



AGENDA

- ❖ **CEO Address**
- ❖ **CFO Financial Highlights**

CEO ADDRESS

- ❖ Macro update
- ❖ Financial performance for FY 2016
- ❖ Operations Review
- ❖ Outlook and Prospects

Macro environment – remains challenging

- ❖ Global economic growth subdued in 2016, upstream oil and gas industry remains challenging.
- ❖ Upstream oil & gas capex has fallen for second consecutive year on weak oil prices in 2016.
- ❖ Competition has intensified on shrinking orders. Lack of financing support posed further challenges.
- ❖ OPEC and major non-OPEC producers agreement to cut production in November 2016 surprised markets, sending oil prices rebounding to above US\$50 per barrel range, from lows of US\$30 per barrel.
- ❖ Demand for energy resources expected to grow steadily. With steady depletion of existing oil reserves, oil prices projected to eventually stabilize at a range to support offshore projects growth in medium to longer term.



Financial Performance

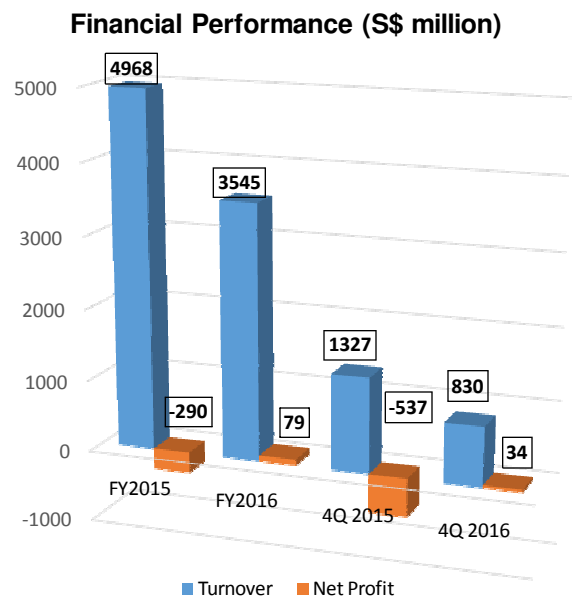
Group returned to profitability in FY 2016 and generated operating cashflow of S\$669 million, compared with negative S\$867 million for FY 2015.

Key Highlights for FY 2016:

- ❖ Total revenue of S\$3.54 billion.
- ❖ Net Profit was S\$79 million.

Key Highlights for 4Q 2016:

- ❖ Total revenue of S\$830 million.
- ❖ Net Profit was S\$34 million.



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Operations Review

- ❖ Key deliveries in FY 2016 have improved overall cash flow and strengthened Sembcorp Marine's balance sheet.
- ❖ Significant deliveries made in FY 2016 include:-
 - Noble Lloyd Noble, the world's largest ultra high-specification harsh environment jack-up rig, to Noble Corporation;
 - Safe Zephyrus harsh environment accommodation semi-submersible to Prosafe;
 - FPSO Professor John Evans Atta Mills to MODEC;
 - Maersk Highlander harsh environment jack-up rig for the Culzean Field;
 - Ivar Aasen Process, Drilling and Quarters (PDQ) Platform Topsides to Det Norske;
 - Six LNG Modules for the Wheatstone LNG project for Chevron.
 - Siemens Dudgeon project/ Yamal LNG processing module

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Deliveries in 2016 – Noble Lloyd Noble



World's largest jack-up for Noble Corporation delivered in July 2016

Project: Harsh-environment GustoMSC CJ70 Jack-up built to Statoil's 'Category J' requirements; largest in the world and first of its kind to fully comply with both Norwegian and UK regulatory standards.

Delivery: July 2016

Operation: Statoil's Mariner field development, North Sea

Deliveries in 2016 – Safe Zephyrus

Delivered to Prosafe in 1Q 2016



Project: Construction of GVA 3000E DP3 Accommodation Semi-sub for Harsh-environment operations for charterer Det norske

Delivery: 1Q.2016

Operation: Norway

Deliveries in 2016 – FPSO Prof. John EA Mills

Delivered to MODEC in 1Q 2016



Project: Repair and life extension, and conversion of a VLCC into a Floating Production Storage and Offloading (FPSO) vessel for *Tullow Oil*
Delivery: 1Q 2016
Operation: Tweneboa-Enyenra-Ntomme (TEN) field, Ghana

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Deliveries in 2016 – Maersk Highlander

Delivered to
Maersk Highlander UK Ltd in 2Q
2016



Project: Construction of F&G JU 2000E Jack-up for Harsh-environment operations in the Culzean Field Development, in UK North Sea
Delivery: 2Q 2016
Operation: Culzean Field, UK North Sea

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Delivered to Det norske oljeselskap ASA, Norway



Project: Engineering, Procurement and Construction of Process, Drilling and Quarters (PDQ) Platform
Topsides for Ivar Aasen Development in the North Sea

Delivery: 2Q 2016

Operation: Ivar Aasen field, Norwegian North Sea

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Other Key Activities

- ❖ Continued good progress being made on execution of current order book.
- ❖ Key ongoing projects include:
 - Engineering & construction of world's largest semi-submersible crane vessel for Heerema;
 - Design and construction of new Floating Storage and Offloading (FSO) vessel for MODEC;
 - Engineering, Procurement and Construction (EPC) of harsh environment topside modules for Maersk Oil, including a central processing facility, wellhead platform and living quarters platform;
 - FPSO Pioneiro de Libra conversion for Libra field, offshore Brazil;
 - FPSO topsides modules construction/integration at EJA Yard in Brazil;
 - Construction of power generation module at SLP yard, UK;
 - LNG modules work at Indonesian yards;

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Update on Sete Brasil

- ❖ **Sete Brasil filed for judicial restructuring on April 29, 2016 and submitted its restructuring plan on August 12, 2016. A revised plan was submitted on 23 December 2016. A general creditors meeting is scheduled later this month.**
- ❖ **We announced on April 22, 2016 that we have commenced arbitration proceedings against several subsidiaries of Sete Brasil to preserve our interests under the Sete Brasil contracts. These are ongoing.**
- ❖ **We are monitoring developments and continue to engage with Sete Brasil as necessary.**
- ❖ **We believe provisions of S\$329 million made in 4Q2015 for the Sete Brasil contracts remain adequate under present circumstances.**

