



Company Registration No. 196300098Z

PRESS RELEASE

NET PROFIT GREW BY 23.8% TO \$148.8 MILLION

Singapore, May 7, 2010: Sembcorp Marine delivered another quarter of growth with an increase of 23.8% in Group net profit to \$148.8 million from \$120.2 million in 1Q 2009. Group turnover was comparable at \$1,359.4 million as compared with \$1,363.5 million for the corresponding period in 2009.

Group operating profit at \$159.6 million was 18.6% higher than the same quarter in the previous year. Group pre-tax profit increased 22.2% to \$184.9 million from \$151.3 million in 1Q 2009 attributable to higher operating margins from rig building and offshore and conversion projects.

Financial Highlights

Description (\$'m) \ Year	1Q 2010	1Q 2009	% Change
Turnover	1,359	1,363	-
Gross Profit	191	146	31
EBITDA	180	152	18
Operating Profit	160	135	19
Pre-tax Profit	185	151	22
Net Profit (profit attributable to shareholders)	149	120	24
EPS, basic (cents)	7.21	5.85	23
NAV (cents)	99.51	67.91	47

Outlook

The Group has a net order book of S\$5.0 billion with completion and deliveries stretching till December 2012. This includes S\$680 million contract orders secured to-date since January 2010 comprising S\$550 million for the construction of Ekofisk accommodation topside for the North Sea for ConocoPhillips Skandinavia AS, Norway and the S\$130 million pre-FPSO conversion contract for Petrobras Netherlands B.V.

The outlook for global oil demand continues to improve. Oil prices have fluctuated within the range of mid-US\$70 to mid-US\$80 a barrel. The long-term fundamentals driving deepwater exploration and production activities are expected to continue to boost production reserves to meet growing energy demand.

While the current oil spill in the Gulf of Mexico may affect offshore drilling in that region, it is too early to assess the incident's overall effect on the drilling rig market. Our initial appraisal of the situation gives us no major cause for immediate concern.

FY 2009 was an exceptional year in terms of profit. The Group expects to achieve satisfactory results for FY 2010.

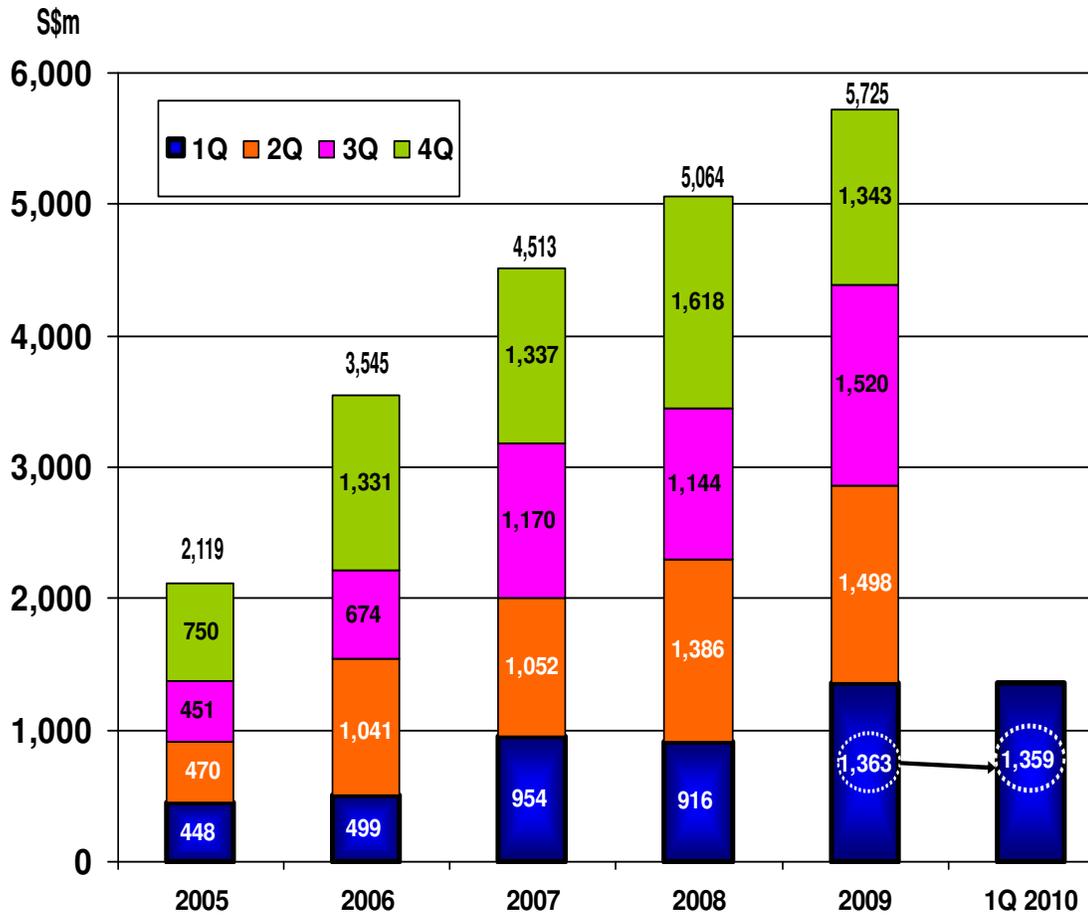
For media and analysts enquiries, please contact:

Ms Judy Han
Senior Vice President
Investor Relations & Communications
Tel No : (65) 6262 7203
Fax No : (65) 6261 0738
Email : judy@sembcorpmarine.com.sg
Website : www.sembcorpmarine.com.sg

APPENDIX

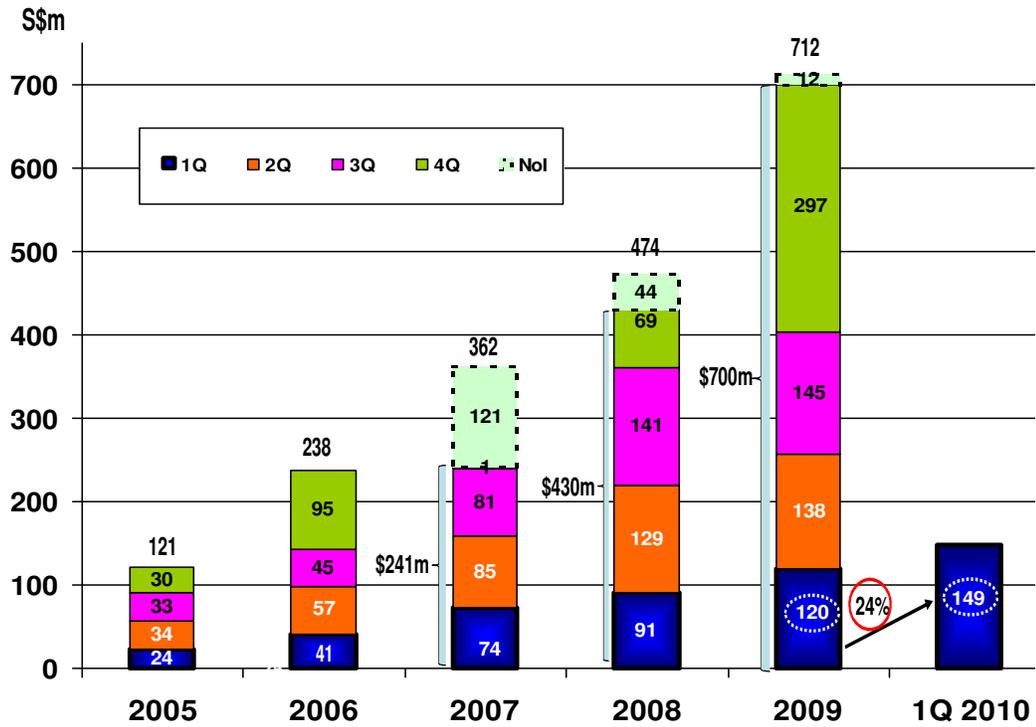
QUARTERLY REVENUE (2005 to 1Q 2010)

- Group revenue for 1Q 2010 was comparable at \$1,359 million as compared with \$1,363 million for the corresponding period in 2009



