

PRESS RELEASE

SEMBCORP MARINE DELIVERS A STRONG 1Q 2007 GROWTH

- **Group Turnover increased 91% to \$954 million in 1Q 2007**
- **PATMI grew by 81% to \$74 million**
- **Earnings per share at 5.03 cents, up 79% from 1Q 2006's 2.81 cents**
- **Annualised ROE rose from 19.8% to 20.8%**

Singapore, May 2, 2007: SembCorp Marine today reported a strong 1Q 2007 growth with group turnover increased by 91.1% from \$499.1 million in 1Q 2006 to \$953.7 million with growth driven mainly by the rig building, ship conversion/offshore and ship repair businesses.

Group operating profits increased by 46.0% from \$50.7 million in 1Q 2006 to \$74.1 million in 1Q 2007. Group pre-tax profits also increased by 50.9% from \$56.1 million in 1Q 2006 to \$84.7 million in 1Q 2007. The increase attributable mainly to higher operating margin from rig building and ship repair businesses, better contribution from associated companies as well as a non-recurring allowance for impairment in value of assets previously held for sale of \$6.1 million made in 1Q 2006.

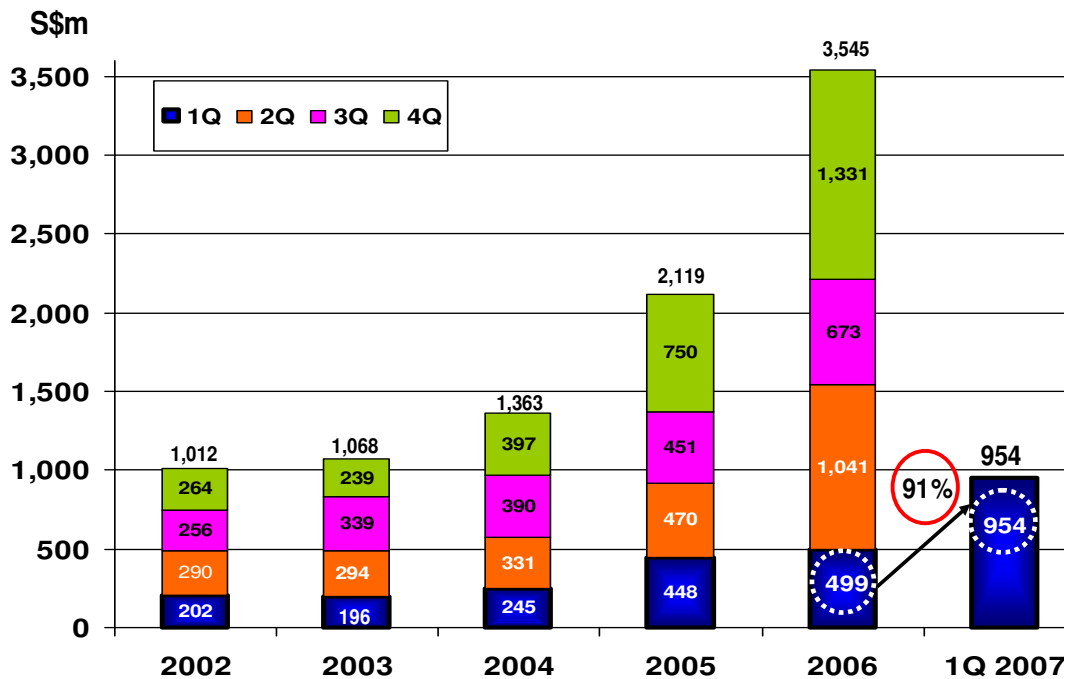
Group attributable profits increased by 80.6% from \$40.8 million in 1Q 2006 to \$73.7 million in 1Q 2007. Excluding the non-operating items of \$0.3 million, Group attributable profits increased by 57.6% to \$74.0 million.

FINANCIAL HIGHLIGHTS

\$'m	1Q 2007	1Q 2006	% Change
Revenue	953.7	499.1	91
Operating Profit	74.1	50.7	46
EBITDA	87.4	60.8	44
Profit before tax	84.7	56.1	51
PATMI	73.7	40.8	81
Earnings per share (cents)			
- Basic	5.03	2.81	79
- Diluted	4.99	2.78	80