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Update on other drilling rig contracts

- ❖ **One of our customers Perisai, recently announced its insolvency. We have taken steps to protect our interest in the two rigs which have been completed and technically accepted by Perisai.**
- ❖ **Also in discussion with Oro Negro regarding their rig deferments. The rigs have been completed and technically accepted by Oro Negro.**
- ❖ **Standstill agreement with North Atlantic Drilling for the delivery of the West Rigel semi-submersible rig extended to July 6, 2017. Both parties are marketing the rig for charter or sale.**
- ❖ **Provisions of S\$280 million taken in 4Q 2015 for deferment and possible cancellation of rigs remain adequate under current environment.**

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Net orderbook at S\$7.8 billion

- ❖ Net order book reasonably robust at S\$7.8 billion as at December 31, 2016. Excluding Sete Brasil projects, net order book stands at S\$4.7 billion.
- ❖ For FY 2016, we secured S\$320 million in new orders for non-drilling solutions.
- ❖ With improvement in oil prices, enquiries for non-drilling solutions have gained momentum.
- ❖ Significant progress made in development of our near-shore gas infrastructure solutions, using our GraviFloat technologies.
- ❖ In active discussions with potential customers and hopeful that new orders will be won during the course of 2017.

Cost Management & Operational Excellence - HR

- ❖ Overall strategy to ensure long term workforce sustainability by maintaining and strengthening capabilities to develop and execute projects in safe, efficient and effective manner.
- ❖ Continue to reallocate excess manpower from drilling to non-drilling work without compromising safety and quality; optimised the number of sub-contractors at our yards and allow natural attrition of employees.
- ❖ To support development of new business segments, ie near-shore gas infrastructure solutions, we have been actively recruiting necessary talent to supplement existing pool.
- ❖ Besides manpower optimisation, implemented salary freeze and adjustments to variable remuneration for management staff since 2015 to reduce operating costs, and this has continued in 2016.

Yard Capex and Capacity Management

- ❖ With Phase 2 of Tuas Boulevard Yard (TBY) completed in January 2017; allows further optimizing of yard facilities and realise operational efficiencies.
- ❖ Continue to leverage and maximise utilization of TBY while we review schedule for returning other yards in Singapore at or before lease expiry dates.
- ❖ One of our Singapore yards was returned to the Government last year, with two other yards scheduled to be returned during 2017.
- ❖ Yard infrastructure investments started in 2010; to-date most new yard capex expended.
- ❖ Going forward, new yard capex will only proceed if required for execution of secured contracts or which will realise cost savings; non-essential capex deferred.
- ❖ The Group will also explore potential cost savings by further optimizing the rate of development of TBY yard.

Cashflow and Liquidity Management

- ❖ The Group is mindful of the need for financial discipline and prudence and remains committed to actively manage its balance sheet and maintaining a healthy financial position.
- ❖ Focus on safe, timely and effective execution of our orderbook to ensure smooth progress of our projects to improve our cashflows.
- ❖ For FY 2016, we generated S\$669 million of operating cash flow for project deliveries and achievement of progress milestones.
- ❖ Majority of our projects continue to be on progress payment terms.
- ❖ Capex for 2016 50% lower compared with previous year.
- ❖ Our net gearing has increased marginally from 1.03 x in FY2015 to 1.13x as at end Dec 2016, largely due to investments of S\$227 million in key technology companies and remaining shares in a subsidiary.

Dividends

- ❖ In view of our financial performance and to recognize our valued shareholders for their support, the Board is recommending a final cash dividend of 1.0 cents per share to be paid on 13 May, 2017.
- ❖ Including the interim dividend of 1.5 cents per share, total dividend is 2.5 cents per share for FY2016.

Key Divestments

- ❖ On 15 November, 2016, the Group announced it had entered into a sale and purchase agreement with China Ocean Shipping Group to divest its 30% equity interest in Cosco Shipyard Group Co. Ltd for approximately S\$220.68 million.
- ❖ Payment is expected to be received during 1Q 2017.
- ❖ The divestment will realise a gain of approximately S\$48.32 million over the carrying value of the CSG investment in our books.

Strategic Acquisitions

Strategic acquisitions to strengthen Sembcorp Marine's position for the future:

- ❖ Secured full ownership of PPL Shipyard by buying remaining 15% stake; enables us to fully align business management and strategies with Group.
- ❖ Identified market potential of gas value chain; investment in Gravifloat since 2014 enables us to offer suite of near-shore redeployable, modularised solutions. Increased stake in Gravifloat from 12% to 56% in FY 2016.
- ❖ Acquired KANFA Aragon, a process design and engineering group specializing in floater solutions.
- ❖ Acquired Norway based LMG Marin AS, with broad based patents and expertise in naval architecture, ship design and engineering spanning floating structures, platforms, drillships, FPSO, FSO, LNG carriers, cruise ships, etc.
- ❖ Above further broadens and deepens our proprietary design and engineering capabilities, support ongoing diversification strategy across offshore and marine value chain, both within and outside oil and gas sector.

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Outlook and Prospects

- ❖ Growth prospects for offshore and marine industry remains positive over the medium to long term.
- ❖ With increasing enquiries for non-drilling solutions, we foresee an earlier recovery in demand for fixed platforms, FPSO and FSO conversions and new-builds.
- ❖ Rising global demand for gas augurs well for our broad-based LNG solutions and capabilities.
- ❖ Leverage on strengths of Tuas Boulevard Yard to seize new opportunities.
- ❖ Strategic acquisitions will position us well to seize significant opportunities in the gas value chain.
- ❖ Continue R&D to sharpen our competitive edge.

