



Company Registration Number: 196300098Z

PRESS RELEASE

JURONG SHIPYARD SECURES LETTER OF INTENT TO BUILD AN ULTRA-DEEPWATER SEMI-SUBMERSIBLE RIG FOR PETROMENA

Singapore, August 3, 2005: SembCorp Marine is pleased to announce that Jurong Shipyard, its wholly owned subsidiary, has signed a Letter of Intent with PetroMena AS, a wholly owned subsidiary of Larsen Oil & Gas (LOG) to build a semi-submersible rig in the region of US\$400 million.

Under the contract, Jurong Shipyard will build the 6th generation ultra-deepwater semi-submersible drilling rig based on the Friede & Goldman ExD-design. The semi-submersible rig is capable of operating in challenging deepwater arena and is also engineered for stability and versatility with operational displacement of 43,400 metric tons at 17 metres draft and 46,750 metric tons at 20 meters draft.

The construction contract takes effect in November 2005 with delivery scheduled between year end 2009 and early 2010.

Mr Don Lee, Senior General Manager of Offshore Division said "We are pleased with the confidence and trust that Larsen Oil & Gas has bestowed on Jurong Shipyard based on its track records for quality and on time delivery. We are delighted to be part of LOG's success and we look forward to a lasting relationship between the two groups of companies."

Mr Berge Gerdt Larsen, Chairman and largest shareholder of DNO ASA (the Norwegian Oil Company AS), a company listed on the Oslo Stock Exchange said "We are pleased with the relationship that we have built up with the SembCorp Marine group in general and in particular, Jurong Shipyard over the last two years as managers of Petrojack's building programme. This new contract is a manifestation of the cooperation and trust that we experience with SembCorp Marine."

Larsen Oil & Gas is a Norwegian company, fully owned by Berge Gerdt Larsen. LOG acts as the business manager to Petrojack ASA and Petrolia Drilling ASA, two drilling companies listed on the Oslo Stock Exchange. Currently, Petrojack ASA has three units of the drilling jack up rigs under construction in Jurong Shipyard.

Jurong Shipyard is a leading shipyard offering integrated solutions in ship repair, shipbuilding, offshore conversion, rig building and offshore engineering. The shipyard has recently delivered two most advanced units of 5th Generation ultra-deepwater dynamic positioning semi-submersible rigs to GlobalSantaFe using its proprietary designed skidding methodology, which is construction-friendly and safe. Apart from its proven track record in the building and servicing of jack-up and semi-submersible rigs, Jurong Shipyard is also a global leader in the EPC conversions of tankers to floating production, storage and offloading units (FPSOs), floating storage tankers (FSOs) and floating production units (FPUs).

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, 2005.

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