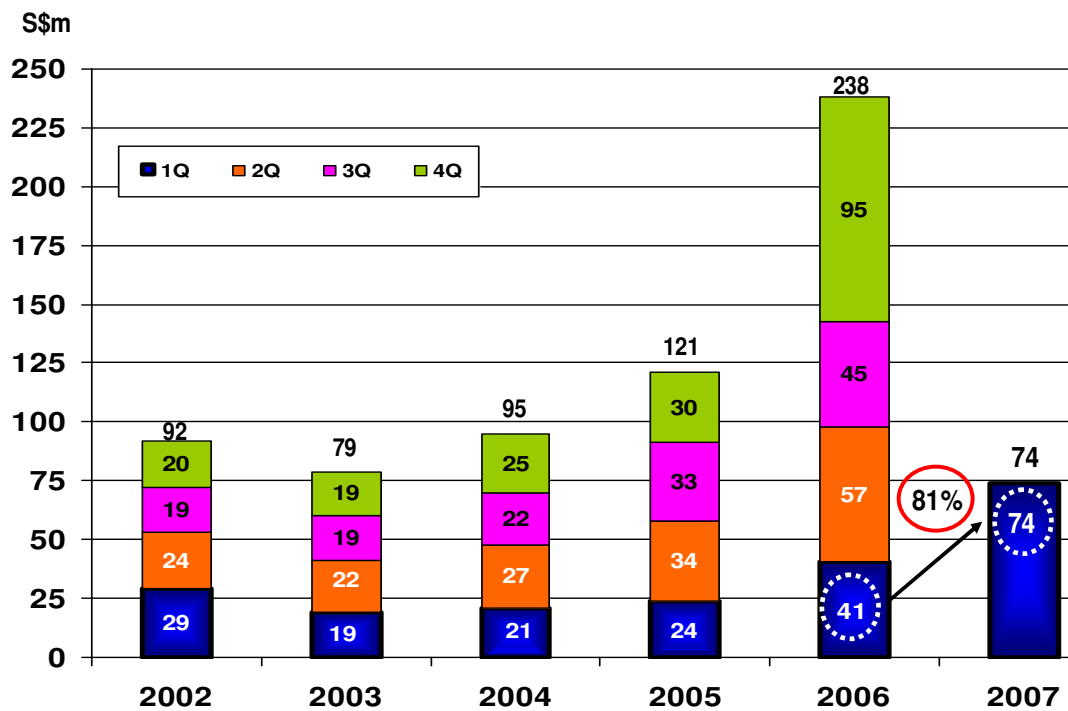
QUARTERLY REVENUE (2002 TO 1Q 2007)

A Strong 91% Revenue Growth at \$954 million in 1Q 2007

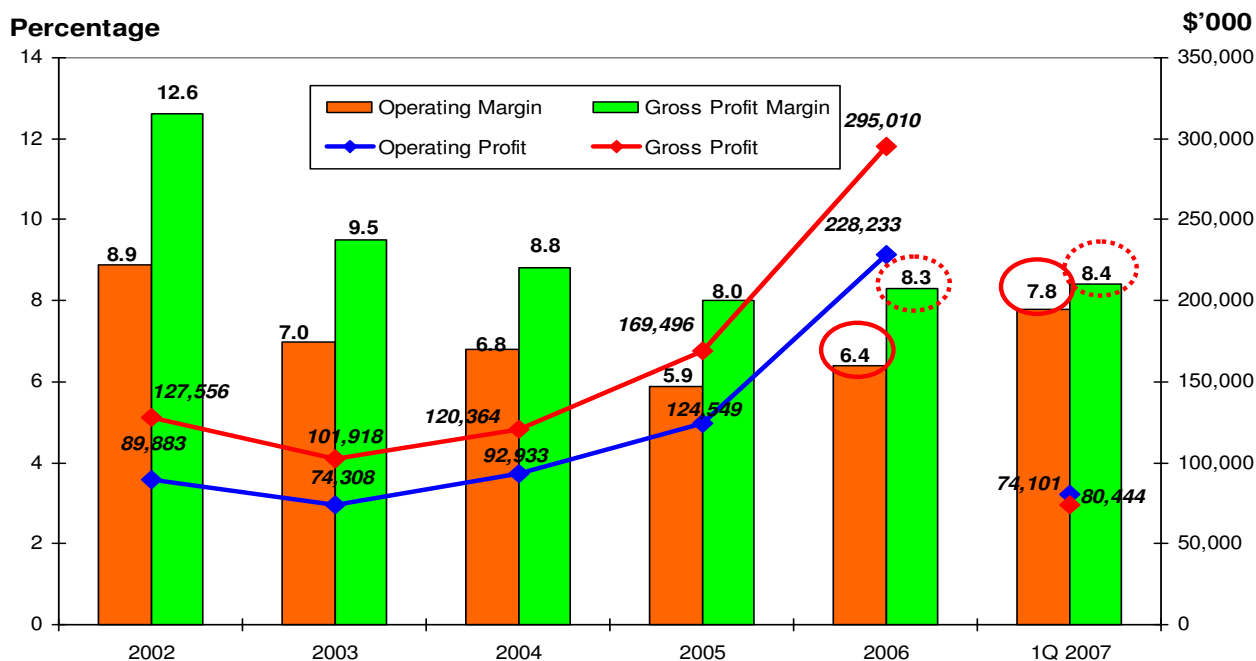


QUARTERLY PATMI (2002 TO 1Q 2007)

