News Release

ST Engineering's Marine Arm Secures New Orders

Singapore, 19 December 2016 – Singapore Technologies Engineering Ltd (ST Engineering) announced today that its Singapore shipyard, Singapore Technologies Marine Ltd (ST Marine) and its US shipyard, VT Halter Marine Inc (VT Halter Marine) have secured new contracts worth $138m in 4Q2016 in Shipbuilding and Shiprepair.

In Singapore, the Ministry of Home Affairs (MHA) has awarded a contract to a consortium formed by ST Marine and Penguin International Limited (PIL) for the design, construct and the system maintenance programme for three vessels - Heavy Marine Fire Vessel (HMFV), Heavy Marine Rescue Vessel (HMRV) and Marine Rescue Vessel (MRV). The consortium allows both ST Marine and PIL to leverage on each other's capabilities to provide a total package solution to MHA. Construction of the vessels is anticipated to commence in mid-2017 with delivery expected in 2H2019. ST Marine also won several Shiprepair contracts for vessels such as passenger ferry, trailing suction hopper dredger, chemical and oil tankers.

"We are very pleased to be given this opportunity to expand our total services concept to MHA. Given our track record of 50 years, we are confident that we will be able to deliver the products and services on time, within budget and meet the expectations of MHA and the Singapore Civil Defence Force," said Mr Ng Sing Chan, President for ST Marine. "Working with other industry partners such as Penguin International Limited, this project will also ensure that the local marine eco-system is sustained to provide the best services to our valued customers."

In the United States, the Commonwealth of Virginia, Department of Transportation (VDOT) has awarded a contract to VT Halter Marine to design and construct a 499-passenger / 70-vehicle Jamestown Ferry to replace the current ferry, The Virginian. The

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ferry will be operated by the Jamestown-Scotland Ferry Operations Service which provides a critical transportation link between Virginia and North Carolina operating at the James City County at Glasshouse Point and Surry County at Scotland Wharf. Construction of the ferry is expected to be completed in April 2018. The Jamestown-Scotland Ferry System currently operates four ferry boats, including the Pocahontas Ferry, which was also designed and constructed by VT Halter Marine in 1995. VT Halter Marine's shipyards have designed and constructed more car and passenger ferries than almost any other U.S. shipyard, for the states of Virginia, New York, Texas, Louisiana, North Carolina, Alaska, California, Washington, and the territory of Puerto Rico. VT Halter Marine has also won several multi-million dollar Shiprepair contracts involving fisheries survey vessels, a towboat and a crane barge.

"VT Halter Marine is honored to be selected by the Virginia Department of Transportation to design, construct and deliver our second quality built vessel." said Paul Albert, Chief Executive Officer, VT Halter Marine. "We value the trust that the VDOT has invested in our shipbuilding capabilities, and this new contract is an indication of our continuing strong relationship."

These contracts are not expected to have any material impact on the consolidated net tangible assets per share and earnings per share of ST Engineering for the current financial year.

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ST Marine (Singapore Technologies Marine Ltd), the marine arm of ST Engineering, provides turnkey building, repair and conversion services for a wide spectrum of naval and commercial vessels. In shipbuilding, it has the proven capabilities to provide turnkey solutions from concept definition to detailed design, construction, on-board system installation and integration, testing, commissioning to through-life support. It has also established a track record in providing high engineering content repair and conversion services for a worldwide clientele. ST Marine also provides a suite of sustainable environmental engineering solutions via its environmental engineering subsidiaries led by STSE Engineering Services Pte Ltd (STSE Engineering). Please visit www.stengg.com for more information.

ST Engineering (Singapore Technologies Engineering Ltd) is an integrated engineering group providing solutions and services in the aerospace, electronics, land systems and marine sectors. Headquartered in Singapore, the Group reported revenue of $6.54b in FY2014 and ranks among the largest companies listed on the Singapore Exchange. It is a component stock of the FTSE Straits Times Index and MSCI Singapore. ST Engineering

has more than 23,000 employees worldwide, and over 100 subsidiaries and associated companies in 46 cities across 24 countries. Please visit www.stengg.com for more information.

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