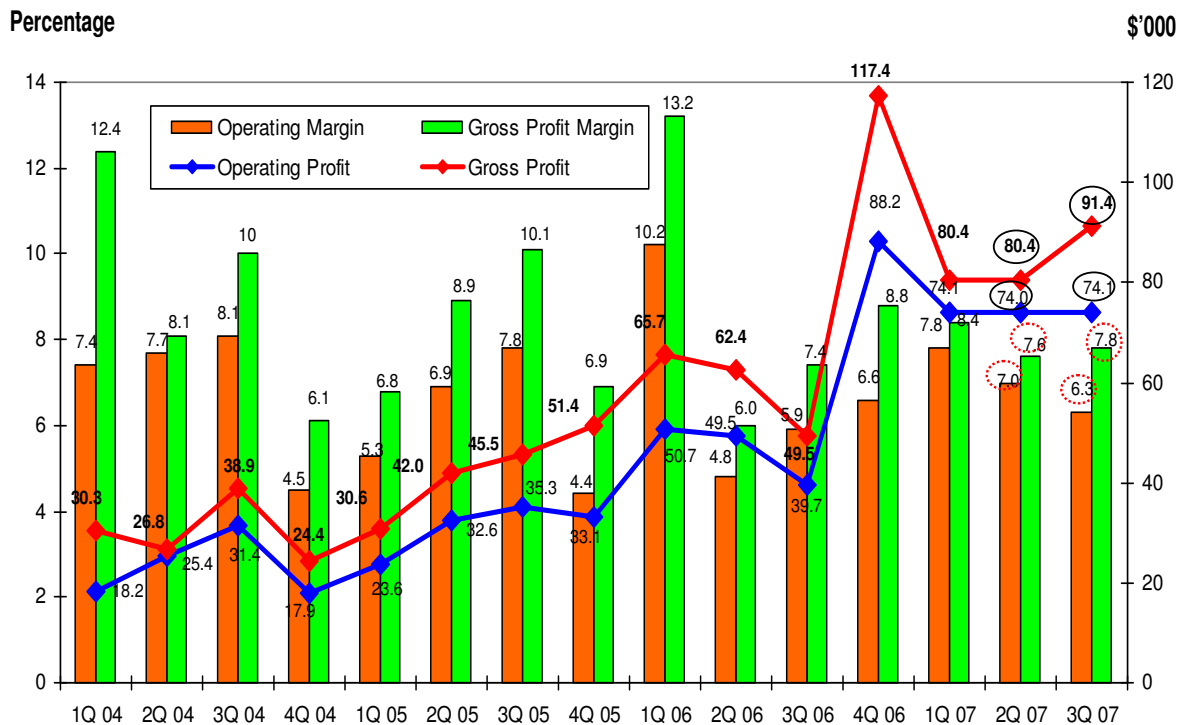
OPERATING MARGIN & OPERATING PROFIT (2002 TO 9M 2007)

- Further Operating Margin expansion in 9M 2007
- FY 2007 expected to be better



QUARTERLY OPERATING MARGIN & OPERATING PROFIT (2004 TO 3Q 2007)

- Gross Margin improved in 3Q 2007



PERFORMANCE OF ASSOCIATES & JVs

- **Increasing contribution from Cosco Shipyard Group**

Description	Year (\$'m)		% Δ	9M		% Δ
	2007	2006		2007	2006	
Cosco Shipyard Group	22.8	10.8	111	55.7	29.2	91
Màua Jurong S.A.	(4.3)	1.7	n.m.	(3.4)	(3.5)	3
Pacific Workboats	2.0	0.5	300	4.6	2.0	130
Others	0.1	1.0	(90)	-	1.2	n.m.
Share of Asso Co & JV Results	20.6	13.8	49	56.9	28.9	97