81% Earnings Growth at \$74 million in 1Q 2007

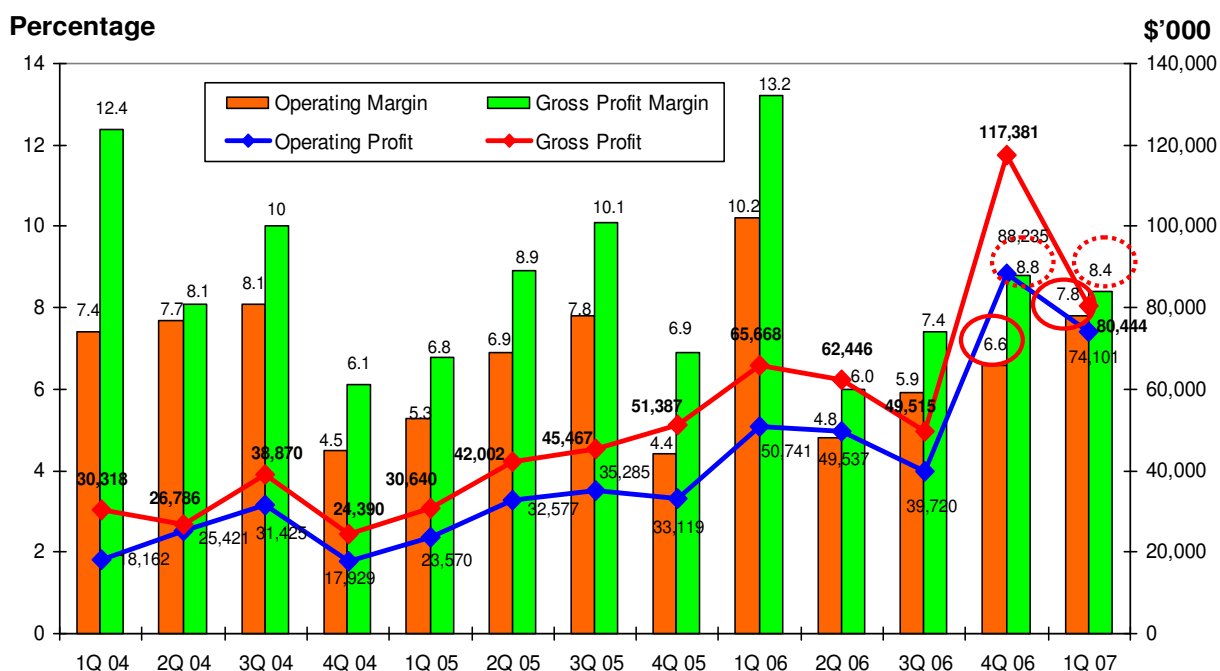


OPERATING MARGIN & OPERATING PROFIT (2004 To 1Q 2007)



QUARTERLY OPERATING MARGIN & OPERATING PROFIT (2004 To 1Q 2007)

- Higher gross and operating margin in 4Q 2006 was due to initial recognition of 1 semi-submersible and 4 jack-up rigs as compared with 1 semi-submersible and 1 jack-up rig recognition in 1Q 2007



PERFORMANCE OF ASSOCIATES & JVs

Year Description	1Q 2007 \$'m	1Q 2006 \$'m	% Change
Cosco Shipyard Group	10.4	8.0	30
Maua Jurong, Brazil	0.1	0.4	(75)
Pacific Workboats	-	0.2	n.m.
Share of AssoCo/JV Results	10.5	8.6	22

