

RESPONSE TO SGX-ST'S QUERIES ON THE ANNUAL REPORT FOR THE FINANCIAL YEAR 31 DECEMBER 2017

Singapore, April 13, 2018: The Board of Directors of Sembcorp Marine Ltd (the "Company") refers to the queries raised by SGX-ST on the Annual Report for the financial year ended 31 December 2017 and wishes to provide further information as follows:

SGX-ST's Query

Listing Rule 715(2) states that the Company should "*must engage a suitable accounting firm for its significant foreign-incorporated subsidiaries and associated companies*".

We note that the Company stated on pages 273 to 277 of its Annual Report that some its foreign-incorporated subsidiaries are "audited by other firms" or "not required to be audited under the laws of their country of incorporation". With regard to these entities:-

- (i) If they are "audited by other firms", please identify (1) the auditing firm involved; (2) the Board and Audit Committee's assessment of their suitability; and (3) their basis for the same.
- (ii) If they are "not required to be audited under the laws of their country of incorporation", please clarify whether these entities are significant foreign-incorporated subsidiaries and associated companies.

Company's Response

In relation to query (i), as disclosed on page 277 of the 2017 Annual Report, the following entities audited by other firms were not significant subsidiary, joint venture and associated companies:

Name of Entities	Effective Equity Held by the Group
P.T. Karimun Sembawang Shipyard	100%
Sembmarine Kakinada Limited	40%
Shenzhen Chiwan Offshore Petroleum Engineering Company Ltd	35%

In relation to query (ii), as disclosed on page 277 of the 2017 Annual Report, the following entities were not required to be audited under the laws of their country of incorporation. These are not significant foreign-incorporated subsidiaries.

Name of Entities	Effective Equity Held by the Group
Sembcorp Holdings, LLC	100%
Jurong Netherlands B.V.	100%
Sembmarine SSP Inc.	100%
Baker Marine Technology Inc.	100%
Sabine Offshore Service, Inc.	100%
Sembcorp-Sabine Industries, Inc.	100%
Sembcorp-Sabine Shipyard, Inc.	100%

Note: A subsidiary or associated company is considered significant if its net tangible assets represent 20% or more of the issuer's consolidated net tangible assets, or its pre-tax profits account for 20% or more of the issuer's consolidated pre-tax profits.

BY ORDER OF THE BOARD

Tan Yah Sze / Chay Suet Yee
Joint Company Secretaries

13 April 2018