



November 21, 2007

## **SEMBCORP MARINE'S SUBSIDIARY, SEMBAWANG SHIPYARD SECURES A S\$300 MILLION CONTRACT COMPRISING ONE-PLUS-FIVE OPTIONS TO CONVERT PASSENGER / CAR FERRIES TO DP2 ACCOMMODATION AND REPAIR VESSELS FROM EQUINOX OFFSHORE ACCOMMODATION LIMITED**

Sembawang Shipyard Pte Ltd, a wholly-owned subsidiary of SembCorp Marine, has secured a S\$300 million contract from Equinox Offshore Accommodation Limited, comprising one-plus-five options to convert passenger / car ferries to DP2 Accommodation and Repair Vessels (ARV).

Under the contract, the conversions will be carried out within 2008 – 2010. Sembawang Shipyard has been awarded this milestone specialised contract based on the shipyard's capabilities in passenger-ship upgrading and established track record in the highly specialised and technically challenging field of DP 2 and DP3 offshore vessel conversion work.

The work-scope of this Contract includes the rebuilding and refurbishment of existing cabins and the addition of another 50 cabins to house a complement of 400 to 500 persons, building of offices, public areas e.g. restaurant and cinema, conversion of existing car decks to workshops to be equipped with owner's supplied equipment and machinery, installation of new generators, fresh water generator system and modification of the piping system. Other major installation work such as installation of stern thrusters with DP2 capabilities and new 60-ton and 80-ton cranes and an offshore gangway will be carried out to enhance the vessel's performance and maneuverability in offshore locations.

Upon completion, the vessel will be the world's first versatile DP2 Accommodation and Repair Vessel (ARV), uniquely designed and equipped to provide extensive accommodation and workshop facilities to support and service offshore facilities and projects in deep water areas.

The first vessel is expected to arrive in the shipyard in mid-January 2008, and redelivered to Owners in fourth quarter 2008. The converted vessel may be deployed worldwide.

Mr Ong Poh Kwee, Managing Director of Sembawang Shipyard said "We are very pleased to be chosen by Equinox Offshore Accommodation for this major project. This milestone award reaffirms Sembawang Shipyard's market leadership in the passenger-ships and specialised dynamic positioning offshore conversion market. We thank Equinox Offshore for their trust and confidence in our shipyard and look forward to a long-term collaborative partnership to deliver mutual benefits and value propositions to both our companies."

Mr Petter Hoie, Chief Executive Officer of Equinox Offshore Accommodation Limited, said “ Sembawang Shipyard has been selected by Equinox Offshore to be our partner shipyard in this milestone project for the offshore industry as the shipyard has clearly demonstrated its strong track record in handling sophisticated offshore work especially vessels equipped with dynamic positioning capabilities and passenger-ships conversion and upgrading. The ARV is both a passengershship and a repair ship, the first of its kind and we are confident that both Equinox Offshore and Sembawang Shipyard will have a very successful partnership with this significant project and subsequent vessels.”

Barring unforeseen circumstances, SembCorp Marine expects a positive contribution to its earnings from the contract. However, this contract is not expected to have any material impact on the net tangible assets and earnings per share of SembCorp Marine for the year ending December 31, 2007.

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### **About Sembawang Shipyard**

Sembawang Shipyard Pte Ltd is a wholly-owned shipyard of SembCorp Marine, the marine engineering arm of SembCorp Industries Ltd. Sembawang Shipyard has one of the largest integrated ship repair and conversion facilities in Southeast Asia. With more than three decades of experience and proven track record in ship repair and offshore conversions, the shipyard's world-class reputation is based on the company's commitment to superior customer service, innovative solutions, quality, and strict Health, Safety, Security and Environment standards.

Besides the traditional sectors of tankers and bulkers, Sembawang Shipyard is a recognised specialist in the niche markets of FPSO/FSO conversions, offshore vessels conversions and new-buildings, complex lengthening conversions, passenger-ship conversions / refurbishment, chemical tankers, liquefied gas carriers, offshore rigs and navy ship repairs.

In particular, Sembawang Shipyard is the market leader for offshore dynamic positioning vessels conversions and new-buildings. Our solid track record included the conversion of a 2,400-ton DP3 heavy lift crane vessel, Maxita, for Saipem of Italy and a DP3 pipe-lay 800-ton heavy lift and accommodation barge, Jascon 5, for Sea Trucks Group based in Nigeria. The shipyard is currently carrying out the construction of Sapura 3000, a 3,000-ton self-propelled DP2 heavy lift derrick pipe-laying vessel for SapuraAcergy Sdn. Bhd, Malaysia. In May 2007, the shipyard secured the design, construction, outfitting and commissioning of a 5,000-ton DP3 heavy lift crane vessel from Nordic Heavy Lift ASA, Norway.

### **About Equinox Offshore Accommodation Limited, Singapore**

Equinox Offshore Accommodation Limited is a Singapore based oil service company engaged in the business of converting and operating DP2 Accommodation and Repair vessels. The vessels will be used primarily in deep waters. The key personnel in Equinox Offshore Accommodation Limited are individuals with established track records

from executive positions in the offshore industry, amongst others Fred Olsen, Frontline, Bergesen Offshore and Sea Production.

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