CAPITAL, GEARING AND ROE

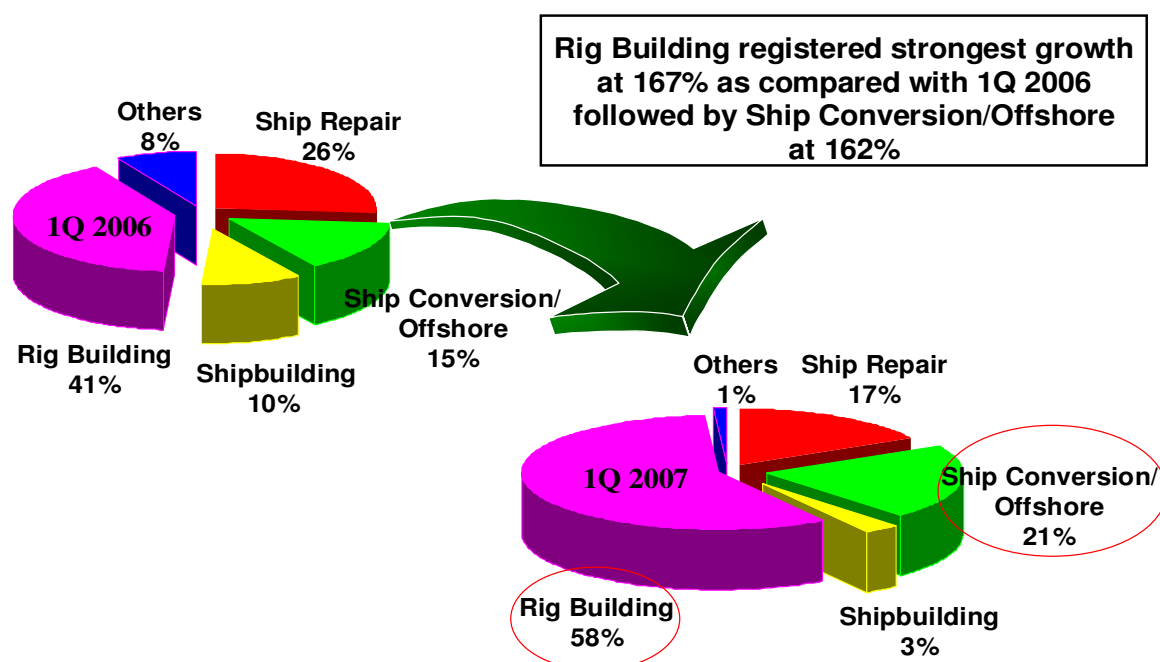
Year Description	March 2007 \$'m	December 2006 \$'m	% Change
Shareholders' Funds	1,492.4	1,338.3	12
Capital Employed	1,520.8	1,370.2	11
Net Cash	89.4	112.5	(21)
ROE – annualized (%)	20.8%	19.8%	5
Net Asset Value (cents)	101.7	91.4	11

CASHFLOW

Year Description	1Q 2007 \$'m	1Q 2006 \$'m	% Change
Cashflow from operation before reinvestment in working capital	89.4	62.1	44
Net cash used in operating activities	(4.6)	(170.8)	(97)
Net cash used in investing activities	(19.2)	(16.2)	19
Net cash (used in)/provided by financing activities	(36.6)	46.4	n.m.
Cash & cash equivalent	423.8	390.9	8
Net Cash (net of borrowings)	89.4	112.5	(21)

REVENUE CONTRIBUTIONS BY SECTORS (1Q 2007/1Q 2006)

By Percentage contributions:



Revenue by sectors:

Sector	1Q 2007 (\$'m)	1Q 2006 (\$'m)	+ / (-) (\$'m)	+ / (-) %
Ship Repair	162.6	130.2	32.4	24.9
Shipbuilding	26.7	46.9	(20.2)	(43.1)
Ship Conversion & Offshore	197.5	75.7	121.8	160.9
Rig Building	553.9	207.4	346.5	167.1
Others	13.0	38.9	(25.9)	(66.6)
Total	953.7	499.1	454.6	91.1

- Growth in 1Q 2007 driven mainly by Rig Building which saw an increase of 167%, followed by Ship Conversion and Offshore increasing by 161% and Ship Repair by 25%
- Overall revenue growth at 91% as compared with 1Q 2006

SECTOR OPERATIONS REVIEW

SHIP REPAIR

	1Q 2007	1Q 2006	% Change
Revenue contributions (\$'m)	162.6	130.2	24.9
Number of vessels	65	81	(19.8)
Average repair value per vessel (\$'m)	2.50	1.61	55.3

- Ship repair revenue increased 25% to \$162.6 million in 1Q 2007
- Average repair value per vessel increased 55% from \$1.61 million per vessel to \$2.50 million per vessel
- Number of vessels repaired declined from 81 to 65, a decline by 20%

SHIPBUILDING

No. Completed in 1Q 2007	0	NA
No. of projects in work-in-progress stages	5	<ul style="list-style-type: none">• 5th unit 2,600 TEU container vessel for Wan Hai Lines• 6th unit 2,600 TEU container vessel for Wan Hai Lines• 2nd unit 2,600 TEU container vessel for Reederei F Laeisz• 2 units 4,950 dwt tankers for Kuwait Oil Tanker
Percentage Completion (\$'m)	\$26.7	

- Shipbuilding revenue declined by 43.1% to \$26.7 million in 1Q 2007 as the shipbuilding projects that were secured in 2003 & 2004 were increasingly recognized as revenue on a percentage completion basis
- Going forward, shipbuilding activities will scale down with resources channeled to growing the rig building and the offshore production sectors