QUARTERLY NET PROFIT (2005 to 1Q 2010)

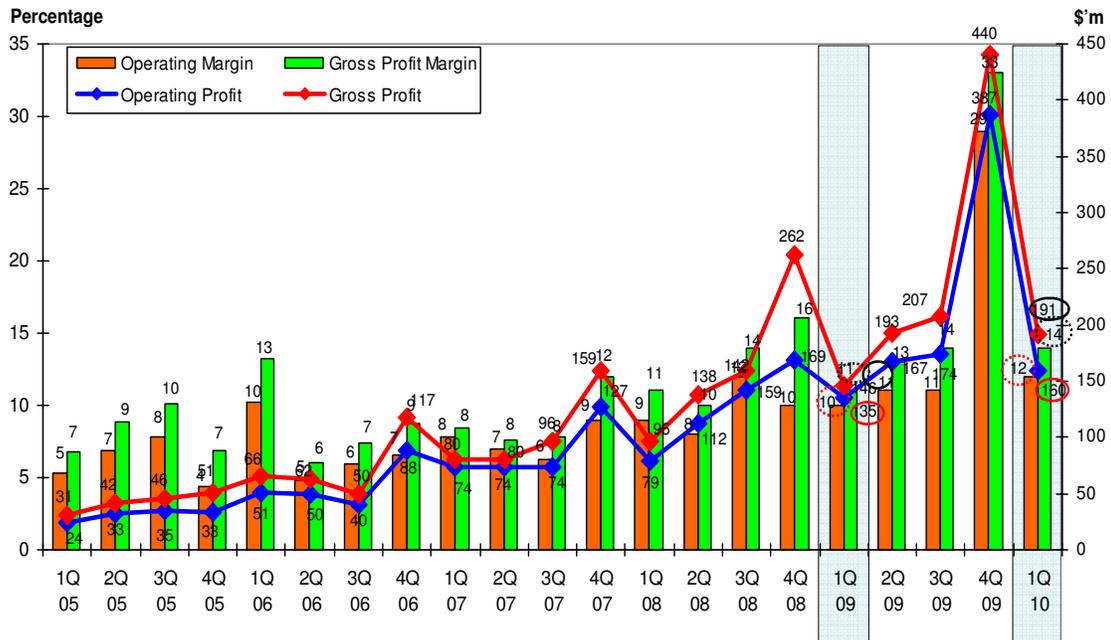
- Net Profit grew by 24% to \$148.8 million in 1Q 2010 as compared with \$120.2 million in 1Q 2009



