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PRESS RELEASE

SEMBCORP MARINE'S JURONG SHIPYARD SECURES US\$88 MILLION CONVERSION CONTRACTS

Singapore, May 18, 2007 : Jurong Shipyard, a wholly-owned subsidiary of SembCorp Marine, has secured two conversion contracts worth a total of US\$88 million (or approximately S\$133 million).

The first contract involves the conversion of the 188,697 dwt tanker, the **S.T. Polar Alaska**, into a Floating Production Storage and Offloading (FPSO) vessel for Aker Contracting FP AS. To be renamed **FPSO Aker Smart 1** upon completion in 1Q 2008, modification works on the **FPSO Aker Smart 1** involves the installation of an internal turret, three units of 5MW steam turbine generators and another three units of 5MV gas turbine generators and new process facilities, which include crude separation and gas compression and the upgrading of the entire piping and electrical systems.

On completion, **FPSO Aker Smart 1** will be chartered to Reliance Industry Limited for deployment in the MA D6 field on the east coast of India. Designed to operate for 10 years without dry docking, **FPSO Aker Smart 1** will be capable of processing 60,000 barrels of oil and 80,000 barrels of liquid per day and with a storage capacity of 1,300,000 barrels of oil.

The second contract involves the conversion and life extension of the 9,589 GT Scientific Research Vessel, **Joides Resolution**, into an IODP (Integrated Ocean Drilling Program) Scientific Ocean Drilling Vessel (SODV) for Overseas Drilling Limited.

Scheduled for completion in 4Q 2007, work on the vessel entails the complete replacement of the living quarters for 130 persons and the installation of a new scientific laboratory. In addition, the vessel will undergo life extension activities, including drydocking, repairs, the overhauling of the 12 thruster units and the upgrading of major electrical systems.

On completion, the converted vessel will re-commence scientific research initiatives worldwide.

Barring unforeseen circumstances, SembCorp Marine expects a positive contribution to its earnings from the contracts. However, the contracts are not expected to have material impact on the net tangible assets or earnings per share of SembCorp Marine for the financial year ending 31 December 2007.

About Aker Contracting FP AS

Aker Floating Production was established to own, operate and charter FPSOs based on conversion of existing tankers. The company has purchased three, 190,000-dwt, 1.3 MMbbl tankers, the first of which is being converted at Jurong Shipyard in Singapore. Aker Smart FPSOs are designed to provide operations with a flexible, cost-effective production facility that can be deployed rapidly to accelerate development towards first oil. The vessels can work in benign shallow and deepwater regions with the target sectors being West Africa, Southeast Asia, Middle East, South America and Mexico.

About Overseas Drilling Limited

Overseas Drilling Limited (ODL) is owned 50% by a subsidiary of Transocean Inc., the world's largest offshore drilling contractor, and 50% by Siem Offshore Inc., an offshore vessel owner and operator for the oil and gas industry. ODL has a long-term contract for the ***Joides Resolution*** with the Texas A & M Research Foundation, the IODP Science Operator.

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