SHIP CONVERSION & OFFSHORE

No. Completed in 1Q 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 Loft Derrick Pipelay vessel for SapuraCrest ConocoPhillips Topsides Installation & Commissioning Raroa FPSO conversion Montara Venture FPSO conversion Aoka Mizu FPSO conversion Semi-submersible conversion – Noble Danny Adkins
Percentage Completion (\$'m)	\$197.5	

- Ship conversion and offshore revenue increased 161% to \$197.5 million in 1Q 2007

RIG BUILDING : JACK-UP RIGS

No. Completed in 1Q 2007	1	<ul style="list-style-type: none"> 3rd unit Jack-up for Apexindo
Number of projects in work-in-progress stages	10	<ul style="list-style-type: none"> 4th unit Jack-up for Petrojack I 5th unit Jack-up for Deep Drilling Invest 6th unit Jack-up for WilSuperior 7th unit Jack-up for SeaDrill 8th unit Jack-up for PetroJack II 9th unit Jack-up for Japan Drilling 10th unit Jack-up for Petrojack III 11th unit Jack-up for Awilco - WilForce 12th unit Jack-up for Aban Lloyd 15th unit Jack-up for Awilco - WilSeeker
Projects in planning and engineering stage	6	<ul style="list-style-type: none"> 13th unit Jack-up for Sinvest 14th unit Jack-up for JackInvest 1 16th unit Jack-up for Offshore Group 17th unit Jack-up barge for Aramco 18th unit Jack-up for Offshore Group 19th unit Jack-up for Awilco - WilConfidence
Percentage Completion (\$'m)	\$251.1	

- Revenue for jack-up for 1Q 2007 increased by 46% to \$251.1 million
- Only 1 jack-up achieved initial 20% recognition in 1Q 2007 as compared with 4 jack-ups in 4Q 2006

RIG BUILDING : SEMI-SUBMERSIBLE RIGS

No. Completed in 1Q 2007	nil	
Number of projects in work-in-progress stages	3	<ul style="list-style-type: none">• 1st unit semi-submersible rig for SeaDrill• 2nd unit semi-submersible rig for SeaDrill• 3rd unit semi-submersible rig for PetroMena
Projects in planning and engineering stage	3	<ul style="list-style-type: none">• 4th unit semi-submersible rig for PetroMena• 5th unit semi-submersible rig for PetroMena• 6th unit semi-submersible rig for SeaDrill
Percentage Completion (\$'m)	\$302.8	

- Revenue for semi-submersible rig for 1Q 2007 increased by a substantial 1,276% to \$302.8 million as compared with 1Q 2006
- 3 units of semi-submersible rigs are in the work-in-progress stages with 3 units in the planning and engineering stages
- 1 unit of the semi-submersible rig also achieved the initial 20% threshold of revenue recognition in 1Q 2007

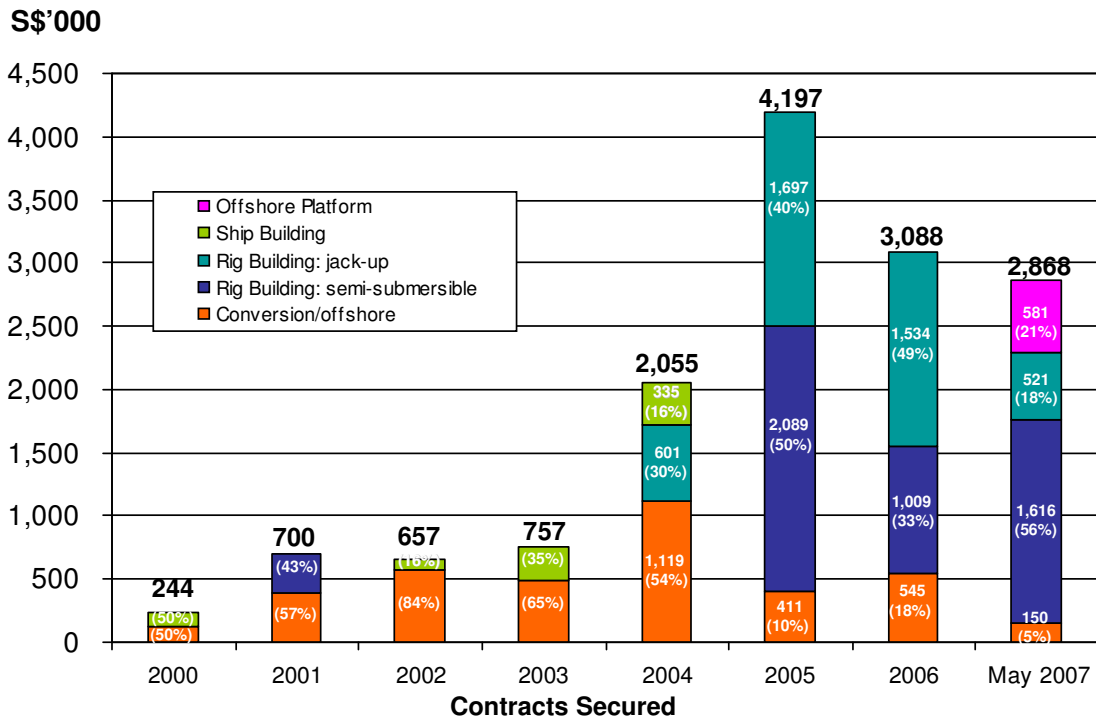
CONTRACTS SECURED : 2007 & 2006 (TO-DATE)

