

1999 was a Significant year



ANNOUNCEMENT OF FY1998

FULL YEAR RESULTS

February

JSL Group announced a record turnover of \$933.7 million and a record pre-tax profit of \$101.7 million for FY1998. The Board recommended a final dividend of 20% and a special dividend of 45%, making a total of 65%. Including the interim dividend of 35% paid in September 1998, the total dividend payable for 1998 was 100%. The dividend payout was \$51.6 million, or 50.8 % of the pre-tax profit.

SUCCESSFUL CONVERSION & DELIVERY

OF FSO BENCHAMAS EXPLORER

March



FSO "Benchamas Explorer" was successfully converted and delivered to its owner, Empress Maritime S. A. on March 26, 1999. A traditional Thai Vessel Blessing Ceremony was held onboard the vessel to mark the completion of the vessel. The Reverend Luang Po Puang of the Anandametyarama, the Thai Buddhist Temple, presided over the Blessing

Ceremony in the presence of representatives from Owner, Charterer, Manager and the Shipyard. Upon delivery, the FSO will be managed by Tanker Pacific Management Singapore (Pte) Ltd and it will be on long term charter to the Concessionaires for Block B8/32 in the Gulf of Thailand, who include among others, subsidiaries of Pogo Producing Company based in Houston, Texas and Chevron Corporation, based in San Francisco, California.

REDEDICATION CEREMONY FOR MARINE 500

April

A Rededication Ceremony was held at JSL on April 10, 1999 to mark the successful completion and delivery of the semi-submersible "Marine 500" to its owner, Marine Drilling Companies of USA. Mrs Anne Combes, the Lady Sponsor, gracefully performed the Rededication Ceremony in the presence of distinguished guests.



The contract for "Marine 500" involved upgrading the semi-submersible from its original second generation 600 ft water depth rating to that of a sophisticated fourth generation drilling rig with ultra deep-water depth rating of 5,000 ft. On completion of the major upgrading, the rig left for Australia where it will be chartered to Western Australia Petroleum Pty Ltd (WAPET) for oil exploration in the seas off Western Australia.



May

ACQUISITION OF SML SHIPYARD PTE LTD

JSL entered into a Sale and Purchase Agreement with SembCorp Logistics Limited to acquire the entire issued share capital of SML Shipyard Pte Ltd comprising 11,273,815 ordinary shares of \$1.00 each, for an aggregate consideration of \$12 million. SML is an ISO9002 certified shipyard located at Shipyard Road, Singapore. SML is principally engaged in shiprepair and conversion services for small and medium size vessels.

36TH ANNUAL GENERAL MEETING

The 36th Annual General Meeting of the Company was held at the shipyard's premises on Friday, 11 June 1999.

June



DELIVERY OF THE MOST SOPHISTICATED VESSEL

The M. T. "Astoria", a 11,500 dwt product/chemical tanker, was christened and delivered to its owner, Rederi AB Veritas Tankers at JSL on 30 July 1999. Mrs Anna-Stina Johnsson, wife of owner, Mr Bengt Johnsson, graced the ceremony. State-of-the art marine

July

equipment is installed onboard the 11,500 dwt full double hull chemical tanker. It boasts of advanced capabilities such as one-man bridge control, and as well as unmanned machinery space. It is the most advanced chemical vessel built by Jurong Shipyard thus far. The Ice-class chemical tanker, measuring 139.9m x 21.5m x 10.5m and with a service speed of 15 knots, is designed to carry chemicals in 12 separate tanks. The vessel left Jurong Shipyard in early August 1999 and will be on long-term charter to Fortum Oil & Gas. The vessel will be employed in the Baltic Sea and is well-equipped to withstand the wintry conditions. The equipment, automation and accommodation onboard are installed in strict compliance to the latest IMO rules and regulations, with the furnishings fully meeting Scandinavian standards.



JSL ORGANISES NATIONAL OBSERVANCE CEREMONY

August

To celebrate Singapore's 28th year of independence, Jurong Shipyard Employees Union and Jurong Shipyard Ltd jointly organised the National Day Observance Ceremony at the shipyard's premises. The Guest-of-Honour was Mr Lim Boon Heng, Minister without Portfolio and the Secretary General of NTUC.



JSL AND SEMBAWANG SHIPYARD PARTICIPATE IN NATIONAL DAY PARADE

Jurong Shipyards and Sembawang Shipyards jointly celebrated Singapore's National Day through participation at the National Day Parade. The themes of the display contingent were 'Unity in Strength' and 'Together, we make the Difference'. A total of 50 employees from both companies participated in the parade.



September

RECOGNITION FOR HUMAN RESOURCE TRAINING



Jurong Shipyards was awarded the People Developer certification by the Singapore Productivity and Standards Board in September 1999. The certification was achieved after 6 months of intense effort since embarking on the programme in January. The People Developer certification is awarded to organisations that has a comprehensive employee development system which regularly reviews the human resource practices within the organisation. With this award, JSL is recognised as having a structured approach to staff development and training. It also acts as a framework for evaluating employee performance.



SEMBAWANG SHIPYARD DELIVERS FPSO KUITO

Formerly known as Proster II, the 224,428 dwt tanker was converted to an FPSO by Sembawang Shipyards for Single Buoy Moorings (SBM) of Monaco. Within a tight schedule of 10 months, Sembawang Shipyards fabricated and installed 18 topside modules, a 49m tall flare tower and a newly built helideck. The shipyard carried out substantial upgrading to the vessel's dual fuel gas-firing boiler system. Modifications to the piping system, which involved some 40 km of new pipes, were also carried out. All major modification and upgrading work were completed within schedule and in full compliance with the industry's stringent safety standards.

