



SembCorp Marine

Company Registration Number: 196300098Z

PRESS RELEASE

SEMBCORP MARINE'S SUBSIDIARY, PPL SHIPYARD SECURES REPEAT RIG BUILDING CONTRACT AT US\$190 MILLION FROM OFFSHORE GROUP CORP

Singapore, January 16, 2007: PPL Shipyard, a subsidiary of SembCorp Marine, has secured a repeat rig building contract from Offshore Group Corp. worth US\$190 million for the construction of a Baker Marine Pacific Class 375 Deep Drilling Offshore Jack-up Rig. This is the second rig that the owner, Offshore Group Corp. has placed with PPL Shipyard.

Construction of the jack-up rig will commence immediately with delivery scheduled end 2008.

The jack-up rig will be built based on PPL's proprietary Baker Marine Pacific Class 375 Deep Drilling design. The rig 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.

PPL Shipyard is a rig building yard with proven track record in the building and servicing of jack-ups and semi-submersibles. PPL has built a total of 27 jack-up rigs, 6 semi-submersibles and 4 swamp barges. The flagship jack-up rig design, the BMC 375 Pacific Class has secured orders for a total of 17 units so far since its launch in 2004. 2 units have been delivered and are now drilling in India and Saudi Arabia.

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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