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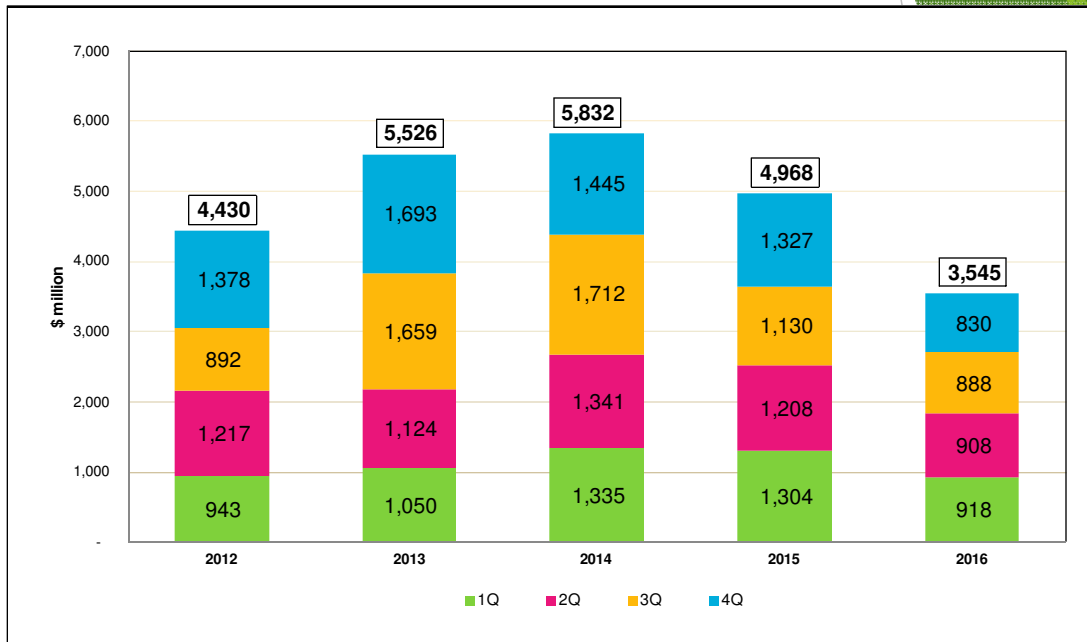
CFO Presentation

- ❖ Earnings Performance
- ❖ Financial Position

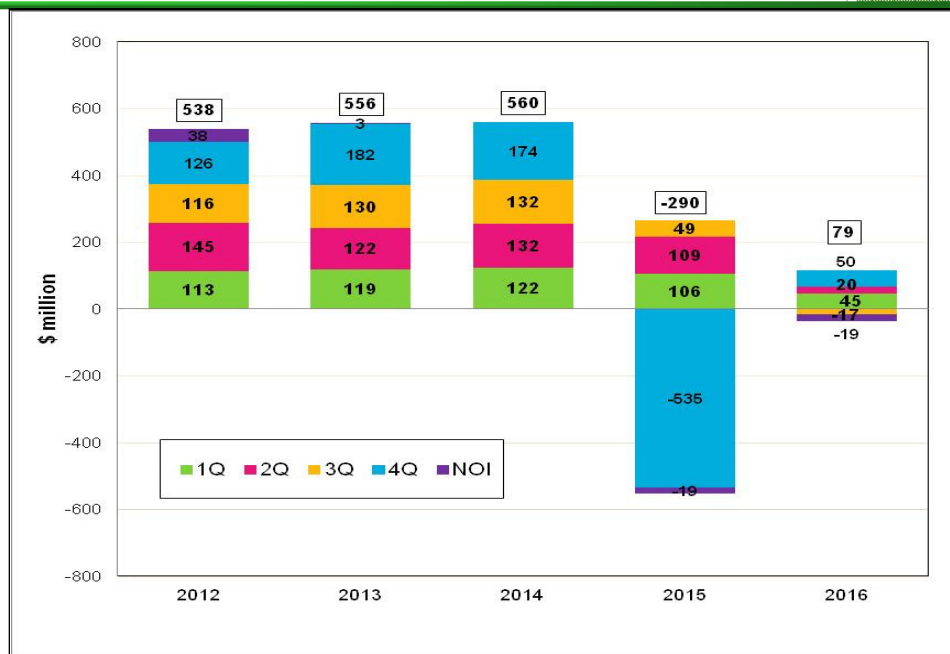
FINANCIAL HIGHLIGHTS

| Period (S\$m) | 4Q 2016 | 4Q 2015 | % change | FY 2016 | FY 2015 | % change |
|--|---------|---------|----------|---------|---------|----------|
| Turnover | 830 | 1,327 | (38) | 3,545 | 4,968 | (29) |
| Gross Profit/(Loss) | 35 | (328) | n.m. | 293 | 131 | 124 |
| EBITDA | 120 | (472) | n.m. | 384 | (18) | n.m. |
| Operating Profit/(Loss) | 67 | (510) | n.m. | 225 | (150) | n.m. |
| Profit/(Loss) before tax | 21 | (671) | n.m. | 91 | (378) | n.m. |
| Net Profit/(Loss) | 34 | (537) | n.m. | 79 | (290) | n.m. |
| EPS (basic) (cts) | 1.64 | (25.70) | n.m. | 3.77 | (13.87) | n.m. |
| NAV (cts) | | | | 122.62 | 120.24 | 2 |
| Cash generated/(used in) from operations | | | | 669 | (867) | n.m. |