The completed FPSO, re-christened as Kuito, left Sembawang Shipyards for deployment in the Kuito oil field, Angola's first deep-water, zero-flare field. With a crude oil processing capability of 100,000 barrel of oil per day and a storage capacity of 1.4 million barrel of oil, Kuito is Angola's first FPSO for the deep-water producing field discovered in April 1997.



DELIVERY OF FPSO NORTHERN ENDEAVOUR

FPSO Northern Endeavour was delivered to its owner, Woodside Energy of Australia, in September 1999. The conversion of the barge type steel hull vessel, measuring 273m in length and 50m in width and with an oil storage capacity of 1.4 million barrels (built by Samsung Heavy Industries), was undertaken jointly by Sembawang Shipyards and SembCorp Engineering. The conversion involved the fabrication, assembly, installation and hook-up of the FPSO's topside facilities. These included the utilities and power generation modules, flare tower, internal turret as well as process and separation modules. The scope of work also included the welding of exotic piping material such as titanium and duplex stainless steel. Completed on schedule in 21 months, the total topside facilities fabricated weigh approximately 12,000 metric tons.



LARGEST PETROBRAS FPSO CONVERTED BY JURONG SHIPYARD

"Petrobras-37", the largest Floating Production Storage Offloading (FPSO) in the world was named at a Christening Ceremony held at Jurong Shipyard on November 7, 1999. Mrs Angela Soares Guimaraes, wife of the General Manager of Offshore Construction of Petrobras, Mr Nelson Guimaraes, was the Lady Sponsor at the Christening Ceremony.

The FPSO Petrobras-37 was converted from the 270,000 dwt Very Large Crude Carrier ex "Friendship" (built in 1975) measuring 340m in length, 54m moulded breadth and 27m depth. The project was the most challenging conversion work ever undertaken by Jurong Shipyard. All existing systems on board the ship were replaced. A total of about 8000 tons of new and refurbished steel and 2500 tons of new piping were installed onboard the vessel. The converted FPSO "Petrobras-37" is a highly automated production facility with thousands of terminals for the seamless integration of instrumentation, optics and power cables into the sophisticated Process Control System. A major part of the work involved the installation and integration onboard the vessel, the world's largest internal turret, measuring 17m in diameter. The turret will enable the vessel to be moored by eight sets of mooring cables and chains as well as connecting all the risers to the 42 wells.

FPSO Petrobras-37 left the shipyard in February 2000 for deployment in the Marlim Field, about 100 km off the coast of the state of Rio de Janeiro, Brazil.



November



JURONG SHIPYARD COMPLETES CONVERSION OF FPSO BUFFALO VENTURE ON SCHEDULE



A Christening Ceremony was held at Jurong Shipyard to mark the completion and delivery of the FPSO "Buffalo Venture" to its owner, Modec Inc. Mrs Fran Aiken, wife of the CEO of BHP Petroleum Pty Ltd, Australia, graced the ceremony.

FPSO "Buffalo Venture", the former 103,584 dwt tanker M. T. "Spirit", arrived at the shipyard in April 1999 to undergo conversion to a Floating Production, Storage Offloading (FPSO) unit. On completion, the FPSO "Buffalo Venture" will have an oil production rate of 40,000 barrels per day with an 850,000 barrel oil storage capacity. The FPSO will be towed to the Buffalo field in Darwin, Australia where it will be chartered to BHP Petroleum Pty Ltd and Canadian Petroleum, a subsidiary of Canadian Occidental Petroleum Ltd of Calgary, Canada.



RESTRUCTURING OF JURONG SHIPYARD LIMITED

The Directors of Jurong Shipyard Limited announced on 9 November "a restructuring programme which involves:

- (a) the sub-division of each ordinary share of \$0.50 in the capital of the Company into five ordinary shares of \$0.10 each; and
- (b) the change of the existing name of the Company to "SembCorp Marine Ltd".

The Company has obtained the in-principle approval of the Stock Exchange of Singapore Limited for the proposed sub-division of each ordinary share of \$0.50 in the capital of the Company into five ordinary shares of \$0.10 each (the "Sub-Division"). The Company believes that the Sub-Division will enhance the market liquidity of its Shares.

Notwithstanding the Sub-Division, the Company expects to maintain, for the current financial year ending December 31, 1999, at least the absolute quantum of dividends declared and paid in the last financial year ending December 31, 1998.

The Company is also proposing to change its name from "Jurong Shipyard Limited" to "SembCorp Marine Ltd".

The sub-division and the proposed change of name of the Company are subject to the approval of the shareholders of the Company at an extraordinary general to be convened. A circular setting out the details of the sub-division and the proposed change of name will be sent to shareholders in due course."

JURONG SHIPYARD HONOURS LONG SERVICE EMPLOYEES

A Long Service Award Presentation ceremony was held at the shipyard to honour employees who have worked in the Company for 10, 20 and 30 years. A total of 103 employees received their long service awards. Of the 103 employees, 17 received the 10-year service awards, 10 for the 20-year service awards and the remaining 76 for the 30-year service awards.

