



Agenda

- ❖ **CEO Presentation**
- ❖ **CFO Presentation**
- ❖ **Q & A Session**

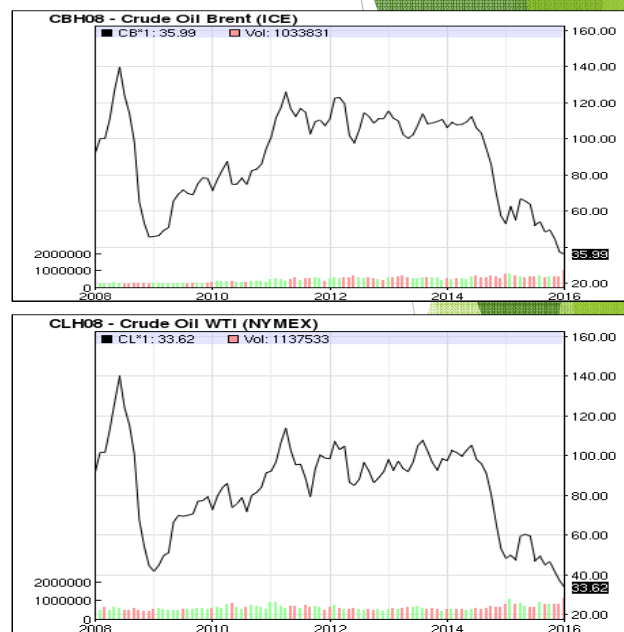
Outline of CEO Presentation

- ❖ Challenging Macro – Negative factors converge
- ❖ Prudent measures taken to weather the storm
- ❖ Strategies to ride out the storm
- ❖ Stronger foundations for the future

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Convergence of negative factors

- ❖ Prolonged weakness in oil price since mid-2014 slide
- ❖ Hundreds of billions in global oil and gas exploration projects cut. Major projects in deadlock
- ❖ Political upheaval and economic slowdown in Brazil and China adds to volatility and uncertainty
- ❖ Contagion effect on entire E&P chain – O&M yards face delivery deferments/cancellations



Source: Reuters

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Update on Sete Brasil drillship contracts

- ❖ Up to Nov 2014, paid S\$2.7 billion progressively for work done
- ❖ Construction has slowed significantly during 2015
- ❖ Outcome of Sete Brasil filing for judicial reorganization remains uncertain
- ❖ Provision of \$329 million for the drillship contracts made in 4Q2015. Provisions should be sufficient under current circumstances
- ❖ Current order book reduced by about S\$3.2 billion if all seven drillship contracts are cancelled

Update on other drilling rig contracts

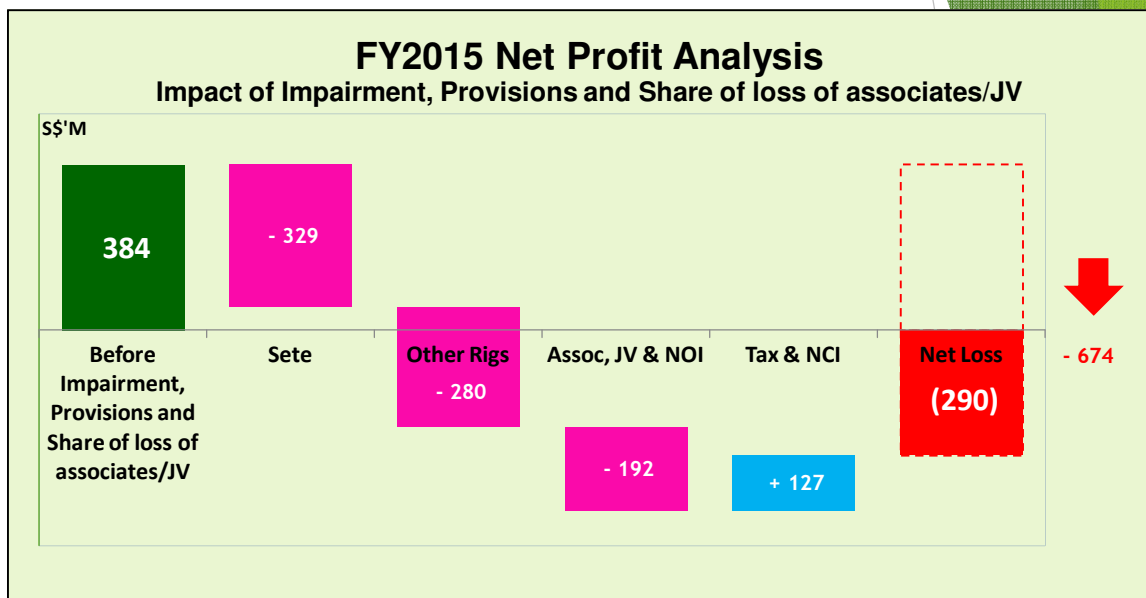
- ❖ Several customers have made requests for delivery deferment on charter delays
- ❖ One customer failed to take delivery of rig. We have terminated contract and taken legal action to recover the balance due
- ❖ Rest of completed rigs with deferment requests, all technically accepted by customers. We have arrived at or are finalizing mutually acceptable solutions
- ❖ No cancellations of any rig orders
- ❖ Provisions of S\$280 million taken in 4Q 2015, in case of prolonged deferment or possible cancellation of rigs. Provisions should be adequate under present circumstances

Other Operations Review

- ❖ Key deliveries in FY2015 include jack-up rig, well intervention and accommodation semi-submersible vessels
- ❖ Delivery of Safe Zephyrus to Prosafe made end January 2016
- ❖ Maintained leading position for 4 consecutive years for LNG repairs and upgrades with 34 vessels in 2015
- ❖ Secured creditable S\$3.2 billion in new orders (mostly non-drilling solutions). Healthy replenishment despite challenging market
- ❖ Net order book at S\$10.4 billion as at Dec 31, 2015
- ❖ Excluding Sete Brasil contracts, order backlog remains robust at S\$7.2 billion

