

PRESS RELEASE

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**SEMBCORP POSTS A 25% INCREASE IN 3Q2008 PROFIT TO S\$145 MILLION
- Group's cash and cash equivalents stand at S\$2.3 billion**

SINGAPORE, November 7, 2008 – Sembcorp Industries (Sembcorp) reported a 25% increase in Profit After Tax and Minority Interest (PATMI) for the third quarter of 2008 (3Q2008). This was on the back of a 12% increase in turnover to S\$2.5 billion for the same period while profit before tax grew 35% to S\$250 million. For the first nine months of 2008 (9M2008), turnover showed a 19% growth, while profit before tax grew 18% to \$685 million. 9M2008 PATMI was up 9% from S\$374 million to S\$406 million.

Sembcorp's main profit contributors continued to be its Utilities and Marine businesses, which accounted for 96% of Group PATMI in 9M2008. Marine's contribution to Group PATMI rose 48% to S\$220.5 million, mainly due to higher operating margins from its rig building and ship repair businesses and better contribution from associated companies. The unit also secured S\$5.5 billion worth of new orders since January 2008, bringing its year-to-date net order book to a record S\$9.9 billion with completions and deliveries stretching from the fourth quarter of 2008 until 2012. Utilities' 9M2008 PATMI stood at S\$170.4 million compared to S\$179.4 million last year, with its Singapore and UK operations contributing S\$118.6 million and S\$52.9 million respectively.

Mr Tang Kin Fei, Group President & CEO of Sembcorp Industries, said, "The fundamentals for Sembcorp's businesses remain sound. Our Utilities business has long term customer contracts and our Marine business has secured a strong orderbook. Despite the challenging economic climate, we have delivered a healthy set of results. Backed by strong operating cash flows and a robust balance sheet, we believe that Sembcorp is well-placed to weather the difficult times ahead and to benefit from opportunities that may well arise from such a downturn."

Sembcorp's FY2008 Outlook

Despite the challenging global economic and financial environment that has created a high level of uncertainty, the Group expects satisfactory results for FY2008.

Highlights from Sembcorp's 9M2008 Financial Results

- Turnover of S\$7.2 billion, up 19%
- PBT of S\$685 million, up 18%
- PATMI of S\$406 million, up 9%
- ROE (annualised) at 18%
- Healthy balance sheet and cash flow
 - Net cash at S\$1.3 billion
 - Cash and cash equivalents at S\$2.3 billion
 - Interest cover at 19 times
 - Operating cash flow of S\$717 million

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ABOUT SEMBCORP INDUSTRIES

Sembcorp Industries Ltd is a leading utilities and marine group. The Group provides centralised utilities, energy and water to industrial and other customers in Singapore, the United Kingdom, Asia and the Middle East. It is a global leader in marine and offshore engineering and also a provider of environmental and industrial park management services in the region. Sembcorp has total assets of over S\$9 billion and employs more than 7,000 employees. Listed on the main board of the Singapore Exchange, Sembcorp is a component stock of the Straits Times Index and several MSCI indices.

Note to Editors:

Following a recent company rebrand, please refer to the company as “Sembcorp” (with “S” in upper case and “c” in lower case), or “Sembcorp Industries” in full. Please also note that “Sembcorp” is not an abbreviation of “Sembawang Corporation” but a brandname in itself, and it is therefore incorrect to refer to our company as “Sembawang”, “Sembawang Corporation” or similar.