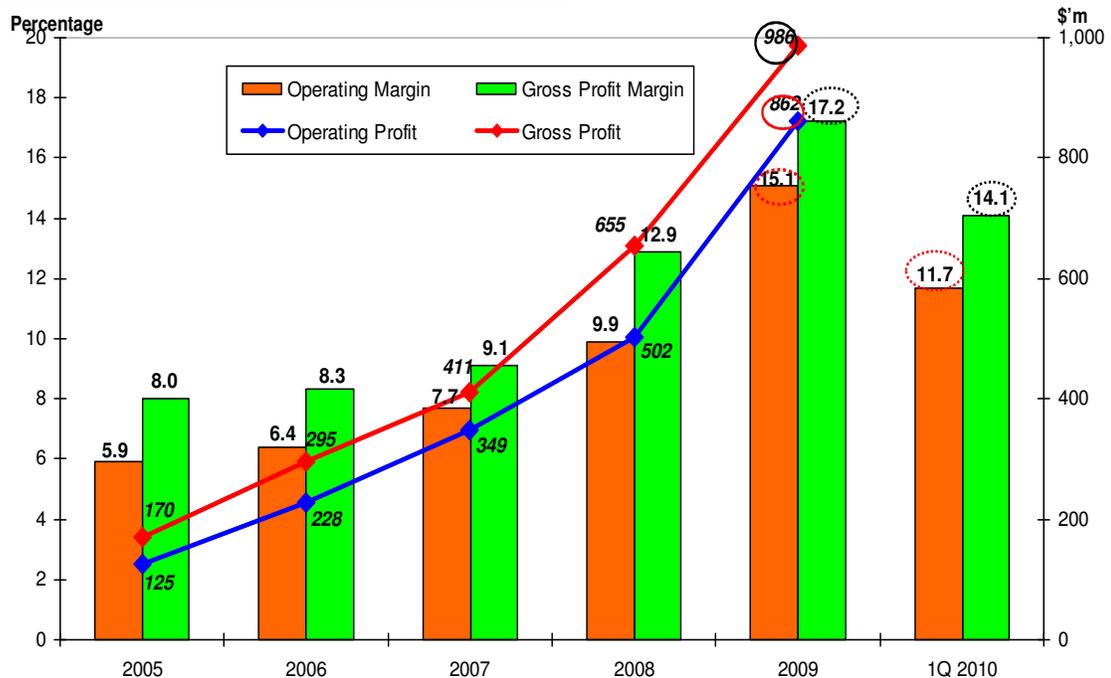
GROSS & OPERATING MARGIN

- Quarter to quarter margin variation is dependent on the product business mix
- Operating margin at 12% in 1Q 2010 was higher than the 10% recorded in corresponding period in 2009
- Gross margin at 14% in 1Q 2010 was higher as compared with the 11% recorded for the same period in 2009

Quarterly Gross & Operating Margin



Year-on-Year Gross & Operating Margin



PERFORMANCE OF ASSOCIATES & JVs (Profit before tax)

- Contributions from Associates and JVs declined 19% due mainly to lower contributions from Cosco Shipyard Group and Pacific Workboats

Description	Year (\$'m)	1Q 2010	1Q 2009	% Δ
	Cosco Shipyard Group		11.7	13.3
Pacific Workboats		0.8	2.0	(61.9)
Share of Associates & JV's Results		12.4	15.3	(18.8)

STRONG POSITIVE CASHFLOW

- Net cash position remains strong at \$2.3 billion
- The Group will continue to strive towards delivering credible performance and value creation to shareholders. We continue to maintain a strong balance sheet

Description (\$'m)	Year	1Q 2010	1Q 2009	% change
	Cashflow from operation before reinvestment in working capital		182.6	162.5
Net cash provided by operating activities		364.1	92.6	293.3
Net cash used in investing activities		(6.5)	(38.9)	(83.4)
Net cash provided by financing activities		0.9	1.7	(46.0)
Cash & cash equivalents		2,337.1	2,109.4	10.8
Net Cash (net of borrowings)		2,320.1	1,885.1	23.1
<i>Progress Billing > WIP</i>		845.9	1,119.6	(24.4)

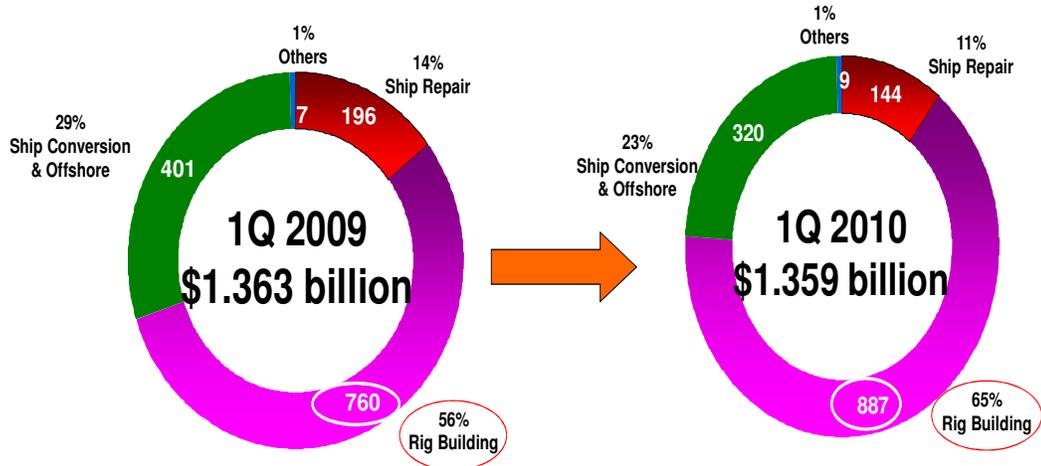
CAPITAL, GEARING AND ROE

- ROE (annualised) at 30%
- EVA for 1Q 2010 at \$113.1 million

Description (\$'m)	1Q 2010	FY 2009	% change
Shareholders' Funds	2,061.5	1,884.1	9
Net Cash	2,320.1	1,958.5	18
ROE (%)	30.2	43.7	(31)
Net Asset Value (cents)	99.5	91.3	9
RoTA (%)	12.3	15.1	(19)
Economic Value Added	113.1	99.9	13

