

PRESS RELEASE

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SEMBCORP SIGNS CONDITIONAL AGREEMENT TO EXPAND ITS ENERGY BUSINESS IN CHINA WITH TWO POWER PLANTS IN CHONGQING

- *Partnership with a subsidiary of Chongqing Energy Investment Group for 1,620 megawatts of coal-fired power capacity*
- *Project's strategic location at mine mouth will enable Sembcorp to produce power competitively*

SINGAPORE, September 15, 2014 – Sembcorp Industries (Sembcorp) will be announcing its plans to expand its energy business in China with the signing of a conditional joint venture agreement with a subsidiary of Chongqing Energy Investment Group, Chongqing Songzao Coal and Power LLC, to collaborate on a mine-mouth coal-fired power project in Chongqing municipality. The agreement includes the acquisition of a 49% stake in an existing 300-megawatt coal-fired power plant as well as in the joint development of an adjacent 1,320-megawatt coal-fired power plant, which will be one of the most efficient power plants in Chongqing.

The two power plants are located at the mouth of the coal mines and are the only mine-mouth coal-fired power plants in Chongqing. This strategic location will bring about significant savings in logistics costs, enabling the joint venture to be a low cost power producer. The coal mines are owned by Sembcorp's project partner, Chongqing Songzao Coal and Power LLC, further ensuring the reliability of coal supply.

The entire project will cost approximately RMB6 billion (approximately S\$1.2 billion), with the development of the new 1,320-megawatt plant expected to complete in 2017. The project will significantly strengthen Sembcorp's energy business in China, increasing the Group's power capacity in the country by about 2.5 times from 987 megawatts to 2,607 megawatts.

Chongqing Energy Investment Group, owned by the Chongqing Municipal Government, is the largest energy production and supply group in Chongqing with businesses in coal and gas supply as well as power projects including renewable energy plants. It is currently ranked



seventh in Chongqing's top 50 companies and 338th in the top 500 Chinese enterprises with total assets exceeding RMB80 billion as at end 2013.

Tang Kin Fei, Group President & CEO of Sembcorp, said, "We are excited to embark on this strategic partnership with Chongqing Energy Investment Group and to expand our energy business in China with this new beachhead in Chongqing. With Sembcorp's experience in the energy business globally, we believe that we will be able to bring our expertise to this partnership and complement Chongqing Energy Investment Group. Together we are confident that the facilities will be developed and operated efficiently to international standards. We look forward to being a strategic partner to Chongqing Energy Investment Group and to further collaboration on other energy projects."

This transaction is expected to be completed by 2015 upon the satisfaction of certain conditions precedent, including approval by relevant Chinese authorities. The 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 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\$14 billion and employs approximately 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. From renewable energy and high-efficiency power generation facilities, innovative water and wastewater treatment solutions, as well as sustainable, self-sufficient urban developments, Sembcorp's presence spans 16 provincial regions across the country.

The Group has established itself as a leader in the industrial water and wastewater treatment business in China and has 27 power and water assets across 12 provincial regions. Sembcorp's current energy portfolio in China includes a gas-fired power plant in Shanghai, four wind power plants in Inner Mongolia and Hebei, as well as a stake in cooperative joint venture in a coal-fired power plant in Shanxi.

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.