Month	2007		2006	
	Value (\$m)	Details	Value (\$m)	Details
January	\$ 295	<ul style="list-style-type: none"> • 1 unit Baker Marine Pacific Class 375 Jack-up rig for Offshore Group • 3rd newbuild Deepwater semi-submersible rig for PetroMena 	\$ 288	<ul style="list-style-type: none"> • 1 unit Baker Marine Pacific Class 375 Jack-up rig for Aban Lloyd Chiles • 1 FPSO conversion– WS Enterprise for Bergesen Worldwide Offshore
	\$ 802		\$ 88	
February	\$ 150	<ul style="list-style-type: none"> • 1 FPSO conversion for Blue Water Energy • 1 unit Offshore Platform Integrated Deck for Carigali-PTTEPI • 2 units Offshore Platforms for TOTAL E & P 	\$ 228	<ul style="list-style-type: none"> • 1 unit Baker Marine Pacific Class 375 Jack-up rig for Sinvest ASA
	\$ 459			
	\$ 122			
March	Nil	Nil	\$ 778	<ul style="list-style-type: none"> • 1 unit Friede & Goldman ExD design semi-submersible rig for PetroMena ASA
Total for 1Q	\$1,828		\$1,382	
April	\$ 226	<ul style="list-style-type: none"> • 1 unit Baker Marine Pacific Class 375 Jack-up rig for Awilco Offshore (4th Option) 	\$ 266	<ul style="list-style-type: none"> • 1 unit Baker Marine Pacific Class 375 Jack-up rig for JackInvest 1 • 1 unit Baker Marine Pacific Class 375 Jack-up rig for Awilco Offshore
			\$ 230	
May	\$ 814	<ul style="list-style-type: none"> • 3rd newbuild Deepwater semi-submersible rig for SeaDrill 		
Total	\$1,040		\$ 496	
Overall Total to-date	\$2,868		\$1,878	

- Contracts secured to-date stand at \$2.9 billion, a 53% increase compared with the corresponding period in 2006
- Market fundamentals remain strong and we expect to secure more

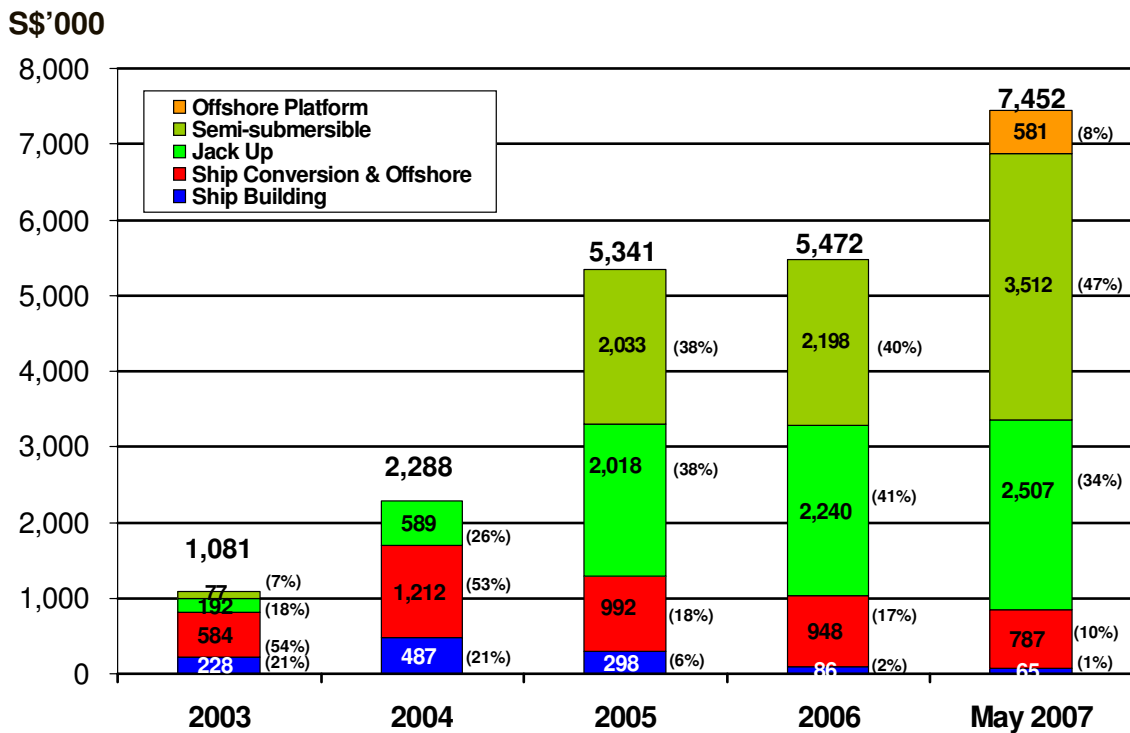
CONTRACTS SECURED : 2000 TO 2007 (JANUARY TO MAY 2007)