FY 2016 TURNOVER: S\$3.54 billion

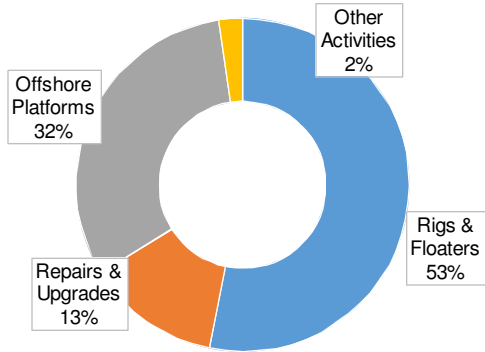


FY 2016 Net Profit at S\$79 million

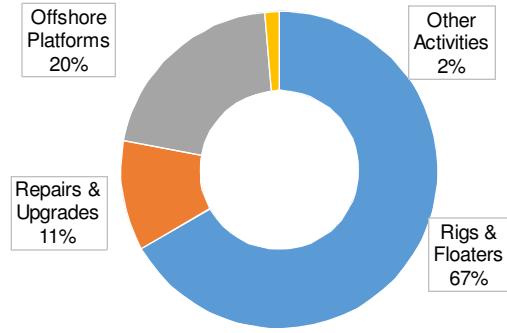


Business Review: Turnover by Segments

FY 2016 Turnover: S\$3.54 billion

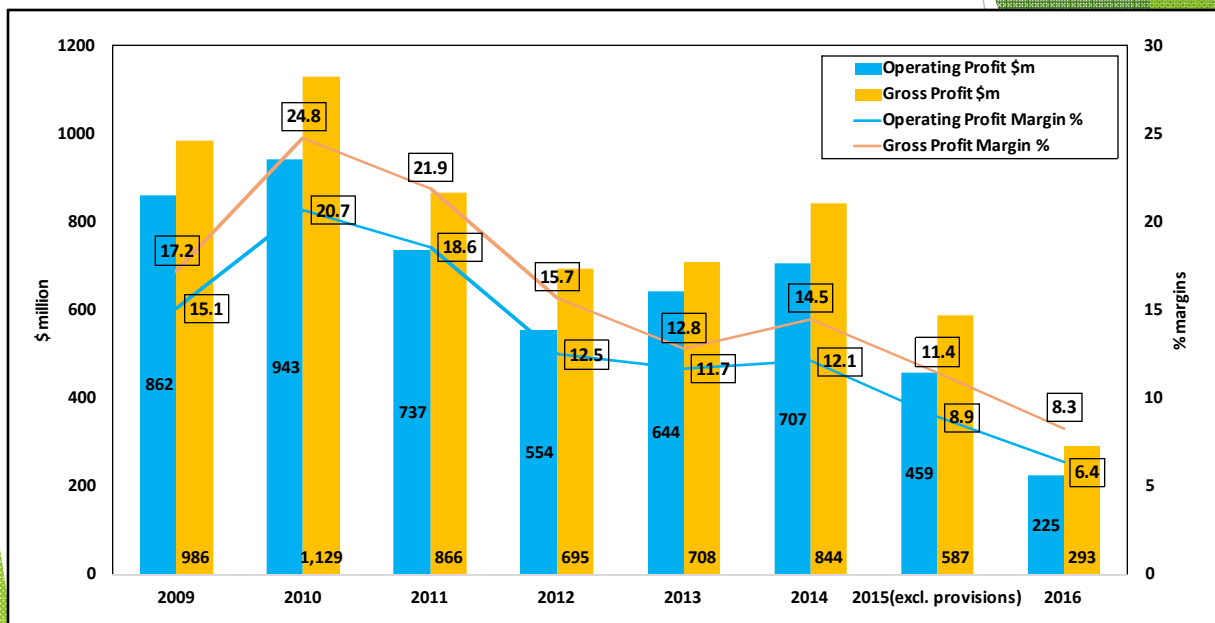


FY 2015 Turnover: S\$4.97 billion



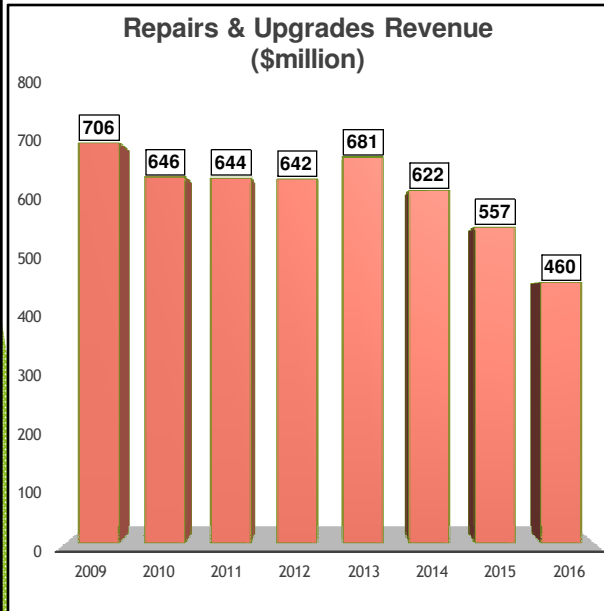
| Turnover (S\$ million) | FY 2016 | FY 2015 | % change | 4Q 2016 | 4Q 2015 | % change |
|------------------------|--------------|--------------|-------------|------------|--------------|-------------|
| Rigs & Floaters | 1,887 | 3,319 | (43) | 496 | 854 | (42) |
| Repairs & Upgrades | 460 | 557 | (18) | 110 | 160 | (31) |
| Offshore Platforms | 1,116 | 1,017 | 10 | 200 | 294 | (32) |
| Other Activities | 82 | 76 | 8 | 24 | 19 | 28 |
| TOTAL | 3,545 | 4,968 | (29) | 830 | 1,327 | (38) |

Gross and operating profit margins



Core Business: Repairs & Upgrades

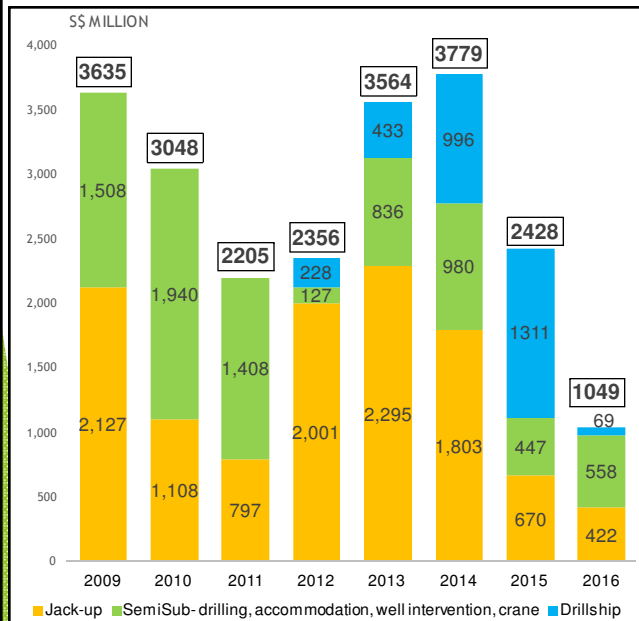
- Repairs and Upgrades revenue declined 18% year on year to \$460 million on lower average revenue per vessel.