CAPITAL, GEARING AND ROE

- **Increased Net Cash Balances &**
- **ROE (exclude AFSR) improved to 27%**

Description (\$'m)	Year		% change
	Sept-2007	Dec-2006	
Shareholders' Funds	1,820.6	1,338.3	36
Capital Employed	1,853.0	1,370.2	35
Net Cash	244.0	112.5	117
ROE – annualised (%)	20.3	19.8	4
ROE – excl. AFS Reserves (%)	27.3	22.1	24
Net Asset Value (cents)	88.0	65.3	35
ROTA – annualised (%)	8.3%	8.3%	-

CASHFLOW

- **Net cash from operations improved 56% to \$274 million**

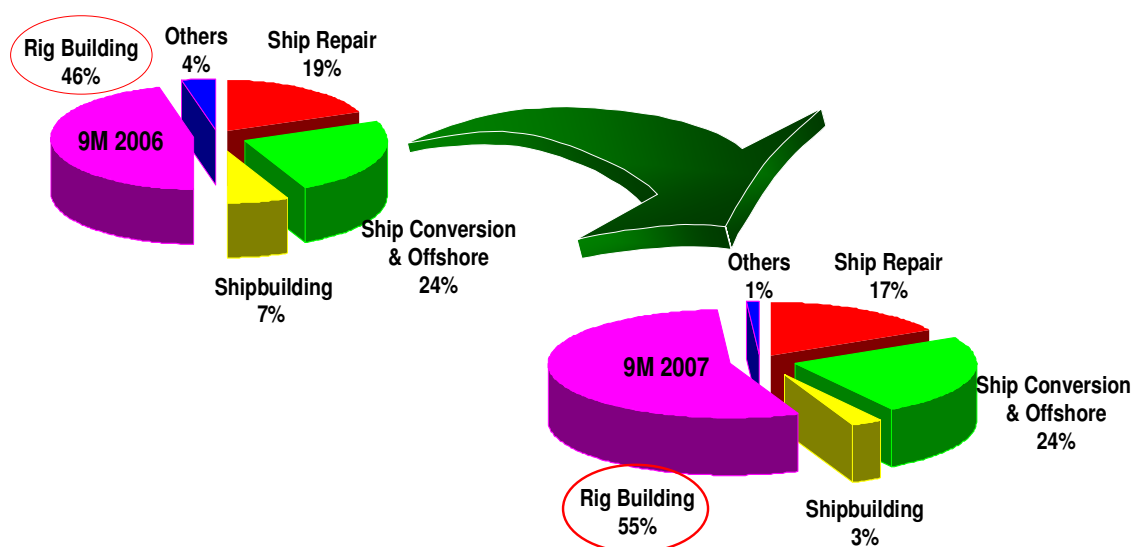
Year Description	9M 2007 S\$m	9M 2006 S\$m	% change
Cashflow from operation before reinvestment in working capital	273.8	175.0	56
Net cash provided by/ (used in) operating activities	371.3	(217.1)	n.m.
Net cash (used in)/provided by investing activities	(41.3)	(89.0)	(46)
Net cash used in financing activities	(176.6)	169.0	n.m
Cash & cash equivalent	646.6	393.9	64
Net Cash (net of borrowings)	244.0	(28.9)	n.m.

POTENTIAL LITIGATION

- **The Group has received mark-to-market information on unauthorised foreign exchange transactions (“Unauthorised Transactions”) from various banks. The outstanding Unauthorised Transactions have been closed out, the loss from the unauthorised Transactions is US\$220 million. This does not include the sum of approximately US\$83 million which Jurong Shipyard Pte Ltd (“JSPL”) paid to one of the banks before Unauthorised Transactions were discovered.**
- **JSPL’s position is that the Unauthorised Transactions are not valid and binding on it, and that it is not liable for the loss. The Group has sought legal advice with respect to possible claims between the banks and JSPL in relation to the Unauthorised Transactions. The nature and extent of Unauthorised Transactions are currently being investigated and it is premature to quantify the amount.**
- **Accordingly, no provision for any liability has been made in the current quarter financial results.**

REVENUE CONTRIBUTIONS BY SECTORS (9M 2007 vs 9M 2006)