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FY2015 Financial Performance



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Outlook & Prospects

- ❖ **Down cycle expected to be more protracted than previous cycles**
- ❖ **Sembcorp Marine prepared to weather and ride out the storm**
- ❖ **Foundations laid for future growth through strategic investments in hard and soft infrastructure**
- ❖ **Ready to capitalise when market recovers**

Strategic Initiatives (1)

- ❖ **Competitive Landscape – intensifying with entrance of new players and margins compression**
- ❖ **Response – move up technology curve from standard to premium harsh environment rigs; compact drillship design**
- ❖ **Strategic diversification within E&P value chain – focus on Development & Production segment (non-drilling solutions)**
- ❖ **Strengthen engineering expertise – from conversion to full EPC capabilities (eg: production platforms)**
- ❖ **Efforts paid off with major contracts secured**

Strategic Initiatives (2)

- ❖ Deepen and broaden Yard capabilities for cost effective execution:
 - 2009: Tuas Boulevard Yard (integrated with high automation)
 - 2012: EJA Yard (Brazil) for Brazil local content and regional markets (Latam and West Africa)
- ❖ Investments made during up-cycle (yards near completion)
- ❖ Capex significantly reduced going forward, may be further deferred/reduced
- ❖ Tuas and EJA yards – well positioned for next 50 years

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Strong customers relationship and partnership

**MAERSK**
OIL**ConocoPhillips**
Polar Tankers**Seadrill**  **Transocean**

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Strategic Initiatives (3)

- ❖ Lean organization with skillful, adaptable and experienced workforce to ensure high standard of execution
- ❖ Measures taken to contain manpower cost but will not sacrifice longer term workforce sustainability
- ❖ Transformation for Growth – becoming one integrated team providing full spectrum of solutions
- ❖ R&D to enhance operational efficiencies and develop new capabilities
- ❖ Strategic investments in key growth areas eg. Gravifloat and SSP Offshore to grow order book

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Transformation for Growth

ONE Brand, ONE Team, offering ONE-stop Solutions



On July 1, 2015, we reached a key milestone in our Transformation efforts as our various business units were integrated under ONE Brand focusing on four key capabilities, namely, Rigs & Floaters; Repairs & Upgrades; Offshore Platforms; and Specialised Shipbuilding. As an integrated Sembcorp Marine, we will optimise our capabilities and capacities, as well as increase our efficiency and productivity to better serve our partners and customers.

ONE Team, ONE Integrated Global Platform for Growth



SINGAPORE HUB

- Sembcorp Marine Admiralty Yard
- Sembcorp Marine Benoi Yard
- Sembcorp Marine Pandan Yard
- Sembcorp Marine Tanjong Kling Yard
- Sembcorp Marine Tuas Boulevard Yard
- Sembcorp Marine Tuas Crescent Yard
- Sembcorp Marine Tuas Road Yard

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Cashflow & Liquidity Management

- ❖ Majority of S\$10.4 billion order book with progress payment terms
- ❖ 20% of order book for drilling rigs with back-ended payment; average upfront payments ~30%
- ❖ Reduced working capital needs and lower risk profile
- ❖ Reduced future yard capex; scope for deferment as needed
- ❖ Sufficient debt head room; existing facilities and continuing support of lenders enable execution of secured orders
- ❖ Continued disciplined approach; future orders to be on progress payment basis

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Summary

- ❖ Prudent measures taken to weather storm
- ❖ Strategic diversification within E&P value chain
- ❖ Investment in soft and hard infrastructure (yard, technology, people, enhanced operating model)
- ❖ Able to ride out protracted down cycle
- ❖ Better positioned for future market upturn

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CFO presentation

- ❖ Earnings Performance
- ❖ Financial Position

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Performance Highlights

Key highlights:

For the 12 months to December 2015:

- ❖ Revenue totalled \$4.97 billion, down 15% from FY 2014's \$5.83 billion
- ❖ FY2015 net profit of \$384 million before:
 - Impairment, provisions of \$609 million for rigs, including \$329 million for Sete Brasil drillship projects
 - Share of loss of associates/JVs of \$192 million
- ❖ Total dividends per share of 6 cents, including interim of 4 cents and proposed final dividend of 2 cents.
- ❖ The Group secured \$3.2 billion in new contracts in FY2015, bringing total net order book to \$10.4 billion as at end of FY 2015.

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Financial Highlights

Financial Results - Before Impairment, Provisions, Share of loss from associates/JVs and NOI

S\$'M	FY15A	FY14A	% Chg
Turnover	5,134	5,833	-12
Gross Profit	587	844	-30
EBITDA	591	822	-28
Operating Profit	459	707	-35
Net Profit	384	560	-31
Gross Profit Margin (%)	11.4	14.5	
Operating Profit Margin (%)	8.9	12.1	
Net Profit Margin (%)	7.5	9.6	