| Year | FY 2016 | FY 2015 | % change |
|---|---------|---------|----------|
| No. of vessels repaired | 469 | 453 | 4 |
| Average value per vessel (\$m) | 0.98 | 1.23 | (20) |
| Total repair revenue contribution (\$m) | 460 | 557 | (18) |

Core Business: Rig Building

- Rig building revenue fell 57% YOY to S\$1.05 billion in FY 2016. Two jackups and one accommodation semi were delivered.



JACK UP RIGS SCHEDULE

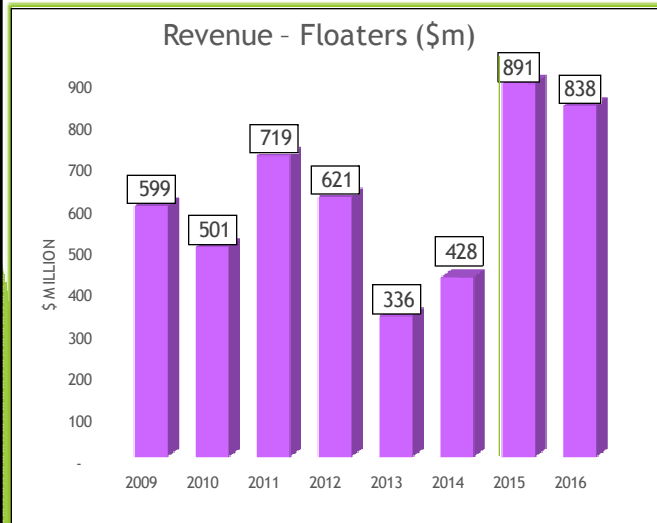
| | | |
|---|---|--|
| No. of completed rigs delivered in | 2 | * Maersk Highlander to Maersk Drilling * Noble Lloyd Noble to Noble Corp |
| No. of projects in WIP stages | 1 | * BOTL/JDC Hakuryu 14 JU 2 |
| No. of projects technically completed stage | 5 | * Perisai Pacific 103 Jack-up * Oro Negro Vastus Jack-up * Perisai Pacific 102 Jack-up * Oro Negro Jack-up * Oro Negro Jack-up |

SEMI-SUBS & DRILLSHIPS SCHEDULE

| | | |
|--|----|---|
| No. of projects delivered in FY 2016 | 1 | * Safe Zephyrus to Prosafe - accommodation semisub |
| No of projects in WIP or suspended stage | 12 | * Helix semi-well intervention 1 (Q7000) * Drillship 1st unit, Sete Brasil, Arpodor * Harsh-environment CS60 semi-rig, Seadrill * Drillship 2 nd unit, Sete Brasil * Drillship 3rd unit, Sete Brasil * Drillship 4 th unit, Sete Brasil * 1st drillship for Transocean, JE III * 2nd drillship for Transocean, JE III * Heerema Offshore semi crane vessel * Drillship 5 th unit, Sete Brasil * Drillship 6 th unit, Sete Brasil * Drillship 7 th unit, Sete Brasil |

Core Business: Floaters revenue robust

- Floaters revenue increased 6% YOY to \$838 million in 2016
- One major delivery the FPSO Prof. John EA Mills to Modec for FY 2016.
- 7 projects in work-in-progress stage.



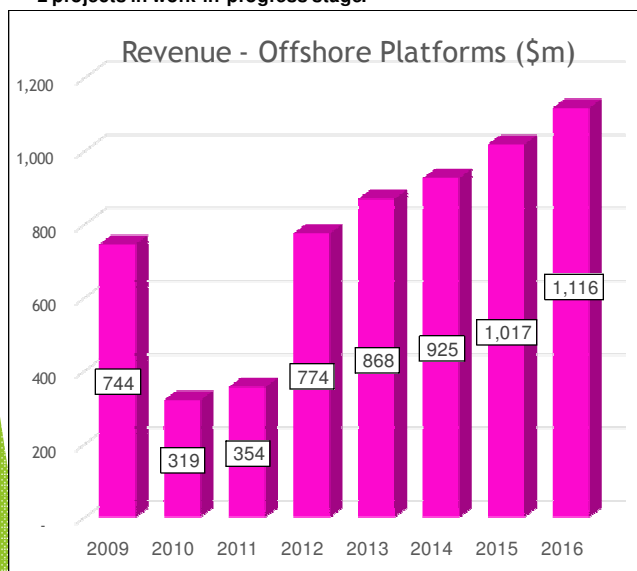
| Offshore conversions | No. of projects | Brief description |
|-----------------------------------|-----------------|--|
| No. of Projects delivered in 2016 | 1 | * FPSO Prof. John EA Mills to Modec for Ghana Ten field |
| No. of projects in the WIP | 7 | * FSO Gina Krog * P68 FPSO for Petrobras * P71 FPSO for Petrobras * FPSO Norte - Kaombo (Olympia) * FPSO Libra * FPSO Sul - Kaombo (Antarctica) |
| Stage | | * FSO newbuild – Modec for Culzean field |

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Core Business: Offshore Platforms revenue firm

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- Offshore Platforms revenue increased 10% YOY to \$1.12 billion in 2016
- 2 projects in work-in-progress stage.



| Offshore Platforms | No. of projects | Brief description |
|--------------------------------------|-----------------|---|
| Number of projects delivered in 2016 | 4 | * Ivar Aasen * Wheatstone * Siemens Dudgeon * Yamal PAU module |
| Number of projects in the WIP stage | 2 | * Maersk Culzean topsides * Yamal LNG Batch 3/4/5 |

