

PRESS RELEASE

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SEMBCORP STRENGTHENS PRESENCE IN THE GROWING INDIAN POWER MARKET WITH A SECOND PROJECT

- ***The project will benefit from synergies with Sembcorp's adjacent TPCIL power project***

Singapore, February 3, 2014 - Sembcorp Industries (Sembcorp) is pleased to announce that through a wholly-owned subsidiary, it has signed a conditional agreement to acquire 45% of NCC Power Projects (NCCPP), which is currently building a 1,320-megawatt coal-fired power plant along the coast of Nellore in Andhra Pradesh. This project will double Sembcorp's power generation capacity in India and increase its footprint in the country's growing power market.

NCCPP's upcoming plant is located on a site adjacent to Thermal Powertech Corporation India (TPCIL), Sembcorp's first power plant investment in India. The proximity of the two plants will enable Sembcorp to benefit from substantial synergies. The two plants will utilise the same infrastructure, such as that for coal importation and logistics. They will also be run by the same Sembcorp management team in Nellore. Located in India's southern region, where economic growth and the demand for electricity is strong, both projects will be well-positioned to contribute to meeting the country's rising power needs.

Like the TPCIL plant, the NCCPP plant will utilise supercritical technology, which allows for enhanced efficiency and reduced emissions compared to other conventional plants. Currently, construction of the NCCPP project is about 30% completed and it is expected to come onstream in early 2016. Piling and foundation works have been finished in key areas and structural work for the boilers has commenced on site. Financing for the project has also been secured, with 75% of the project cost funded through long-term limited recourse rupee-denominated project finance loans and the remainder funded by shareholders' equity. The project will be fuelled by both domestic and imported coal. It has already received a Letter of Allocation for its domestic coal supply from Coal India. Like the TPCIL project, the NCCPP project is a coastal coal-fired power project and will benefit from reliable delivery of coal from the nearby Krishnapatnam port.

Sembcorp's investment for the stake will amount to Rs. 848 crores (approximately S\$175 million). The consideration for Sembcorp's stake was determined based on the book value and fair market value of the project and will be financed by a mixture of internal funds and borrowings. NCCPP is

currently jointly owned by Gayatri Energy Ventures (GEVPL) – Sembcorp’s project partner for the TPCIL plant – and NCC Infrastructure Holdings (NCCIHL), a subsidiary of Indian conglomerate, NCC Limited (NCCL). Upon completion of the transaction, Sembcorp will hold 45% of NCCPP, while the remaining 55% will be held by NCCIHL, which in turn will be jointly owned by NCCL and GEVPL.

The investment strengthens Sembcorp’s position in India’s power sector, which is expected to grow substantially over the next decade. The Central Electricity Authority of India projects that power demand will continue to increase steadily and it is expected that baseload deficit will remain between 8% to 10% until 2022. Sembcorp believes that the positive medium to long-term outlook for India, combined with urbanisation, industrialisation and the growth of the middle class, will continue to drive this growing energy demand.

The new project comes as Sembcorp’s existing TPCIL project nears completion. Construction of the TPCIL plant is more than 80% completed, and the project is on track to begin testing and commissioning of its first 660-megawatt unit from the second quarter of 2014. Commercial operations are targeted to begin in the third quarter of 2014, with the plant’s second 660-megawatt unit expected to come onstream by the end of the year. The TPCIL project has secured a long-term power purchase agreement for the sale of 500 megawatts of power to the Andhra Pradesh Power Distribution Companies, as well as domestic coal supply agreements for both its units.

Tang Kin Fei, Sembcorp Group President & CEO, said, “With our first power project in India progressing well and on track for completion this year, we are now pleased to embark on our second power plant investment there. This acquisition will provide the opportunity for Sembcorp to increase our foothold in India’s power market, where we see opportunities for our business to grow significantly in the years to come.

“The NCCPP project’s close proximity to TPCIL will also allow us to realise operational synergies, such as the use of common coal importation and logistics infrastructure and the same Sembcorp management team.”

The transaction is subject to the fulfillment of conditions precedent, including approvals from the relevant authorities and the lenders. Additional conditional agreements would also be entered into giving Sembcorp the right and obligation to take an incremental 20% stake in NCCPP and an incremental 16% stake in TPCIL respectively, subject to and upon the respective projects having obtained requisite formal approvals by relevant authorities in India. Details on these further acquisitions will be announced as appropriate upon finalisation.

This transaction is not expected to have a material impact on the earnings per share and net asset value per share of Sembcorp Industries for the current financial year.

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ABOUT SEMBCORP INDUSTRIES

Sembcorp Industries is a leading energy, water and marine group operating across six continents worldwide. With facilities with 5,900 megawatts of gross power capacity and over eight million cubic metres of water per day in operation and under development, Sembcorp is a trusted provider of essential energy and water solutions to both industrial and municipal customers. It is also a world leader in marine and offshore engineering as well as an established brand name in integrated urban development.

The Group has total assets of over S\$13 billion and employs over 9,000 employees. Listed on the main board of the Singapore Exchange, it is a component stock of the Straits Times Index as well as several MSCI and FTSE indices.

Note to Editors: Please refer to the company as "Sembcorp" (with "S" in upper case and "c" in lower case), or "Sembcorp Industries" in full. Please also note that "Sembcorp" is not an abbreviation of "Sembawang Corporation" but a brand name in itself, and it is therefore incorrect to refer to our company as "Sembawang", "Sembawang Corporation" or similar.