

PRESS RELEASE

SEMBCORP 1Q2007 NET PROFIT FROM CONTINUING OPERATIONS SURGES 70%

- PATMI before EI soars to \$128.7 million compared to \$75.6 million in 1Q2006

Singapore, May 3, 2007 - SembCorp Industries (SembCorp) reported solid earnings growth for the first three months of 2007 (1Q2007). Strong business fundamentals continued to underpin the Group's growth with Profit After Tax and Minority Interest (PATMI) before exceptional items (EI) from its continuing operations rising 70% to \$128.7 million and turnover from continuing operations increasing 25% to \$1.8 billion. Group PATMI before EI for 1Q2007 grew 54% from \$83.6 million to \$128.7 million compared to last year. No EI were recorded in 1Q2007 compared to 1Q2006 when the company had \$398.3 million of EI arising from the divestment of its logistics business.

SembCorp's robust performance continued to be driven primarily by its Utilities and Marine & Offshore Engineering businesses, which together accounted for 94% of the Group's turnover and 92% of the Group's PATMI before EI. Utilities' PATMI before EI rose 61% to \$72.8 million, due to strong growth from its UK operations. Marine & Offshore Engineering's contribution to Group PATMI grew 83% to \$46 million mainly due to higher operating margins from its rig building and ship repair businesses and better contribution from associated companies.

Mr Tang Kin Fei, SembCorp's Group President & CEO said, "SembCorp's sharpened business focus is clearly paying off. Notwithstanding the divestment of its logistics and engineering & construction businesses, the Group's earnings continued to grow with strong performance from its continuing Utilities and Marine & Offshore Engineering operations. This solid start to 2007 creates good momentum for us to deliver another year of healthy returns."

2007 Outlook

Barring unforeseen circumstances, the Group's overall operating performance in 2007 is expected to be better than that of 2006 on a comparable basis, excluding net profits arising from exceptional items in 2006.

Highlights for SembCorp's 1Q2007 Financial Results

- **Strong earnings growth from continuing operations**
 - Turnover of \$1.8bn, up 25%
 - PATMI before EI of \$128.7m, up 70%
- **Group PATMI before EI at \$128.7m, up 54%**
- **Healthy balance sheet**
 - Net gearing at 0.02x
 - Interest cover at 16 times
- **Return on Equity (annualised) at 17%**

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About SembCorp Industries

SembCorp Industries Ltd is a leading utilities and marine group. The Group provides centralised utilities and energy to industrial 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 industrial park and environmental management services in the region.

SembCorp Industries has total assets of over S\$7.0 billion and employs more than 7,500 employees.

Listed on the main board of the Singapore Exchange, SembCorp Industries is a component stock of the Straits Times Index and several MSCI indices.