CAPITAL, GEARING & ROE

| Group (S\$ million) | Dec-16 | Dec-15 | % change |
|-----------------------------------|--------|--------|----------|
| Shareholders' Funds | 2,562 | 2,511 | 2 |
| Net Debt | 2,938 | 2,751 | 7 |
| Net Working Capital | 1,270 | 1,220 | 4 |
| Return on Equity (ROE) (%) | 3.1 | (10.6) | n.m. |
| Net Asset Value (cents) | 122.6 | 120.2 | 2 |
| Return on Total Assets (ROTA) (%) | 1.8 | (2.9) | n.m. |

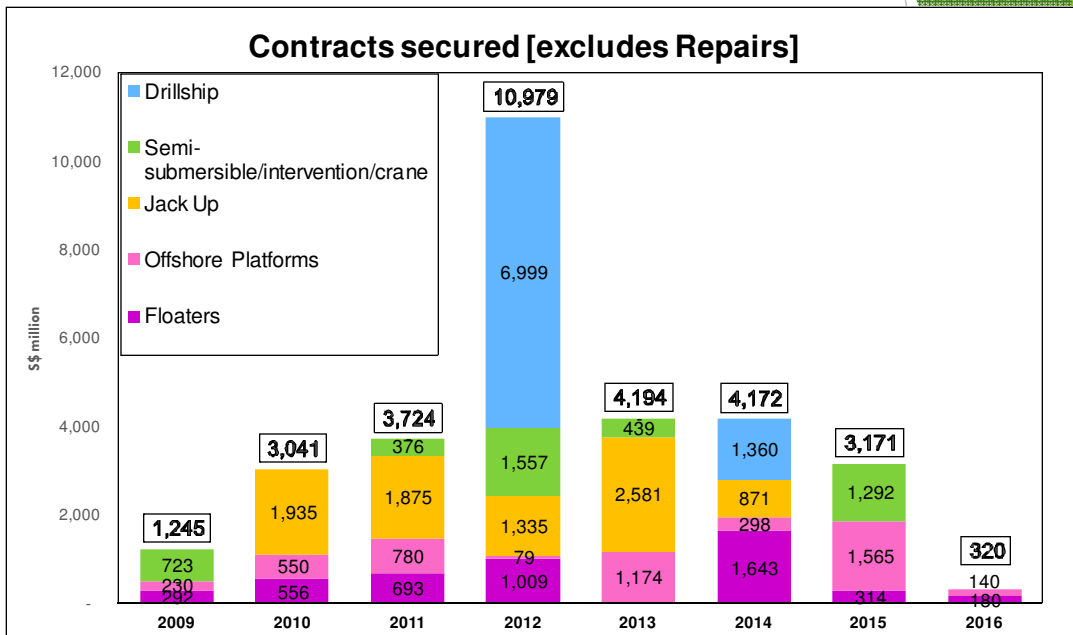
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CASHFLOW

| Group (S\$ million) | FY 2016 | FY 2015 | % change |
|---|---------|---------|----------|
| Operating profit before working capital changes | 384 | 536 | (28) |
| Cash generated from/(used in) operations | 669 | (867) | n.m. |
| Net cash generated from/ (used in) operating activities | 569 | (989) | n.m. |
| Net cash flow used in investing activities | (490) | (932) | (47) |
| Net cash flow generated from financing activities | 534 | 1,467 | (64) |
| Cash & cash equivalents in balance sheets | 1,217 | 629 | 93 |
| Borrowings | 4,155 | 3,380 | 23 |
| Net Debt | 2,938 | 2,751 | 7 |
| Progress Billing > WIP | 193 | 288 | (33) |

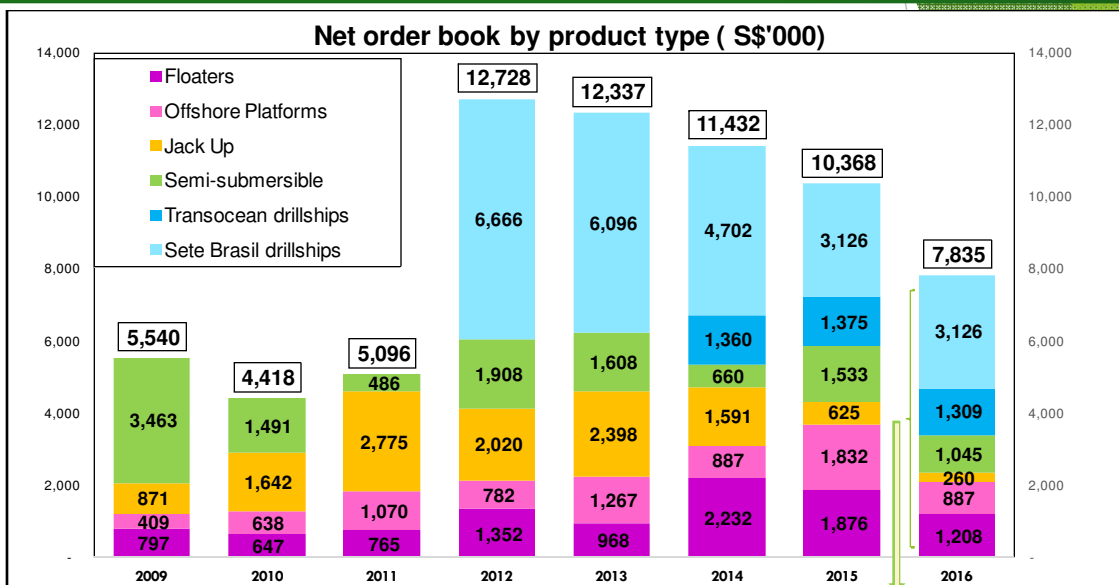
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New Contracts Secured by Product Type (2016: \$320 million)



Note: Semisubmersibles include drilling, well intervention, accommodation and crane units