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Financial Highlights

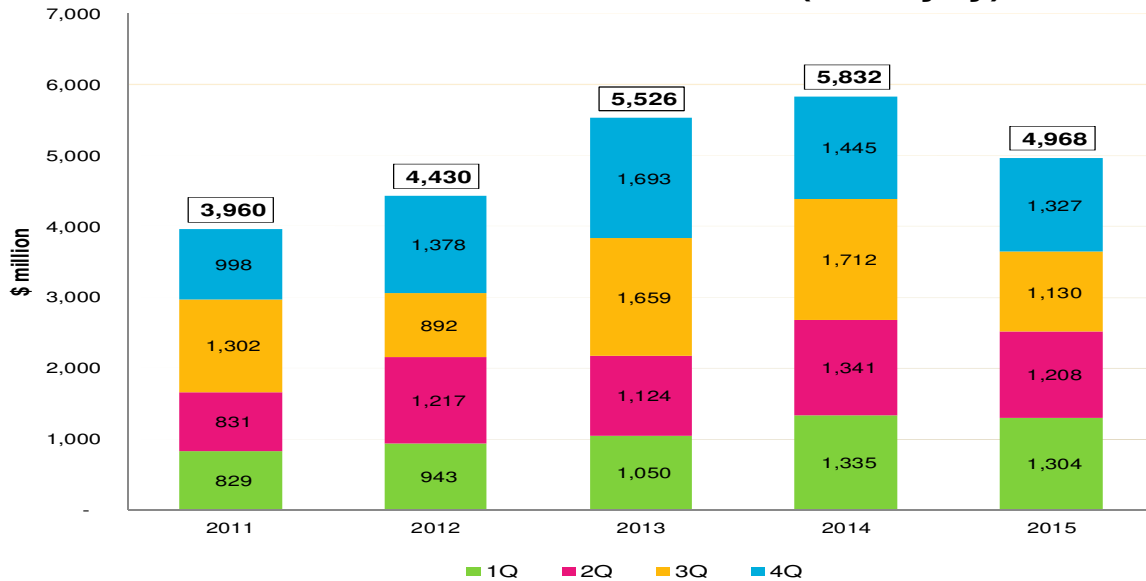
Financial Results (after impairment, provisions, share of loss and NOI)

S\$'M	FY15A	FY14A	% chg
Turnover	4,968	5,833	-15
Gross Profit	131	844	-84
EBITDA	(18)	822	n.m.
Operating (Loss)/ Profit	(150)	707	n.m.
Net (Loss)/ Profit	(290)	560	n.m.
Gross Profit/ (Loss) Margin (%)	2.6	14.5	
Operating (Loss)/ Profit Margin (%)	(3.0)	12.1	
Net (Loss) / Profit Margin (%)	(5.8)	9.6	

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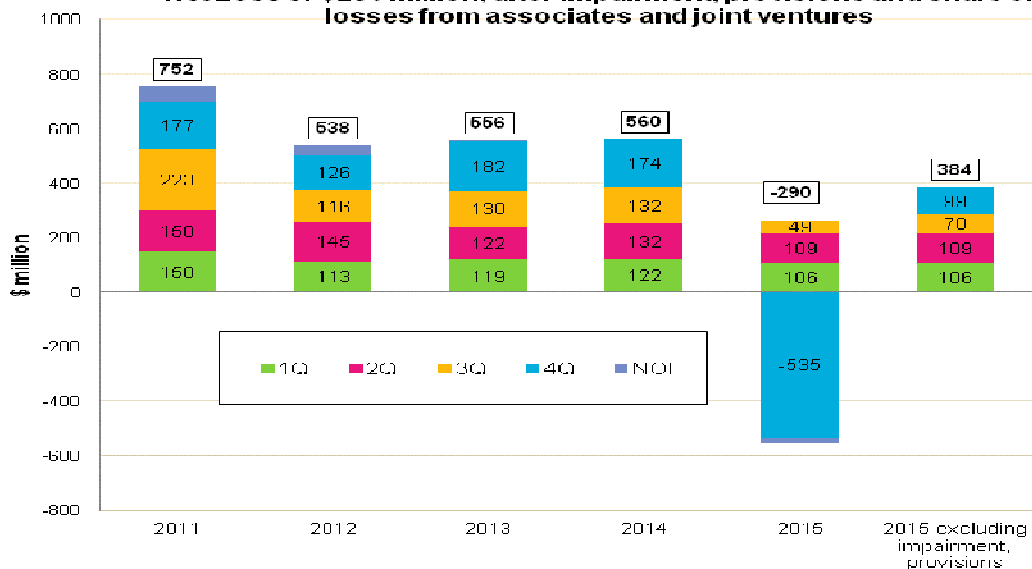
FY2015 turnover: S\$5 billion

FY 2015 Turnover: S\$5 billion (-15% yoy)

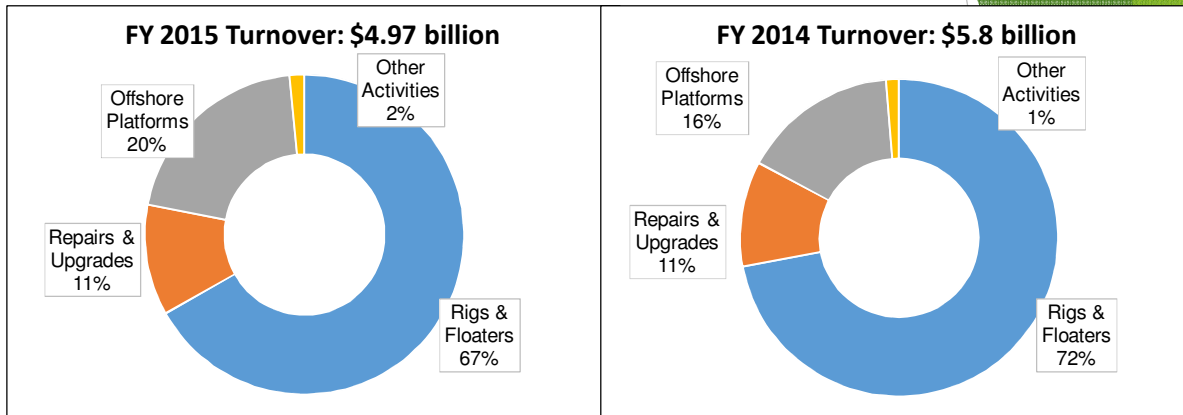


FY2015 Net Profit at S\$384m (before impairment, provisions)

FY2015 Net Profit: \$384 million
Net Loss of \$290 million, after impairment, provisions and share of losses from associates and joint ventures



