



Company Registration Number: 196300098Z

PRESS RELEASE

Sembcorp Marine Interim Business Update for 3Q & 9M 2020

Production has resumed and tender activities for new projects increased in 3Q 2020.

Singapore, 11 November 2020: Sembcorp Marine is today issuing its interim Business Update for the third quarter 2020 and nine months ended 30 September 2020, following the adoption of semi-annual reporting of its results with effect from FY 2020.

Impact of COVID-19 Pandemic and Low Oil Prices

2. Following the relaxation of COVID-19 measures in Singapore since June 2020, our Singapore yards began to resume production activities in early July 2020. Our operating yard workforce (including sub-contractors) have now increased to almost full workforce levels.

3. With oil prices recovering since the March collapse, there have been active reviews of deferred projects by the oil companies. New orders visibility has improved as a result and the Group is increasingly active in bidding for new projects and discussing resumption of delayed projects.

4. The Group continued to incur losses for 3Q 2020, with low overall business volume and execution delays.

Operations Review

5. The Group is actively tendering for more than 10 projects, especially in the greener energy market segments such as Renewable Energy and Gas Solutions. A similar number of tenders are also in progress for the Process Solutions segment (such as FPSOs, FSOs and FPU).

6. Sembcorp Marine is currently executing a total of \$1.78 billion of significant projects, as listed below.

Nature of Projects Under Execution as at 30 September 2020
<p>Renewables Solutions</p> <ul style="list-style-type: none"> • Hornsea 2 Offshore Wind Farm – Substation Topsides • Formosa 2 Offshore Wind Farm – Foundation Jackets
<p>Process Solutions</p> <ul style="list-style-type: none"> • Equinor Johan Castberg - Newbuild Floating Production, Storage and Offloading Vessel (FPSO) • Shell Vito - Newbuild Floating Production Unit (FPU) • Shell Whale - Newbuild FPU • Gallaf Batch 2 Wellhead Platforms • Tupi P-71 - Newbuild FPSO • Shapoorji - FPSO Conversion
<p>Gas Solutions</p> <ul style="list-style-type: none"> • MOL LNG Bunker Vessel • Tyra Wellhead Platforms and Bridges • TechnipFMC Karish - Newbuild FPSO • Upgrade of Major Floating Storage & Regasification Units (FSRU) and Floating Storage Units (FSU), including FSRU Karmol LNGT Powership Africa, FSRU Karmol LNGT Powership Asia, FSU CNTIC VPower Energy and Torman II (FSU)
<p>Ocean Living Solutions</p> <ul style="list-style-type: none"> • Full Battery-operating Roll-on, Roll-off Passenger Ferries (3 units)
<p>Advanced Drilling Rig Solutions</p> <ul style="list-style-type: none"> • Transocean 1 Drillship – named Deepwater Atlas • Transocean 2 Drillship – named Deepwater Titan

7. In addition, our Repairs & Upgrades business is undertaking \$0.33 billion of ongoing jobs and new orders secured during the quarter.

8. In consultation with our customers, delivery dates for most of our existing projects have been rescheduled by between 3 to 12 months. To-date, there has been no cancellation of any of our existing projects.

9. The Group delivered the Tangguh LNG modules in June 2020 and the Offshore Windfarm Jacket foundations for the Hornsea 2 project in August 2020.

Outlook

10. The successful completion of the Group's \$2.1 billion rights issue has strengthened our liquidity position and balance sheet.

11. Sembcorp Marine is now focused on executing our projects and securing new orders.

12. We will work to manage our costs and liquidity prudently to ensure we are able to sustain our operations and ride through the severe industry downturn and COVID-19 pandemic.

13. Sembcorp Marine expects losses to continue into the fourth quarter.

-----**End of Report**-----

For more information, please contact:

Analysts' queries:

Ms Lisa Lee
Head of Investor Relations
Tel No: (65) 6971 7042
Email: lisa.lee@sembmarine.com

Media queries:

Mr Daoyi Lin
Manager, Corporate Communications
Tel No: (65) 6971 7040
Email: daoyi.lin@sembmarine.com

For more details please refer to our website: www.sembmarine.com

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 statement reflect the current views of Management on future trends and developments.