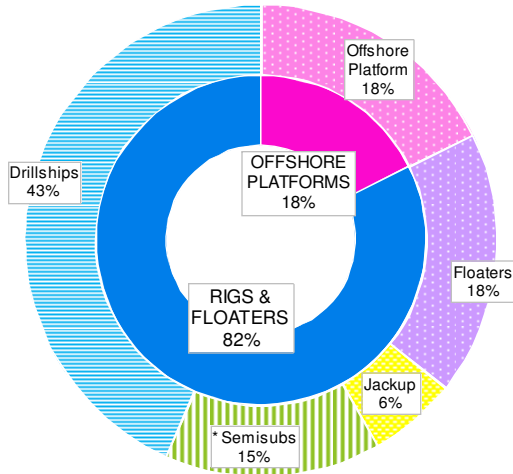
Net Order Book at \$7.84 billion



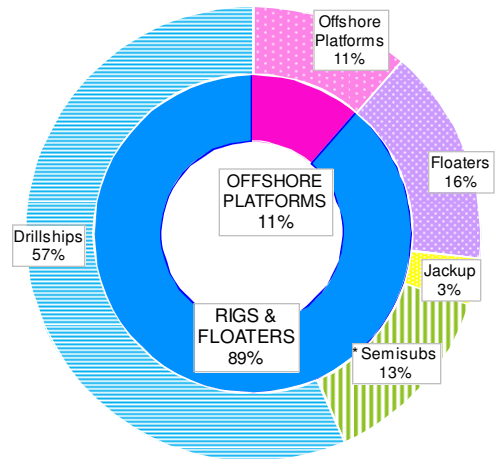
Note: FY 2016 net order book is \$4.7 billion excluding Sete Brasil drillship contracts valued at \$3.1 billion.

Net order backlog by division and product type

2015 – Total \$10.37 billion



2016 YTD – Total \$7.84 billion



* Semisubmersibles include drilling, well intervention, accommodation and crane units

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FY 2016 Results Appendix

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**sembcorp
marine**

ROBUST BUSINESS MODEL

1963 – 1969

1970 – 1975

1976 – 1994

1995 – 2000

2001 – 2005

2006 – 2014

Transformation for Growth

Ship Repair

- Smaller ship repair
- Repair live live (over 30,000 dwt)
- Redundancy of tugs, tug, water tugs

Shipbuilding

- Building of standard fit design vessels
- Construction of 14,000 dwt Freedom Class vessel
- Ice vessel, Regime Italy

Ship Conversion & Offshore

- Refabrication
- Reconstruction of tankers
- Conversion of general cargo to container vessel
- Arctic class conversion

Offshore Engineering & Construction

- Repair and upgrade of jack-ups
- Repair and upgrade of semi-submersibles

Rig Building

- Construction of F&G E&D 5th generation semi-submersible drilling rigs
- Preliminary design & construction of Pacific Class 375 deep drilling jack-ups

Fixed & Floating Production Facilities

- Fixed Production Platforms
- Floating Production Facilities (FPSO, FPSL, TLP, SPAR)
- Minimum facilities platforms
- Offshore submersibles

Ship Repair

- Smaller ship repair
- Repair live live (over 30,000 dwt)
- Redundancy of tugs, tug, water tugs

Shipbuilding

- Construction of 30,000 dwt vessels
- Building of fit design vessels
- Construction of tugs, barges and product tankers

Offshore Engineering & Construction

- Specialised conversions
- Power bridge conversion
- Tanks to lighting vessel
- Offshore conversion
- Conversion of tankers to FPSO/FSOs

Rig Building

- Fabrication of topside production modules
- JV with SMOE on mega FPSO

Fixed & Floating Production Facilities

- Proprietary design & construction: Azura Explorer drilling, Pacific Class 400 jack-up submersibles F&G E&D 6th generation, Range 9000, Moss Maritime C300 M-class Maritime C500 drilling rigs
- Jack-ups: Guano MSC, C70, F&G J220000, F&G J33000M drilling rigs
- Well intervention semi-submersibles
- Accommodation semi-submersibles

Ship Repair

- Replacement of engine components
- Gas tankers, passenger vessels & ferry vessels
- Repair of disaster boat (D/C)

Shipbuilding

- Proprietary design & construction of container vessels
- 1,208 TEU – 2,600 TEU
- Construction of cable-laying vessel

Offshore Engineering & Construction

- FPSO, FSO and FPU conversions
- FPSO Engineering, Procurement, Installation & Commissioning, FPSO Conversion

Fixed & Floating Production Facilities

- JV with SMOE on mega FPSOs and topside production modules fabrication and
- Module assembly for offshore LNG facility
- Specialised construction of DP offshore vessels

Ship Repair

- LHC systems
- Custom vessels
- FPSO conversions
- Offshore upgrading

Shipbuilding

- Building of container and specialised vessels
- Proprietary design & construction of Jubilee Class 2,646 TEU containerhips



**sembcorp
marine**

FOUR KEY CAPABILITIES

2015 & beyond...

OUR FOUR KEY CAPABILITIES

Through harnessing our globally-integrated design and execution capabilities, we provide turnkey solutions for complex projects.

Product Areas:

- FPSO, FDPSP, FSO, FPU, FLNG, FSRU, MOPU conversions and newbuilds
- Drillships, semi-submersibles (drilling, accommodation and well-intervention), jack-up rigs, TLP and SPAR constructions



We assure customers with our on-time delivery, quality and exemplary HSSE standards. We tackle the most sophisticated and complex projects.

Product Areas:

- Offshore platforms
 - Integrated and process
 - Production, riser and drilling
 - Wellhead, power generation, manifold and accommodation
- Wind-farm substations
- LNG modules



We design and build high-performance, specialised vessels. We meet and exceed specifications and requirements.

Product Areas:

- Accommodation and crane barges
- Offshore support vessels
- Harbour- and ocean-going tugs
- Dredgers
- Research/seismic/multi-purpose vessels
- Heavy-lift pipelay vessels
- Carriers (container/heavy cargo/LPG/LNG)



We offer proactive and holistic solutions based on establishing deep relationships. We work across all types of vessel projects – from the routine to the most complex.