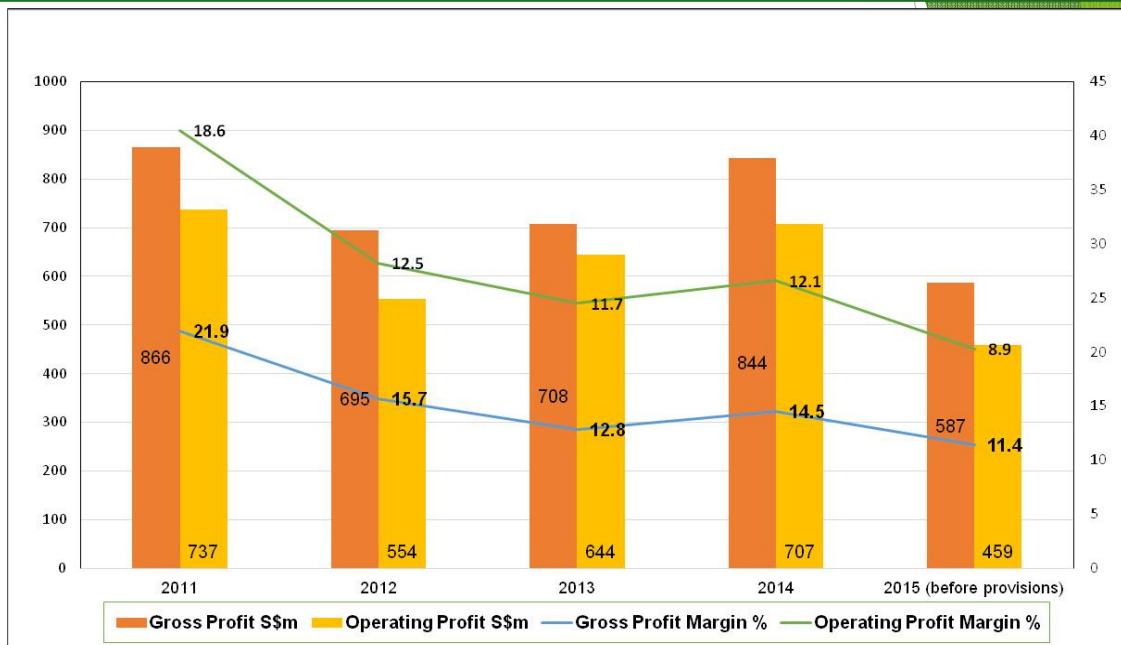
Business Review: Turnover by Segments



Turnover (\$ million)	FY 2015	FY 2014	% change
Rigs & Floaters	3,319	4,207	(21)
Repairs & Upgrades	557	622	(10)
Offshore Platforms	1,017	925	10
Other Activities	76	79	(4)
TOTAL	4,968	5,833	(15)

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Gross /Operating profit margins before impairment, provisions

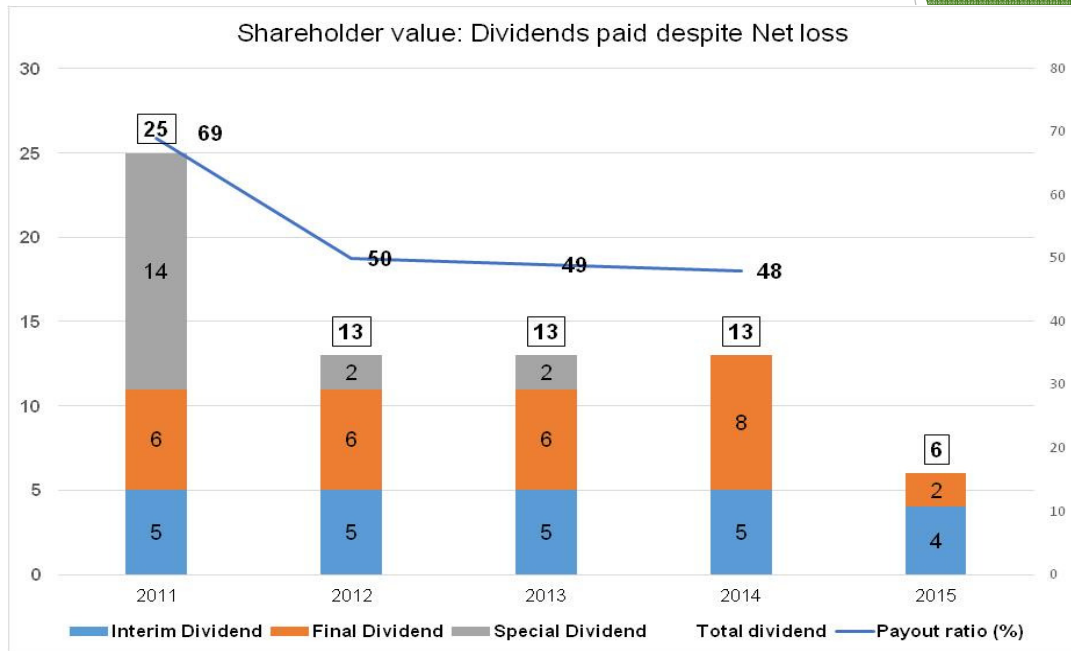


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Shareholder value: Dividends paid despite Net Loss



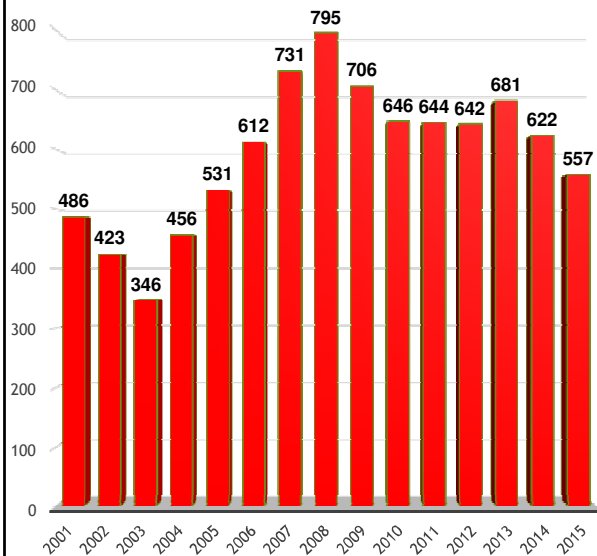
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Core Business: Repairs & Upgrades