- Rig building registered strongest growth contributing 55% of total revenue



REVENUE BREAKDOWN BY SECTORS

- High growth registered across all core segments, except for shipbuilding due to deliberate redeployment of resources for rig building and offshore projects

Sector	\$m	3Q 2007	3Q 2006	3Q % Change	9M 2007	9M 2006	9M % Change
Ship Repair		189.3	159.6	18.6	535.4	417.2	28.3
Shipbuilding		14.8	43.2	(65.7)	70.7	160.2	(55.9)
Ship Conversion & Offshore		306.2	186.4	64.3	766.6	528.8	45.0
Rig Building		648.6	268.7	141.4	1,762.6	1,022.0	72.5
Others		12.2	15.4	(20.8)	41.1	85.4	(51.9)
Total		1,171.1	673.3	73.9	3,176.4	2,213.6	43.5

OPERATIONS REVIEW BY SECTORS

SHIP REPAIR

	9M 2007	9M 2006	% Change
Revenue contributions (\$'m)	535.4	417.2	28.3
Number of vessels	186	242	(23.1)
Average repair value per vessel (\$'m)	2.88	1.72	67.4

- Ship repair revenue increased 28% to \$535.4 million in 9M 2007
- Average repair value per vessel increased 67% from \$1.72 million to \$2.88 million
- Number of vessels repaired declined from 242 in 9M 2006 to 186 for the corresponding period in 2007

SHIPBUILDING

No. Completed in 9M 2007	2	<ul style="list-style-type: none"> • 5th unit 2,600 TEU vessel for Wan Hai Lines • Fabrication of 15 units of Floating Pontoons
No. of projects in work-in-progress stages	4	<ul style="list-style-type: none"> • 6th unit 2,600 TEU vessel for Wan Hai Lines • 2nd unit 2,600 TEU vessel for Reederei F Laeisz • 2 units 4,950 dwt tankers for Kuwait Oil Tanker
Percentage Completion 9M 2007 (\$'m)	70.7	

- Shipbuilding revenue declined by 56% to \$70.7 million in 9M 2007 as compared with \$160.2 million for the corresponding period in 2006
- Shipbuilding activities will scale down with resources channeled to growing rig building and offshore production sectors

SHIP CONVERSION & OFFSHORE

No. Completed in 9M 2007	1	<ul style="list-style-type: none"> • RJS FSO conversion
No. of projects in work-in-progress stages	7	<ul style="list-style-type: none"> • P-54 Integration & commissioning • Heavy Lift Derrick PipeLay vessel for SapuraCrest • ConocoPhillips Topsides Installation & commissioning • Raroa FPSO conversion • Aoka Mizu FPSO conversion • Joides Resolution • Aker Smart I FPSO conversion
In planning & engineering stage	6	<ul style="list-style-type: none"> • Montara Venture FPSO conversion • Noble Danny Adkins semi conversion • Noble Jim Day semi conversion • Heavy Lift crane • CPOC offshore platform integrated deck • Offshore platforms for Tunu Field
Percentage Completion 9M 2007 (\$'m)	766.6	

- Ship conversion and offshore revenue increased 45% to \$766.6 million for 9M 2007 as compared with \$528.8 million for 9M 2006

RIG BUILDING : JACK-UP RIGS

No. Completed in 9M 2007	4	<ul style="list-style-type: none"> • 3rd unit Jack-up for Apexindo • 4th unit Jack-up for Maersk • 5th unit Jack-up for Deep Driller 4 • 6th unit Jack-up for WilSuperior
No. of projects in work-in-progress stages	9	<ul style="list-style-type: none"> • 7th unit Jack-up for SeaDrill 2 • 8th unit Jack-up for PetroJack II • 9th unit Jack-up for Hakyryu X • 10th unit Jack-up for PetroJack III • 11th unit Jack-up for WilForce • 12th unit Jack-up for Aban • 13th unit Jack-up : Deep Driller 7 • 14th unit Jack-up for JackInvest 1 • 15th unit Jack-up for WilSeeker
	8	<ul style="list-style-type: none"> • 16th unit Jack-up for Offshore Grp • 17th unit Jack-up for Aramco Barge • 18th unit Jack-up for Offshore Grp • 19th unit Jack-up for WilConfidence • 20th unit Jack-up for Petroprod • 21st unit Jack-up for Offshore Grp • 22nd unit Jack-up for Offshore Grp • 23rd unit Jack-up for EDC
Percentage Completion for 9M 2007 (\$'m)	926.1	