Product Areas:

- Repair, refurbishment, retrofitting, life extension and upgrading of vessels, marine and offshore structures and MODUs
- Jumboisation and de-jumboisation
- Ship-type conversion



Rigs and Floaters

- Construction of proprietary Pacific Crest 400 jack-up rig
- Construction of Moss Maritime C350 MK II ultra-deepwater semi-submersible rig
- Conversion of tanker to an FPSO
- Proprietary design and construction of ultra-deepwater drillships
- Construction of Frade & Gasman 300000 jack-up rig
- Construction of an accommodation semi-submersible rig
- Conversion of tanker to FPSO

Repairs & Upgrades

- Repair and upgrading of an accommodation semi-submersible rig
- Repair and upgrading of cruise ship
- Scrubber installation onboard a RoRo vessel
- Repair of cruise oil tanker
- Repair of LNG carrier
- Repair works on container ship

Specialised Shipbuilding

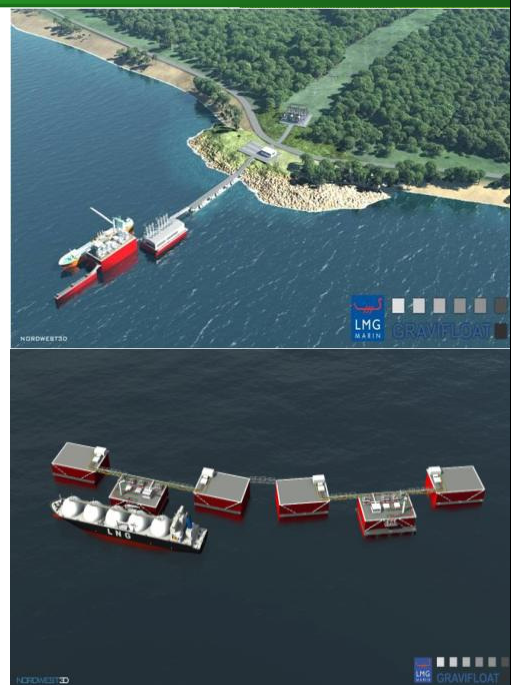
- Construction of proprietary 2,646 TEU container ship
- Newbuild of a self-propelled DP-3 heavy lift pipelay vessel
- EPC of North Sea-ready living quarters, flare and bridge
- Modularisation & integration of FPSO topside facilities

Offshore Platforms

- EPC of central processing platform and wellhead platform
- EPC of accommodation, topside, jacket and bridge project
- EPC of North Sea-ready accommodation, topsides, telecom centres, control tower, helideck and bridges

Increased stake in Gravifloat to 56% after buying an additional 44% for US\$38 million


- Under the agreement, the Company will eventually increase its stake by a further 44% to 100% through an equity purchase at the same price.
- Gravifloat was formed to design, deliver and operate re-deployable, gravity-based, modularised LNG and LPG Terminals for installation in shallow waters.
- Incorporated in Norway in 2006 as a spin-off of LMG Marin (a marine & engineering and naval architecture company), Gravifloat is headquartered in Bergen.
- Gravifloat technology allows the LNG terminal to be fully built and completed at a shipyard and installed in shallow waters to facilitate direct ship loading of LNG.
- It offers a more cost effective solution compared with FSRU (floating, storage and regasification units) and land terminals, and can be designed for both liquefaction and receiving terminal services.




The GF Design Platform can integrate with a variety of topsides to form a unit. Each unit can operate as a standalone platform, or be connected with other units, depending on type and scale required.

Various operations under the GF-Design: -

- GF-SRU – a storage and regassification unit
- GF-Power – a small scale LNG plant with CCGT plants, with integrated storage, regas and terminal functions
- GF-LNG – integrated LNG terminals, and liquefaction plant and LNG export terminal
- GF-Bunkering Terminal – storage for redistribution and/or bunkering



Based on either the 30,000m³ or the 60,000m³ modules the GF-SRU comprises a nearshore and scalable receiving, storage and regasification terminal that can be adapted to meet the actual demand.

A small-scale LNG power generation.

Sembcorp Marine to offer new tech solutions using circular hull form with SSP Offshore

- The Group signed a sales & purchase agreement with SSP Offshore to acquire substantially all its business assets for US\$21 million.
- Key assets of SSP Offshore include its flagship SSP Floater technology – the next-generation circular hull form – and the company's entire portfolio of proprietary SSP® (Satellite Services Platform) solutions, including the *SSP Driller* for deep-water drilling, the *SSP Plus FPSO* for production and storage, and the *SSP Hub* for logistic hub applications.
- The acquisition of SSP Offshore assets is in line with the Group's strategy of diversifying its product offerings and expanding into new market segments to further grow its offshore and marine business.





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Growing new design/technology solutions – LMG Marin

Sembcorp Marine wholly-owned subsidiary, Sembcorp Marine Integrated Yard Pte. Ltd. ("SMIY") acquired 100% equity stake in LMG Marin AS ("LMG") for US\$20 million.

❖ LMG is a naval architecture and ship design and engineering house headquartered in Bergen, Norway, with offices in Poland and France.

❖ Established in 1943, its extensive design and engineering portfolio spans floating structures, platforms and a wide variety of ship types, such as drillships; floating production, storage and offloading vessels (FPSO); floating storage and offloading vessels (FSO); offshore support vessels (OSV); LNG carriers; LNG-powered ships; car ferries; and cruise ships.

❖ LMG originated several key designs adopted by Sembcorp Marine – EG. the next-generation Espadon drillship design; the FSO design for its newbuild FSO for deployment in the UK North Sea; and the Gravifloat modular LNG and LPG platform solutions .

❖ The Robusto FPSO hull design, customised for operation in Brazil and West Africa, is another notable LMG creation.

❖ The consideration for the Acquisition, to be fully paid in cash by internally generated funds, was arrived at on a willing-buyer willing-seller basis, after taking into account (i) the estimated net tangible asset value of US\$3.8 million as at 31 July 2016, and (ii) intellectual property and patents of LMG.



Espadon Drillship design developed by LMG Marin



Robusto FPSO hull design developed by LMG Marin



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