

**PRESS RELEASE**

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**SEMBCORP ESTABLISHES BEACHHEAD FOR GROWTH IN AUSTRALIA  
RENEWABLES MARKET WITH 77% STAKE IN VELLOCET CLEAN ENERGY**

**Singapore, July 2, 2018** – Sembcorp Industries (Sembcorp) is pleased to announce that through its wholly-owned subsidiary Sembcorp Energy Australia, it has signed an agreement to invest in an estimated 77% stake in Vellocet Clean Energy (VCE) for A\$5 million (approximately S\$5 million<sup>1</sup>). The deal establishes a beachhead for Sembcorp to grow in the Australian power market, particularly in the direct supply of renewable energy to companies.

Founded and staffed by experienced industry professionals, VCE is a young Australian company offering clean energy solutions. The company's capabilities include behind-the-meter power and microgrids which enable customers to save on high network and retailer costs, as well as mid-size front-of-meter power supply and generation. The company targets the market for corporate power purchase agreements (PPAs), a newer segment of the market which presents scope for growth. It is in active talks with potential customers, and has memoranda of understanding for a number of solar power projects.

Said Neil McGregor, Group President & CEO of Sembcorp, "In Australia, the retirement of older coal-fired facilities is creating a significant opportunity for the growth of cleaner energy solutions. At the same time, high retail power tariffs and network and transmission costs have resulted in a favourable outlook for corporate PPAs and distributed energy. Against this background, it is an opportune time for Sembcorp to move into the market.

"VCE will give us a good foothold to grow in Australia, in line with our strategy to rebalance our portfolio and complement our Singapore and Asian bases with other investments in developed markets, expand our low-carbon energy business and strengthen our portfolio of solutions that are closer to the customer."

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<sup>1</sup> Based on the exchange rate of June 29, 2018

Upon injection of Sembcorp's A\$5 million investment into VCE through Sembcorp Energy Australia, VCE will issue new shares to Sembcorp Energy Australia amounting to around 77% of the enlarged share capital of the company. The consideration for the shares to be issued was determined: i) with reference to VCE's share capital of around A\$1.5 million prior to the issuance of new shares; and ii) taking into account that the investment would provide Sembcorp a platform and potential pipeline to grow in Australia, in line with its group strategy. The consideration will be fully paid in cash and internally funded. Completion of the deal is subject to conditions precedent including regulatory approval.

This investment is not expected to have a material impact on the earnings per share and net asset value per share of Sembcorp Industries for the financial year ending December 31, 2018.

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## **ABOUT SEMBCORP INDUSTRIES**

Sembcorp Industries is a leading utilities, marine and urban development group, present across five continents.

As an integrated energy player, Sembcorp is poised to benefit from the global energy transition. With a strong track record in developing and developed markets, it provides solutions across the energy and utilities value chain, with a focus on the Gas & Power, Renewables & Environment, and Merchant & Retail sectors. It has a balanced energy portfolio of over 12,000 megawatts, including thermal power plants, renewable wind and solar power assets, as well as biomass and energy-from-waste facilities. In addition, Sembcorp is a world leader in offshore and marine engineering, as well as an established brand name in urban development.

Sembcorp Industries has total assets of over S\$22 billion and over 7,000 employees. Listed on the main board of the Singapore Exchange, it is a component stock of the Straits Times Index, several MSCI and FTSE indices, as well as the SGX Sustainability Leaders Index and the Dow Jones Sustainability Asia Pacific Index.