RIG BUILDING : SEMI-SUBMERSIBLE RIGS

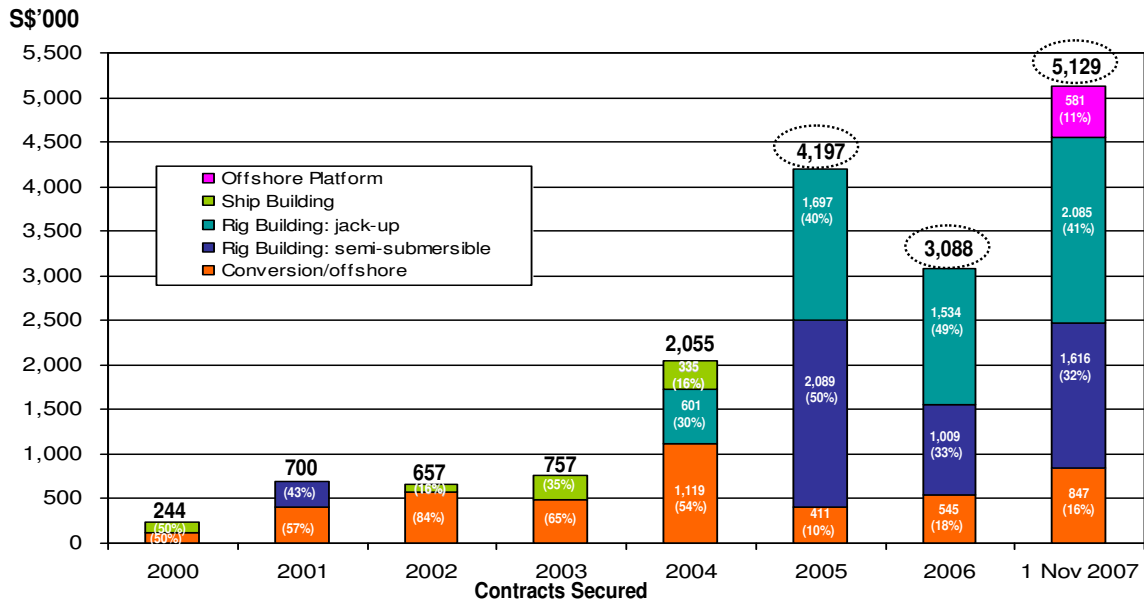
- **1 unit of semi-submersible rig achieved 20% initial revenue recognition threshold in 3Q 2007**

No. Completed in 9M 2007	4	<ul style="list-style-type: none"> • 1st unit semi-submersible rig for SeaDrill • 2nd unit semi-submersible rig for SeaDrill • 1st unit semi-submersible rig for PetroRig I • 2nd unit semi-submersible rig for PetroRig 2
No. of projects in work-in-progress stages	2	<ul style="list-style-type: none"> • 3rd unit semi-submersible rig for PetroRig 3 • 3rd unit semi-submersible rig for SeaDrill
Percentage Completion for 9M 2007	836.5	

(\$'m)

