

PRESS RELEASE

Sembcorp Industries Ltd
CO REGN NO 199802418D
30 Hill Street #05-04
Singapore 179360
Tel (65) 6723 3113
Fax (65) 6822 3254
www.sembcorp.com

SEMBCORP GROWS ITS RENEWABLE ENERGY AND INDUSTRIAL WATER OPERATIONS IN CHINA

- *Expands wind power capacity in Huanghua, Hebei province, by almost 50%*
- *Doubles industrial water capacity in Nanjing, Jiangsu province*

Singapore, February 25, 2014 – Sembcorp Industries (Sembcorp) continues its growth momentum in China with the expansion of two of its utilities facilities – its wind power plant in Huanghua, Hebei province, which will see its wind power capacity increase by almost 50%, and its industrial water plant in Nanjing, Jiangsu province, which will have its industrial water capacity doubled. Besides meeting the country's growing energy and water needs in a sustainable manner, the expansions also demonstrate the Group's focus on growth in China, a key market for Sembcorp.

Expansion of wind power capacity in Huanghua

Sembcorp will build, own and operate an additional 48-megawatt wind farm in Huanghua, through its joint venture with Guohua Energy Investment Co. The RMB454.9 million (approximately S\$94.4 million) expansion will increase the wind power capacity in Huanghua by almost 50%, from 99 megawatts to 147 megawatts, and is expected to be completed by the first half of 2015. This expansion will also increase the Group's renewable energy capacity worldwide to 380 megawatts.

The total project cost will be funded through a mix of equity and borrowings. With its 49% stake in the joint venture, Sembcorp's share of the equity investment will amount to RMB78 million (S\$16.2 million), which will be financed by internal funds.

This expansion is in line with the Group's commitment to grow its renewable energy portfolio as a responsible energy player, and to help China achieve its environmental goals. Hebei province has a provincial-level 12th Five-year Plan for Energy Conservation and Emission Reduction that aims to reduce carbon emissions. In keeping with this objective, Hebei has been promoting the wind power industry across the province to reduce dependence on traditional energy sources and increase the proportion of energy produced from renewable sources.

Expansion of industrial water capacity in Nanjing

In addition, Sembcorp will be doubling its industrial water capacity from 120,000 cubic metres per day to 240,000 cubic metres per day in the Nanjing Chemical Industrial Park (NCIP), Jiangsu province.

The total expansion cost will amount to RMB65.2 million (approximately S\$13.5 million), which will be funded through a mix of equity and borrowings. Expected to be completed by mid-2015, the expansion will be undertaken by Sembcorp NCIP Water, a 95:5 joint venture between Sembcorp and NCIP Utilities Co. Sembcorp's share of the equity investment of RMB24.8 million (S\$5.1 million) will be financed by internal funds.

An established developer, owner and operator of utilities assets, Sembcorp currently has 24 operations across China. The Group has been present in the Nanjing Chemical Industrial Park since 2005. Driven by strong demand, Sembcorp will be able to serve the fast growing water needs of existing and potential customers in the industrial park by doubling its industrial water capacity to 240,000 cubic metres per day.

Alan Yau, CEO of Sembcorp China, said, "These two expansions are in line with our China growth strategy and exemplify our firm focus in this important market. With our commitment as a responsible energy player and track record in specialised water solutions for industry, we help meet China's growing demand for energy and water, while supporting the government's pledge to limit environmental impact.

"With the increasing emphasis on environmental protection, renewable energy and other new energy resources have been earmarked as key development sectors in China's 12th Five-year Plan. Sembcorp supports this agenda with our renewable wind power plants in China. In particular, with our Huanghua wind power plant strategically located in Hebei, we play a part in reducing air pollution in the province."

Sembcorp has invested in energy and water assets in the China market for over a decade and its utilities presence now spans 10 provincial regions across the country.

These two expansions are 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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For analysts' and media queries please contact:

Aleve Co (Ms)

Senior Manager

Group Corporate Relations

DID: +65 6723 3178

Email: aleve.co@sembcorp.com

Melissa Yee (Ms)

Manager

Group Corporate Relations

DID: +65 6723 3326

Email: melissa.yee@sembcorp.com

ABOUT SEMBCORP INDUSTRIES

Sembcorp Industries is a leading energy, water and marine group operating across six continents worldwide. With facilities of over 7,200 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 urban development.

The Group has total assets of over S\$13 billion and employs over 10,000 employees. Listed on the main board of the Singapore Exchange, it is a component stock of the Straits Times Index and several MSCI and FTSE indices.

ABOUT SEMBCORP IN CHINA

Sembcorp has invested in the China market for close to two decades and its presence spans 14 provincial regions across the country.

The Group has the expertise to provide essential solutions in sustainable ways. With its renewable energy and high-efficiency power generation facilities, innovative water and wastewater treatment solutions, as well as sustainable, self-sufficient urban developments, Sembcorp supports China's continued growth. In addition, its commitment to sustainability is aligned with the strong emphasis on environmental protection in China's 12th Five-year Plan.

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.