REVENUE CONTRIBUTIONS BY SECTORS

By Value & Percentage Contributions

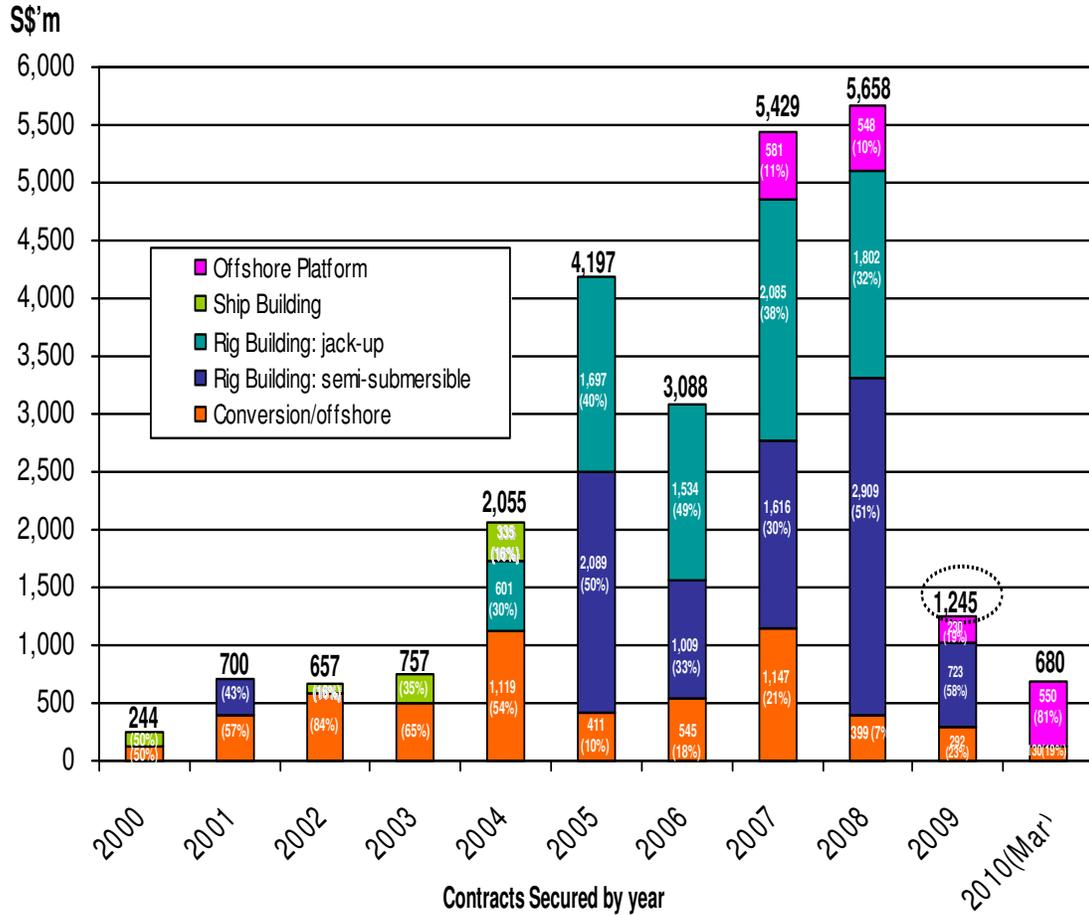


Revenue (\$\$'m)	1Q 2010	1Q 2009	% Change
Ship repair	143.7	196.0	(26.7)
Rig building	886.5	759.5	16.7
Ship Conversion/offshore	319.8	401.0	(20.2)
Others	9.4	7.0	34.3
TOTAL	1,359.4	1,363.5	(0.3)

- The Rig Building Sector remained strongest and accounted for 65% of the total revenue followed by the Ship Conversion & Offshore sector at 23%, Ship Repair at 11% and Others at 1%
- Ship repair registered a decline of 27% due to the challenging market conditions faced by the shipping companies. However, the big docks are well occupied due to the support by Alliance/FCC partners and regular customers
- Lower ship conversion and offshore activities due to no major recognition during the quarter.