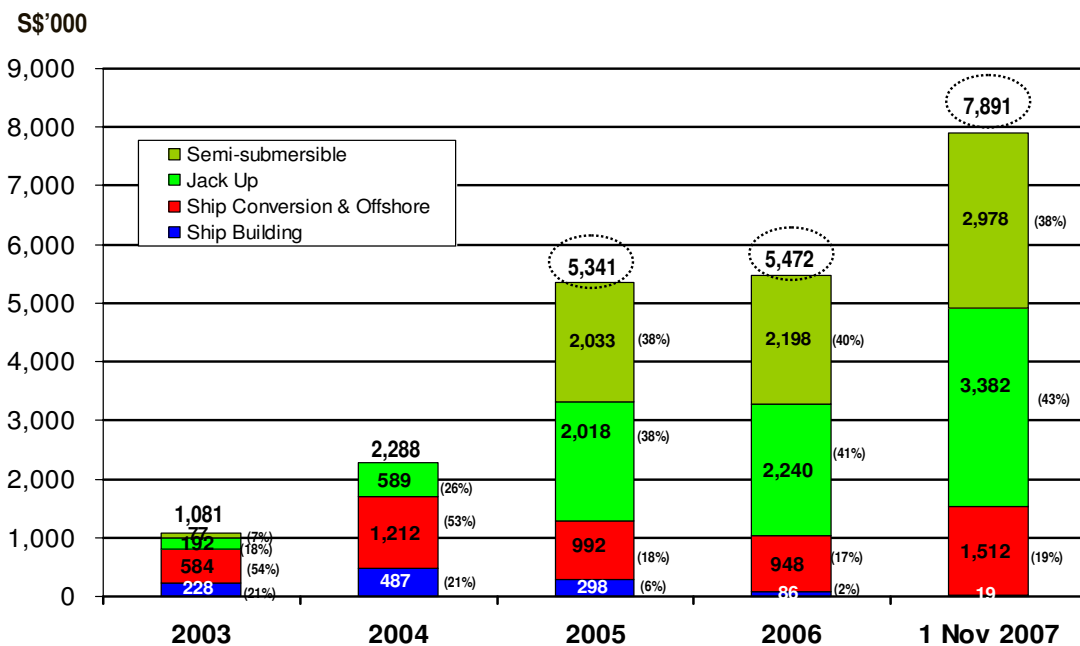
CONTRACTS SECURED : 2000 TO 2007 (JANUARY TO 1 NOVEMBER 2007)

- Contracts secured to-date stand at \$5.1 billion
- We expect contract flows to be strong for FY2007