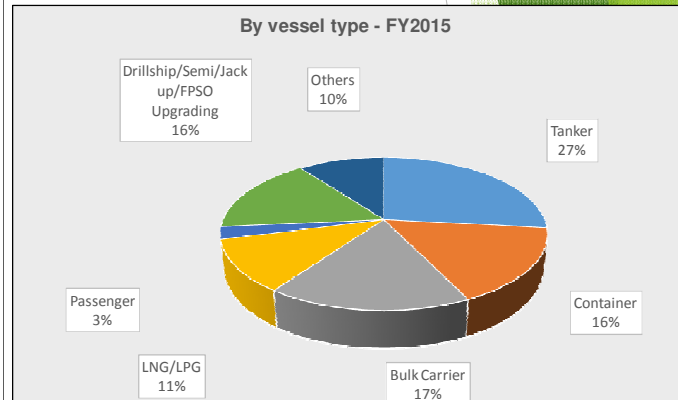
Ship repair revenue (\$million)



Shiprepair detailed breakdown

	FY 2015	FY 2014	% change
No of vessels repaired	453	439	3
Average value per vessel (\$m)	1.2	1.4	-13
Total repair revenue contribution (\$m)	557	622	-10

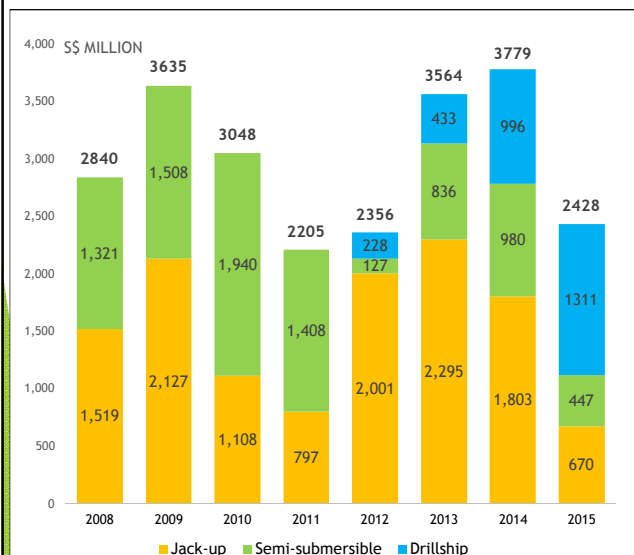
By vessel type - FY2015



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Core Business: Rig Building

- Rig building revenue fell 36% to S\$2,428 million in FY2015, accounting for 67% of total group revenue.
- Delivered a jack-up rig, Prosafe semi-sub and Helix well intervention during the year.



JACK-UP RIGS SCHEDULE

No. delivered in FY2015	1	* BOTL/JDC Hakuryu JU 12
No. of projects in WIP stages	9	* Oro Negro Vastus JU
		* PC400 Jack-up, Perisai Pacific 102
		* PC400 JU, Oro Negro P2045
		* PC400 JU, Oro Negro P2046
		* PC400 JU Marco Polo Marine
		* MSC CJ 70 JU, Noble Mariner
		* F&G JU2000E JU, Hercules
		* PC400, Perisai Pacific 103
		* BOTL/JDC Hakuryu 14 JU 2

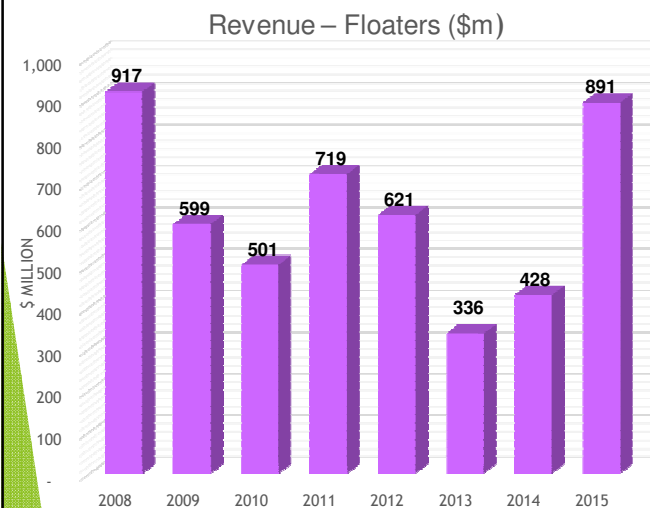
SEMI-SUBS / DRILLSHIPS

No. of projects delivered in FY2015	2	* Prosafe accommodation semi 1
		* Helix semi-well intervention 1 (Q5000)
No. of projects in WIP stage	12	* Drillship 1st unit, Sete Brasil, Arpoador
		* Helix semi-well intervention 2 (Q7000)
		* Harsh-environment CS60 semi-submersible rig, Seadrill
		* Drillship 2nd unit, Sete Brasil
		* Prosafe accommodation semi 2
		* Drillship 3rd unit, Sete Brasil
		* Drillship 4th unit, Sete Brasil
		* Drillship 5th unit, Sete Brasil
		* Drillship 6th unit, Sete Brasil
		* Drillship 7th unit, Sete Brasil
		* 1st drillship - Transocean, JE III
		* 2nd drillship for Transocean, JE III
Planning & Engineering stage	1	* Heerema new semi-s crane vessel

