

News Release

ST Engineering's US Marine Subsidiary Involved In Arbitration Proceedings

Singapore, 27 February 2017 - Singapore Technologies Engineering Ltd (ST Engineering) wishes to announce certain developments in relation to arbitration proceedings in New Orleans, Louisiana, USA between its wholly-owned subsidiary, VT Halter Marine, Inc. (VT Halter Marine), and Hornbeck Offshore Services, LLC (Hornbeck).

The arbitration proceedings involve issues and disputes arising from a vessel construction agreement (Agreement) dated 14 November 2011 between VT Halter Marine and Hornbeck for the design and construction of certain vessels by VT Halter Marine for Hornbeck. Hornbeck had claimed damages against VT Halter Marine mainly on the basis that the vessels constructed by VT Halter Marine pursuant to the Agreement had alleged errors in design and construction.

Out of the damages claimed, the amount that was initially quantified by Hornbeck was approximately US\$15.2m (about S\$21.4m). Hornbeck subsequently revised the amount of quantified damages claimed to approximately US\$43.5m (about S\$61.3m), according to Hornbeck's preliminary damage calculation received by VT Halter Marine in December 2016. Following this, VT Halter Marine and its legal advisers took time, effort and due diligence to consider and assess the revised sums claimed as well as the potential defences.

VT Halter Marine has asserted counterclaims against Hornbeck for approximately US\$3.3m (about S\$4.7m) and will continue to vigorously defend its position.

There is no change to the full year results for the financial year ended 31 December 2016, which were released on 16 February 2017.

ST Engineering will make timely announcements, if necessary, of any further material developments.

ST Engineering is an integrated defence and engineering group specialising in the aerospace, electronics, land systems and marine sectors. It has global presence with offices in Asia, the Americas, Europe and the Middle East and employs about 22,000 employees. Across the globe, its employees bring innovation and technology together to create smart engineering solutions for its customers in the defence, government and commercial segments. Headquartered in Singapore, ST Engineering reported revenue of S\$6.68b in FY2016 and it ranks among the largest companies listed on the Singapore Exchange. It is a component stock of the FTSE Straits Times Index, MSCI Singapore and the SGX Sustainability Leaders Index. Please visit www.stengg.com for more information.

For further enquiries: Lina Poa
Head, Corporate Communications & Investor Relations
ST Engineering
Tel: (65) 6722 1883
Email: linapoa@stengg.com