PRESS RELEASE

SEMCORP MARINE’S SEMBAWANG SHIPYARD SECURES FPSO CONVERSION AND UPGRADING CONTRACTS WORTH S$75 MILLION

Singapore, September 28, 2010: Sembcorp Marine’s Sembawang Shipyard has secured two FPSO contracts worth S$75 million, reinforcing its reputation as a world-leading shipyard for highly specialised FPSO and offshore conversion and upgrading work.

The two contracts are as follows:

Conversion of BW Genie to Floating Production Unit (FPU) from BW Offshore

The first contract is awarded by BW Offshore, one of the world's leading FPSO contractors and a market leader with advanced offshore loading and production systems for the oil and gas industry.

The contract calls for the conversion of a 97,172 dwt tanker BW Genie into a Floating Production Unit (FPU). Major conversion works include repairs and life extension for the vessel to operate for another 20 years. The FPU will be installed in the field through a new 12-point mooring system. The Shipyard’s scope of work also includes detailed engineering and fabrication works, the installation of new power generation plants, boilers, and owner-furnished 8 (eight) new topside modules. The Shipyard will also fabricate and install a new helideck and flare tower as well as refurbish and upgrade the accommodation facilities.

The vessel is expected to be re-delivered to the owners in 4th quarter 2011. On completion, the FPU will be stationed at the Terang Sirasun Batur field in offshore Indonesia.

Upgrading of FPSO Glas Dowr from Bluewater Energy Services B.V., The Netherlands

The second contract is the upgrading of FPSO Glas Dowr from Bluewater Energy Services B.V., the Netherlands. The Shipyard’s scope of work includes repairs and life extension for the vessel to operate for another 10 years. Major upgrading work includes the upgrading of the existing FPSO internal turret mooring and transfer systems. The marine, utility, electrical and communication, safety, control, monitoring, and production systems will also be upgraded. The
vessel is expected to be re-delivered to the owners in 2nd quarter 2011 for deployment in the Kitan field in the Timor Sea.

Bluewater Energy Services B.V. is one of the world’s leading owners and operators of tanker-based production and storage systems and is a leading provider of innovative Single Point Mooring systems.

Sembawang Shipyards was awarded these important contracts on the strength of the Shipyards’ capabilities and established track record in the highly specialised and sophisticated field of FPSO offshore conversion, modification and upgrading work. The Shipyards’ key strengths in project management skills, high Health, Safety, Security and Environment (HSSE) standards, proven Engineering, Procurement and Construction (EPC) expertise and strong organisational capabilities have made the Shipyards the preferred partner of both BW Offshore and Bluewater Energy Services B.V.

The above contracts are not expected to have any material impact on the consolidated net tangible assets per share and earnings per share of Sembcorp Marine for the year ending December 31, 2010.

**About Sembawang Shipyards Pte Ltd**

Sembawang Shipyards, a wholly owned subsidiary of Sembcorp Marine, has one of the largest integrated ship repair facilities in Southeast Asia. The shipyard's world-class reputation is based on the company’s commitment to high quality standards, Health, Safety and Environment standards, timely delivery, superior customer service and innovative solutions.

Besides its proven expertise in the sectors of tankers, bulk carriers and container / cargo vessels, the shipyard is also recognised as a specialist in the niche markets such as LNG carrier repairs, passenger ship conversion / upgrading, FPSO conversion, offshore conversion and newbuilding, damage repairs and repair of chemical tankers, liquefied gas carriers and navy ships.

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