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PRESS RELEASE

A GOOD START TO 2006: PPL SHIPYARD SECURES 1ST RIG BUILDING CONTRACT WORTH US\$175 MILLION

Singapore, January 3, 2006: PPL Shipyard, a subsidiary of SembCorp Marine has secured a rig building contract with Aban Singapore Pte Ltd, a subsidiary of Aban Loyd Chiles Offshore Ltd of India for the construction of a Baker Marine Pacific Class 375 Deep Drilling Offshore jack-up rig for US\$175 million.

Construction of the jack-up rig is expected to commence in the first quarter of 2006 with delivery scheduled in mid-2008.

The Baker Marine Pacific Class 375 Design is a proprietary ownership of Baker Marine Pte Ltd, a wholly owned subsidiary of PPL Shipyard. The jack-up rig will be customised to meet owner's requirements for operations in the Indian Ocean. It will be equipped with a drilling package that will enable it to drill high pressure and high temperature wells at 30,000 feet whilst operating in 375 feet of water. It has accommodation for 120 men.

Mr T. K. Ong, Managing Director of PPL Shipyard said "We are pleased that Aban Singapore Pte Ltd, a subsidiary of Aban Loyd Chiles Offshore has chosen to place an order with PPL Shipyard. This is the first jack-up rig on order in 2006 and the 9th jack-up rig to be built based on the BMC Pacific 375 Design in PPL Shipyard."

"With the robust offshore oil and gas market and the high utilisation and charter rates for jack-up rigs, we can expect more rigs to be ordered."

PPL Shipyard is a rig-building yard with proven track record in the building and servicing of jack-up and semi-submersible rigs. To-date PPL Shipyard has built 26 jack-up rigs and 4 semi-submersibles.

Aban Singapore Pte Ltd is a subsidiary of Aban Loyd Chiles Offshore Ltd, a company listed on the Mumbai Stock Exchange Ltd, India. Incorporated in 1986, the company is the largest offshore oil field service provider in India's private sector. It has a market capitalisation of US\$500 million. Currently, the company owns 8 rigs, one drill ship and one floating production unit – all on long-term contracts.

Barring unforeseen circumstances, SembCorp Marine expects a positive contribution to its earnings from the contract. However, this contract is not expected to have a material impact on the net tangible assets and earnings per share of SembCorp Marine for the year ending December 31, 2006.

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