- Contracts secured to-date stand at \$2.9 billion as compared with \$3.1 billion for FY 2006



NET ORDER BOOK

- Net order book remains strong at \$7.5 billion & is expected to grow



SCHEDULE OF DELIVERY & COMPLETION FOR SHIPBUILDING PROJECTS

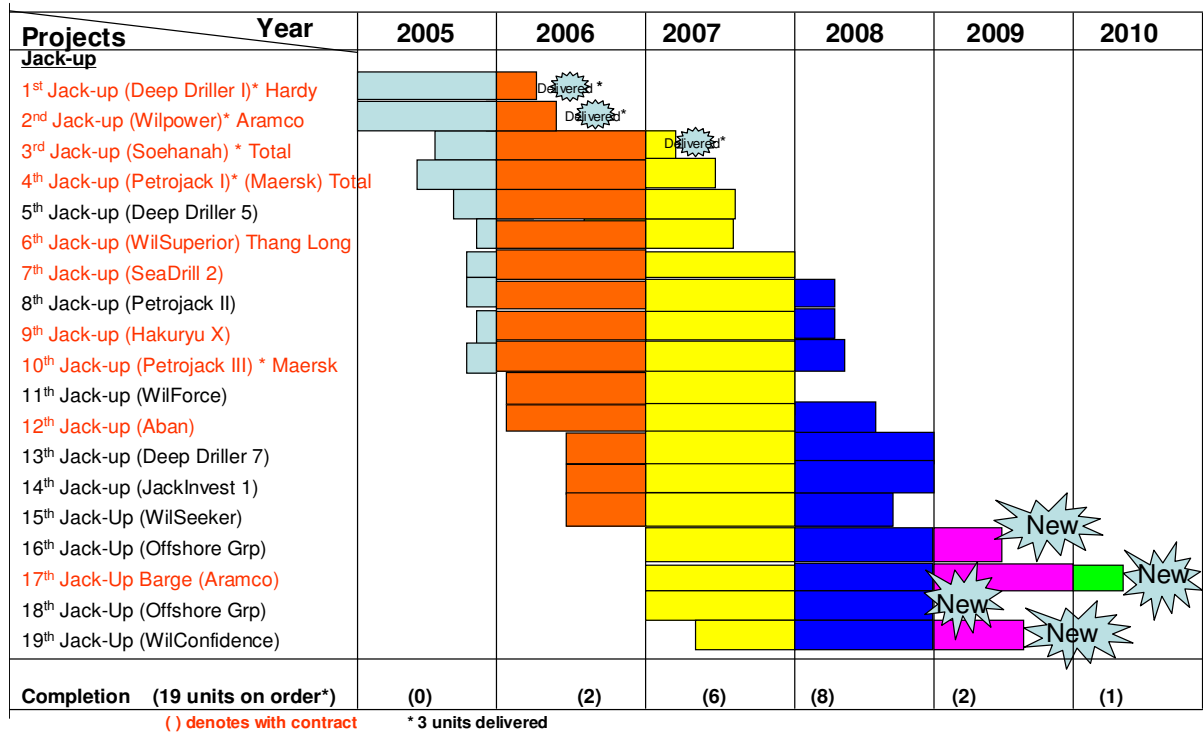
Projects \ Year	2005	2006	2007	2008	2009	2010
Shipbuilding						
1 st unit 2,600 TEU container(Wan Hai Line)		Delivered				
2 nd unit 2,600 TEU container(Wan Hai Line)		Delivered				
3 rd unit 2,600 TEU container(Wan Hai Line)		Delivered				
4 th unit 2,600 TEU container (Wan Hai Line)			Delivered			
5 th unit 2,646 TEU container (Wan Hai Lines)						
6 th unit 2,646 TEU container (Wan Hai Lines)						
1 st unit 2,600 TEU container (R F Laeisz)			Delivered			
2 nd unit 2,600 TEU container (R F Laeisz)						
1 st unit 4,950 dwt tanker (Kuwait Tanker)						
2 nd unit 4,950 dwt tanker (Kuwait Tanker)						
Fabrication of 15 units floating pontoons		Delivered *				