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Core Business: Floaters revenue doubles

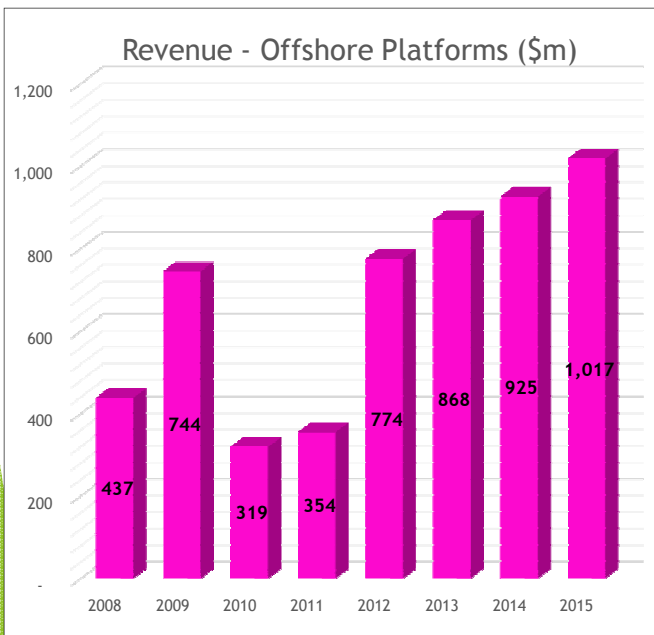
- Ghana Ten recently delivered
- 7 projects in WIP & Planning stages



Offshore conversions	No. of projects	Brief description
No. of Projects recently delivered	1	* Ghana Ten
No. of projects in the WIP	5	* P68 FPSO for Petrobras
		* P71 FPSO for Petrobras
		* FPSO Norte - Kaombo (Olympia)
		* FPSO Libra
		* FPSO Sul - Kaombo (Antartica)
		* Gina Krog
Planning & Engineering Stage	1	* FSO Culzean

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Core Business: Offshore Platforms sales in healthy uptrend



Offshore Platforms	No. of projects	Brief description
No. of projects delivered in FY 2015	-	Nil
No. of projects in the WIP stage	5	* Ivar Aasen * Wheatstone * Siemens Dudgeon * Maersk Culzean modules * Yamal LNG Batch 3

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Capital, Gearing & ROE

Group (\$ million)	Dec-15	Dec-14	% change
Shareholders' Funds	2,511	2,965	(15)
Net Debt	2,751	662	n.m.
Net Working Capital	1,218	1,119	9
Return on Equity (ROE) (%)	(10.6)	19.9	n.m.
ROE –exclude non-operating items (%)	(9.9)	19.8	n.m.
Net Asset Value (cents)	120.2	141.9	(15)
Return on Total Assets (ROTA) (%)	(2.9)	8.0	n.m.
ROTA - exclude NOI (%)	(2.7)	8.0	n.m.

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Cashflow

Group (S\$ million)	FY2015	FY2014	% change
Operating profit before working capital changes	536	850	-37
Net cash outflow from operating activities	(989)	(508)	95
Net cash outflow from investing activities	(932)	(770)	21
Net cash inflow from financing activities	1,467	668	n.m.
Cash & cash equivalents	629	1,079	-42
Borrowings	3,380	1,741	94
Net Debt	2,751	662	n.m.
Progress Billing > WIP	288	1,005	-71

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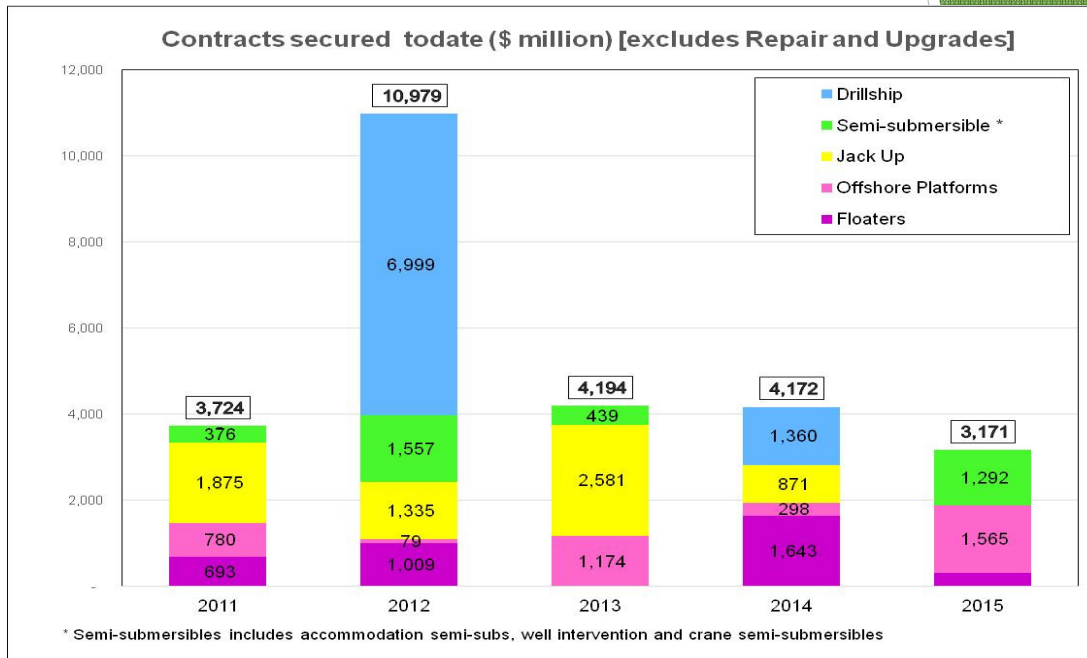
FY 2015 CAPEX INCURRED AT S\$905 MILLION

