



SembCorp Marine

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PRESS RELEASE

SEMBCORP MARINE'S SUBSIDIARY, JURONG SHIPYARD SECURES FPSO CONVERSION CONTRACTS FROM TANKER PACIFIC

Singapore, December 26, 2006: Jurong Shipyard, a wholly-owned subsidiary of SembCorp Marine, has secured two Floating Production Storage and Offloading (FPSO) conversion contracts worth a total of US\$58 million from Tanker Pacific Offshore Terminals Pte Ltd (Tanker Pacific).

The first contract involves the conversion of the 92,802 dwt tanker, the *M.T. Andaman Sea*, which will be renamed *FPSO Rarua* upon completion in 4Q 2007. Modification works on the *FPSO Rarua* will commence immediately involving the installation of an internal turret, 3 boilers on deck to generate 20 megawatts of power, renewal of the entire piping and electrical systems and installation of new process facilities, which include crude separation, water injection and chemical injection.

On completion, *FPSO Rarua* will be leased to OMV New Zealand for deployment in the Maari Field. Designed to operate for 15 years without dry docking, *FPSO Rarua* will be capable of processing 40,000 barrels of oil per day and with a storage capacity of up to 646,548 barrels of oil.

The second contract involves the conversion of the 148,255 dwt oil tanker, the *M.T. Freeway*, into an FPSO for deployment in the Montara Field, offshore Australia. On completion in 2Q 2008, *M.T. Freeway* will be renamed *FPSO Montara Venture* and will be chartered to Coogee Resources.

Scheduled to enter Jurong Shipyard in 2Q 2007, *FPSO Montara Venture* will undergo extensive life extension and conversion works, including an internal turret and process facilities for crude separation, gas compression, gas lift and gas re-injection. Designed to operate for 20 years without dry docking, *FPSO Montara Venture* will have a production capacity of 40,000 barrels per day and a storage capacity of 900,000 barrels of oil.

Barring unforeseen circumstances, SembCorp Marine expects a positive contribution to its earnings from the contracts. However, the contracts are 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, 2006.

About Tanker Pacific Offshore Terminals Pte Ltd

Tanker Pacific Offshore Terminals Pte Ltd is responsible for the execution of FSO/FPSO projects within the Tanker Pacific Group.

Tanker Pacific is among the world's most active players in the supply and operation of FSO/FPSO vessels, having executed over 16 conversion projects since 1990. Currently, the offshore fleet consists of 10 FSOs, with an uptime of over 99.99% and 2 FPSOs under conversion.

Tanker Pacific is a leading provider of marine transportation to the energy markets, operating a fleet of over 80 vessels with a total carrying capacity of over 11 million deadweight tons.

About Jurong Shipyard

Jurong Shipyard, a fully-owned subsidiary of SembCorp Marine, is a leading shipyard offering integrated services and customised solutions in ship repair, shipbuilding, ship conversion, rig building and offshore engineering to a world-wide clientele. 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 conversion of tankers to floating, production, storage and offloading units (FPSOs), floating storage tankers (FSOs) and floating production units (FPU).

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