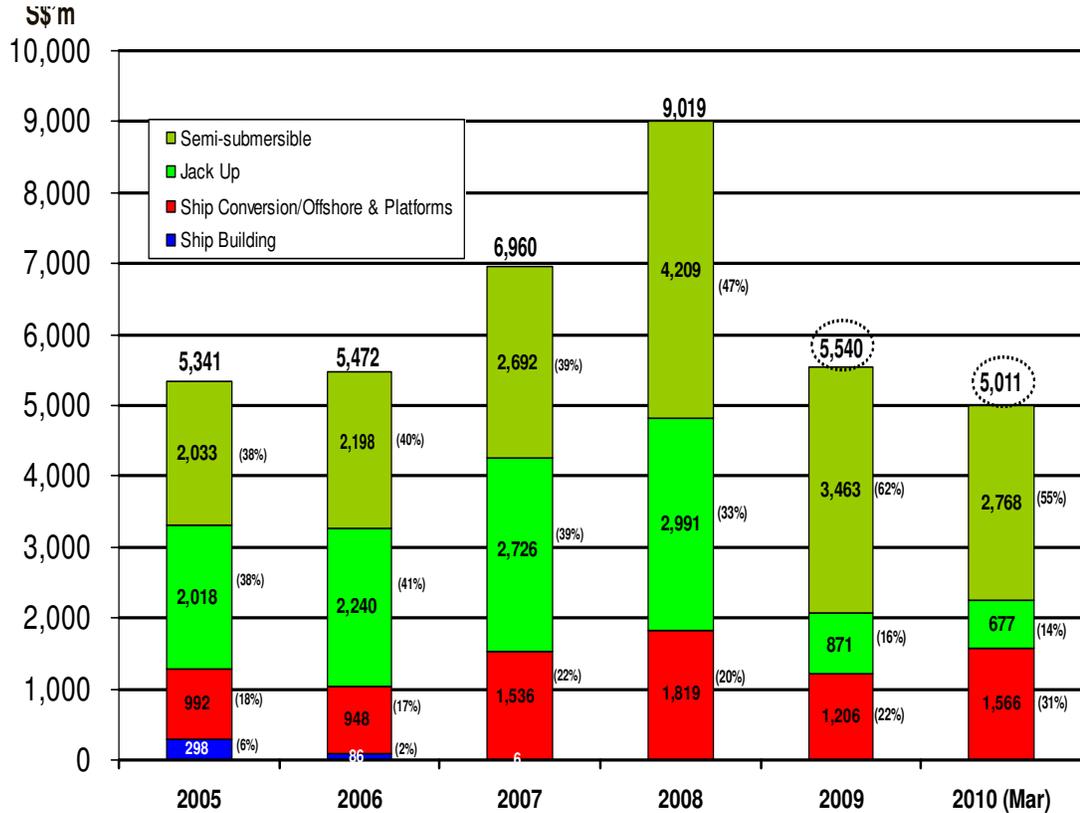
CONTRACTS SECURED BY YEAR (exclude ship repairs)

- Contracts secured to-date stand at S\$680 million, excluding ship repair contracts
- Fundamentals driving deepwater activities remain strong
- We will continue to build up our order book



NET ORDER BOOK (exclude ship repairs)

- Net order book, including new contracts secured to-date stands at S\$5.0 billion with completion and deliveries stretching to December 2012
- We will continue to build our order book



This release may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, exchange rate movement, cost of capital and capital availability, competition from other companies and venues for sale and distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes. The forward looking statements reflect the current views of Management on future trends and developments.