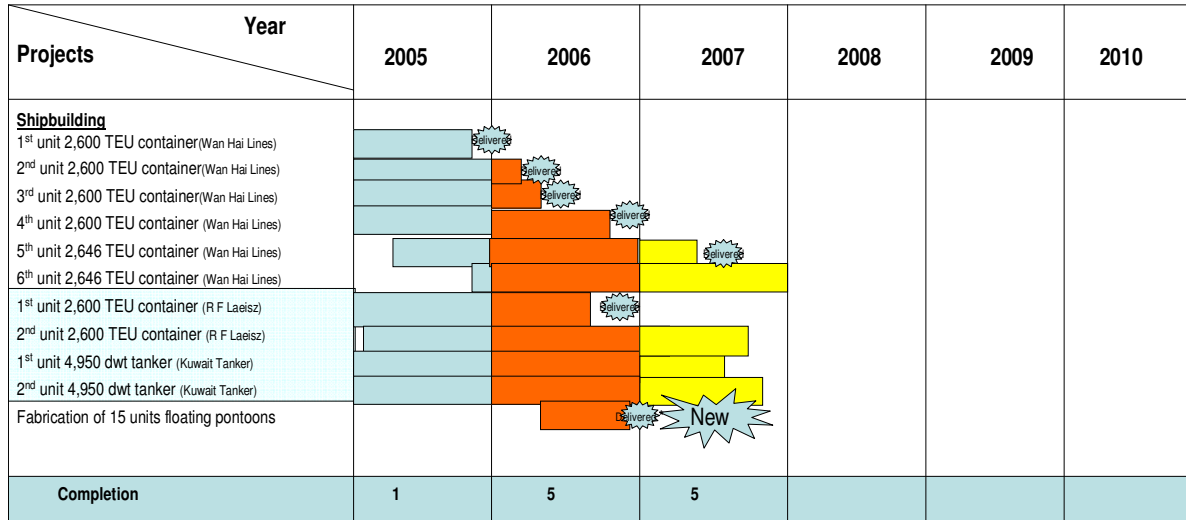
NET ORDER BOOK

- Net order book remains strong at \$7.9 billion as at November 1, 2007



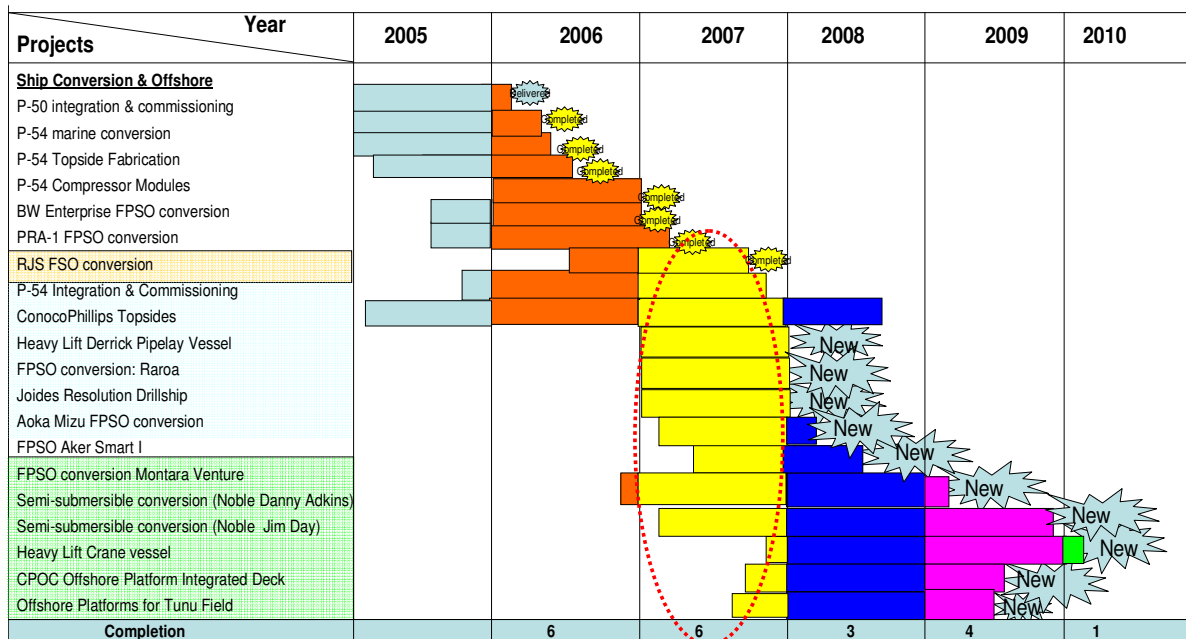
SCHEDULE OF DELIVERY & COMPLETION FOR SHIPBUILDING SECTOR

- Deliberate scaling down of shipbuilding activities with resources channeled to growing rig building and offshore production sectors
- Going forward, will deliver 1 to 2 units per year