SCHEDULE OF DELIVERY & COMPLETION FOR SHIP CONVERSION & OFFSHORE PROJECTS

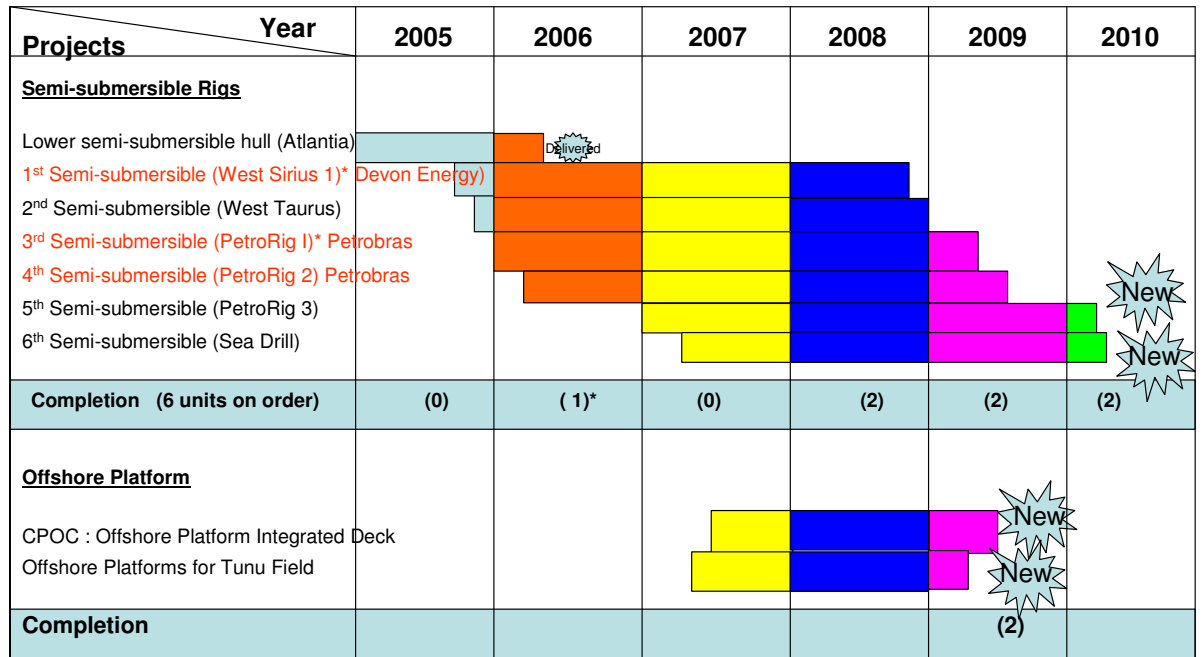
Projects \ Year	2005	2006	2007	2008	2009	2010
Ship Conversion & Offshore						
P-50 integration & commissioning		Delivered				
P-54 marine conversion		Completed				
P-54 Topside Fabrication		Completed				
P-54 Compressor Modules		Completed				
P-54 Integration and Commissioning						
ConocoPhillips Topsides						
Heavy Lift Derrick Pipelay Vessel						
PRA-1 FPSO conversion			Completed			
RJS FSO conversion			Completed			
BW Enterprise FPSO conversion			Completed			
FPSO conversion: Rarua				New		
FPSO conversion Montara Venture				New		
Aoka Mizu FPSO conversion				New		
Semi-submersible conversion (Noble Danny Adkins)					New	

() denotes with contract

SCHEDULE OF DELIVERY & COMPLETION FOR JACK-UP RIGS



SCHEDULE OF DELIVERY & COMPLETION FOR SEMI-SUBMERSIBLE RIGS & OFFSHORE PLATFORMS



OUTLOOK

The Group has a strong net order book of \$7.5 billion with completion and deliveries till 2010. This includes new orders of \$2.9 billion secured in 2007 to-date.

The Group expects the current year's overall performance to be strong based on the scheduled completion of projects and underpinned by strong market fundamentals.

Demand for ship repair remains very strong. Dock space remains fully utilised with dock bookings of more than four months ahead.

Rig building fundamentals remain strong with demand moving towards deepwater exploration. The sustained higher levels of Exploration and Production spending and the high oil prices will continue to support the offshore fleet construction.

The outlook for the offshore production market will see increasing demand especially in FPSO (Floating Production Storage and Offloading) and floating production systems.

Overall, the Group will continue to benefit from further growth in all these offshore and marine sectors.

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