New facilities account for 95% of FY 2015

Description (\$'m)	FY 2015	FY 2014
Buildings & Land Enhancement	4.2	8.1
Plants, Machinery & Cranes	17.2	65.1
Computer, Vehicle, F&F	20.7	10.4
Sub-total	42.2	83.6
Singapore New Yard	392.2	173.6
Brazil New Yard	454.6	514.8
Others	15.9	-
New Yard Capex	862.7	688.4
Grand Total	904.9	772.0

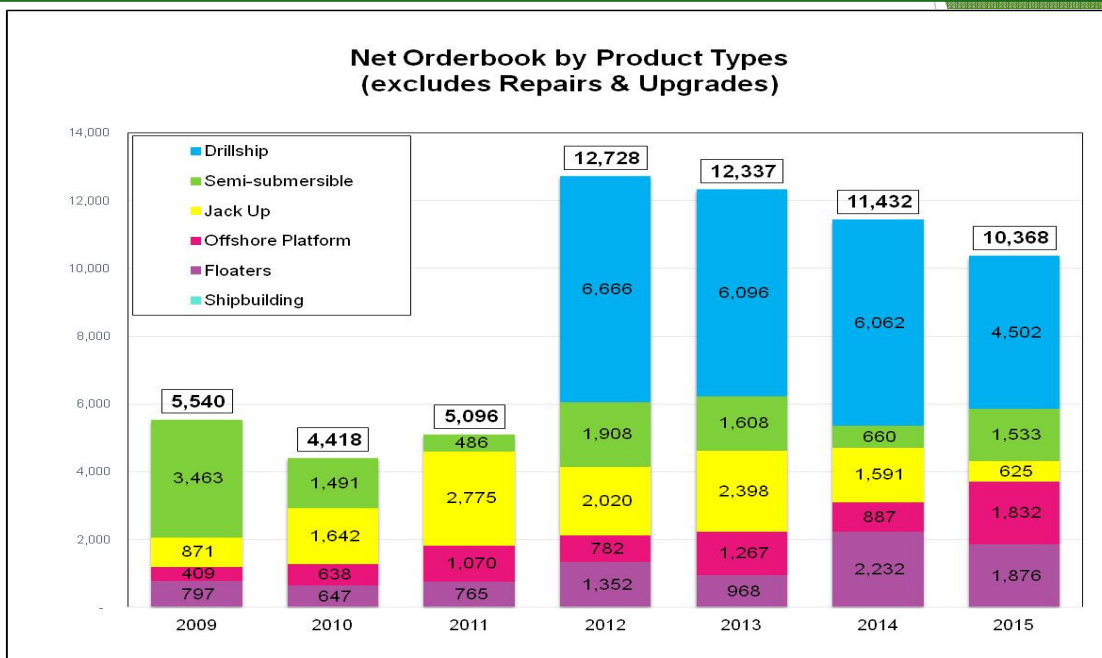
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New Contracts Secured by Product Type - 2011 to 2015



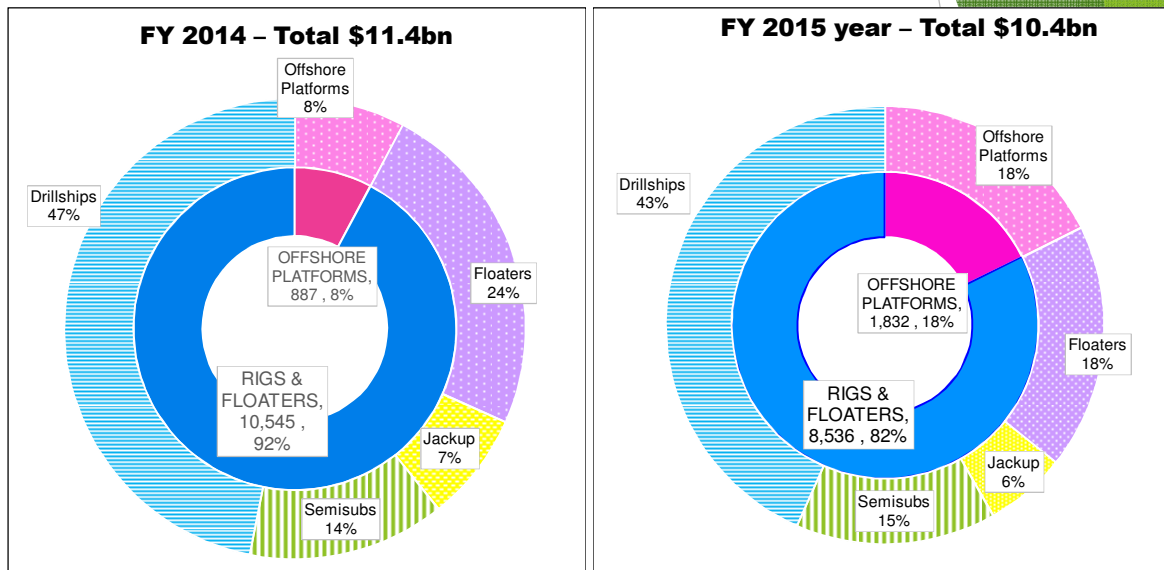
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Net Order Book at \$10.4 billion (excludes Repair) 2009 to 2015



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Net order backlog by division and product type



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Signs contract for new semi-sub crane vessel