SCHEDULE OF DELIVERY & COMPLETION FOR SHIP CONVERSION & OFFSHORE SECTOR

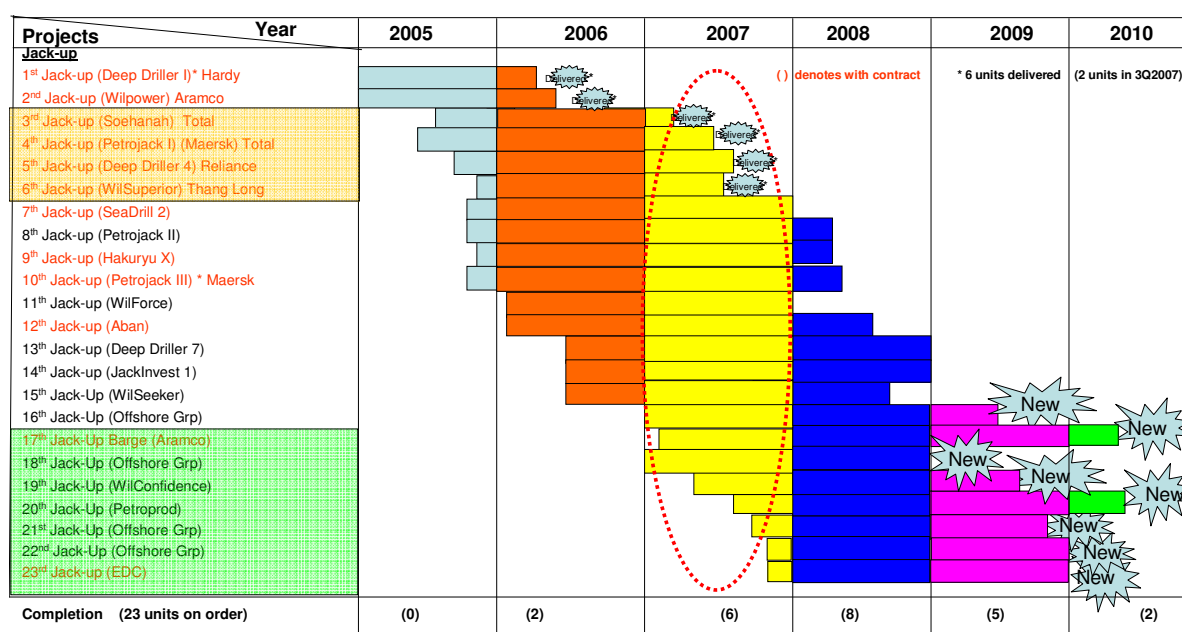
- Going forward, ship conversion & offshore sector expected to be strong



SCHEDULE OF DELIVERY & COMPLETION FOR RIG BUILDING SECTOR

Jack-Up Rigs

- A total of 23 jack-up rigs secured to-date since 2004. 21 units based on proprietary Baker Marine Pacific 375 Class Deep Drilling Offshore Jack-up rig design
- A total of 6 units delivered, 2 units in 2006 and 4 units in 2007 to-date
- Jack-up rigs visibility till 2010
- We expect to secure more



Semi-submersible Rigs

- A total of 6 units newbuild deepwater semi-submersible drilling rigs secured to-date since 2005 with delivery visibility till 2010
- All 6 units ordered are based on the Friede & Goldman Ex-D design
- We expect to secure more

Projects \ Year	2005	2006	2007	2008	2009	2010
Semi-submersible Rigs						
Lower semi-submersible hull (Atlantia)						
1 st Semi-submersible (West Sirius 1)* (Devon Energy)						
2 nd Semi-submersible (West Taurus)						
3 rd Semi-submersible (PetroRig 1)* Petrobras						
4 th Semi-submersible (PetroRig 2) Petrobras						
5 th Semi-submersible (PetroRig 3) Pemex						
6 th Semi-submersible (Seadrill)						
Completion (6 units on order)	(0)	(1)*	(0)	(2)	(2)	(2)

() denotes with contract

OUTLOOK

The Group has a strong net order book of \$7.9 billion with completion and deliveries till 2010. This includes new orders of \$5.1 billion secured to-date since January 2007.

High demand for ship repair and dock space booking continues to benefit the Group.

The fundamentals for the offshore market remain strong, underpinned by sustained high oil prices and exploration and production capital expenditure. Demand for rig building continues to be strong with demand trending towards deepwater rigs.

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

The sale of 39 million ordinary shares in Cosco Corporation (Singapore) Ltd on October 22, 2007 resulted in a pre-tax gain of approximately \$230 million and will positively impact the 2007 full year results.

The outcome of the disputes relating to the Unauthorised Transactions will be determined at a future date which is not ascertainable at present.

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