Signs contract with Heerema to build NSCV

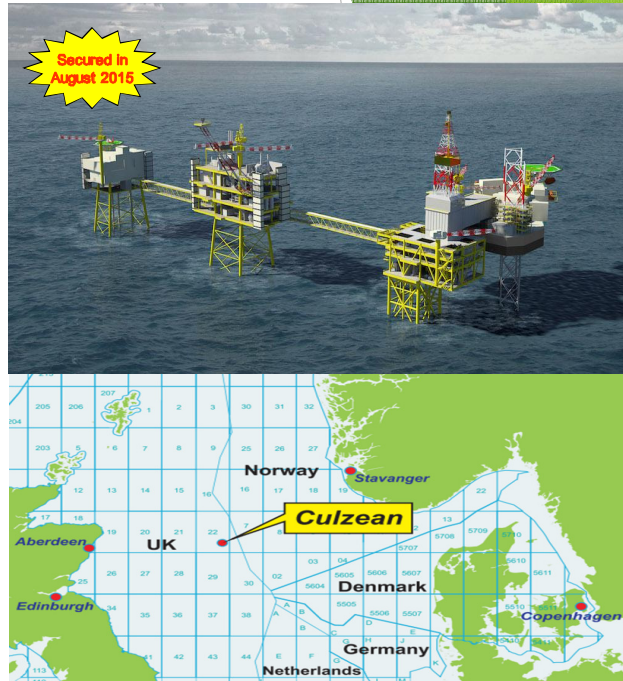
- ❖ Signed the contract with Heerema Offshore Services B.V. for the engineering and construction of a new semi-submersible crane vessel (NSCV) for approximately USD1 billion.
- ❖ Scheduled for delivery in 4Q 2018, the NSCV is designed to install and remove offshore facilities world-wide and will be equipped with two Huisman 10,000 MT heavy-lifting offshore cranes and a large reinforced work deck area.
- ❖ With a vessel length of 220 metres and a width of 102 metres, the NSCV will be the largest crane vessel in the world. Self-propelled and with a transit speed of 10 knots, the NSCV will be the largest dual fuelled (MGP and LNG) engine crane vessel in the world.
- ❖ Heerema Offshore Services B.V. is a subsidiary of Heerema Marine Contractors Nederland Holding SE (HMC). The Company is a leader in transportation, installation and removal of all types of offshore facilities, including fixed and floating structures and subsea pipelines and infrastructure in shallow, deep and ultra-deep waters. HMC currently owns four of the world's largest crane vessels, namely: SSCV Thialf, Hermod, DCV Balder and Aegir, the latest addition to their fleet.



Offshore Platform wins >USD 1 bn Culzean contract

Offshore Platform secures Culzean job

- ❖ Sembcorp Marine subsidiary SMOE secured an Engineering, Procurement and Construction contract to build three topsides for the Culzean Field Development in the UK North Sea.
- ❖ The contract includes the building of the Central Processing Facility plus 2 connecting bridges, Wellhead Platform and Utilities & Living Quarters Platform Topsides. The facility will be installed at a water depth of some 90 metres in the UK sector of the Central North Sea. The project is a high pressure, high temperature (HP/HT) gas condensate development.
- ❖ Sembcorp Marine Admiralty Yard in Singapore will be the core fabrication yard for the project, while Sembmarine SLP in Lowestoft, UK will undertake the workscope of the power generation module, two bridges and a flare. Culzean gas field is expected to be capable of providing 5% of the UK's total gas consumption by 2020/2021.



Rigs & Floaters secures contract for Modec FSO

Rigs & Floaters secures FSO newbuild contract

- ❖ Sembcorp Marine wholly owned subsidiary Sembcorp Marine Rigs and Floaters Pte Ltd has secured a contract to build a new floating, storage and offloading (FSO) vessel on a turnkey basis for Modec Offshore Production Systems (Singapore) Pte Ltd, a subsidiary of MODEC, Inc. (MODEC).
- ❖ Scheduled for delivery in 1Q2018, the FSO unit will be SCM's first FSO newbuilding secured on a full turnkey project basis including Design, Engineering, Procurement, Construction and Commissioning (EPCC). Modec will supply the internal turrets and topside modules (vapour recovery unit and metering skid) which SCM will install and integrate.
- ❖ The FSO will be capable of receiving 25,000 barrels of condensate per day and have storage for 350,000 barrels. It will be moored in water depth of 90 metres.
- ❖ When completed, the FSO will be stationed at *Maersk Oil's Culzean field*, the largest new oil and gas field to have been discovered in the North Sea for a decade, and recently approved by the UK Oil & Gas Authority for development.

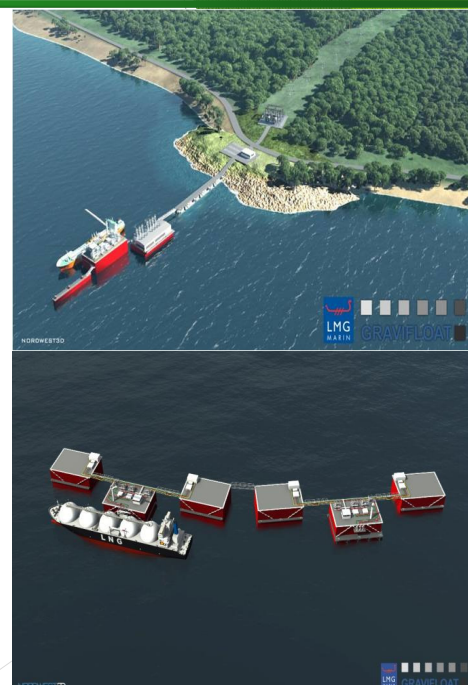




New technology solutions – GraviFloat

Semcorp Marine acquired a 12% stake in GraviFloat AS in 2014

- Initial US\$4 million acquisition with a right to increase its stake up to 20% by further equity injection.
- 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.



Sembcorp Marine acquires SSP Offshore assets

- 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.



4Q and FY2015 Results Q&A session

Appendix

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ROBUST BUSINESS MODEL

1963 – 1969

1970 – 1975

1976 – 1994

1995 – 2000

2001 – 2005

2006 – 2014

Transformation for Growth





**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, FPDPSO, 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



**sembcorp
marine**

Leaders in offshore marine engineering solutions

Rigs and Floaters



Repairs & Upgrades



Offshore Platforms



Specialised Shipbuilding



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.