

PRESS RELEASE

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SEMBCORP ENTERS STRATEGIC COLLABORATIONS WITH JAPAN ON LOW-CARBON HYDROGEN INITIATIVES

Singapore, October 25, 2022 – Sembcorp Industries (Sembcorp) announced today that it has entered strategic partnerships (*refer to Appendix*) with the Japanese government and various corporations, to progress hydrogen and other decarbonisation initiatives. The hydrogen supply chain will be a prominent focus across all partnerships.

As a leading producer of renewable energy and the largest importer of natural gas in Singapore, Sembcorp is well-positioned to support the Singapore government's newly outlined approach to develop hydrogen as a major decarbonisation pathway. The collaborations signed today will enable Sembcorp to access and leverage Japan's highly advanced technology in hydrogen development and deployment.

The partnerships inked include:

- A Memorandum of Understanding (MOU) with the Japan Bank for International Cooperation (JBIC), for JBIC to support projects developed by Sembcorp and Japanese companies, with a focus on green hydrogen and ammonia.
- An MOU with Sojitz Corporation (Sojitz) to partner on new renewable energy projects, including green hydrogen production, battery energy storage systems, and net zero industrial parks, in Asia Pacific.
- An MOU with IHI Corporation (IHI) to collaborate on an integrated green ammonia supply chain, both upstream and downstream.
- Advancing the development of hydrogen imports via methylcyclohexane, a type of liquid organic hydrogen carrier, with the commencement of Pre-FEED studies. This is a key milestone under the MOU with Mitsubishi Corporation (Mitsubishi) and Chiyoda Corporation (Chiyoda) signed in October 2021.

The MOU with JBIC was signed on the sidelines of the opening day for the Singapore International Energy Week, witnessed by Second Minister for Trade and Industry of Singapore Dr Tan See Leng, the Ambassador of Japan to Singapore His Excellency Hiroshi Ishikawa, Managing Director and Chairman of the Board of JBIC Mr Tadashi Maeda, and Group President & CEO of Sembcorp Mr Wong Kim Yin. This was followed by the presentation of signed MOUs between Sembcorp and the other Japanese partners to Minister Tan and His Excellency Hiroshi Ishikawa.

Wong Kim Yin, Group President & CEO, Sembcorp Industries, said: "The partnerships forged today align with Sembcorp's brown to green transformation, and will enable us to play a pivotal role in the decarbonisation of various industries, including power. We are pleased to be the first Singapore company partnering JBIC on exploring hydrogen and its derivatives as the most promising substitute for natural gas. Our new energy collaborations with Japan's leading corporations will benefit from JBIC's support, and will also leverage our proven expertise in renewables to support Singapore's ambitions to form and scale up low-carbon hydrogen supply chains. Sembcorp remains committed and is well-placed to enable the nation's transition to net-zero emissions."

Singapore's power sector currently makes up 40% of the nation's total carbon emissions. Hydrogen is the most promising alternative fuel to natural gas, which addresses 95% of the country's energy needs today. Sembcorp's various partnerships inked today will underpin the Singapore government's ambitions for low-carbon hydrogen to potentially support up to 50% of its power needs by 2050.

The signed partnerships are not expected to have a material impact on the earnings per share and net asset value per share of Sembcorp Industries for the financial year ending December 31, 2022.

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Appendix: List of partnerships with Japanese corporations

1. Sembcorp and JBIC MOU

Sembcorp and JBIC will work together to identify potential projects in which Sembcorp may collaborate with Japanese companies in the hydrogen and ammonia sector, as well as renewables and industrial parks, in Asia Pacific.

Sembcorp and JBIC will also discuss and explore the possibility of JBIC providing financing support for such potential projects. The partnership, which will be undertaken in conjunction with Japanese companies, will leverage JBIC's suite of financial solutions to develop bankable financing structures for projects in Asia Pacific.

2. Sembcorp and Sojitz MOU

Sembcorp and Sojitz will work together to identify potential projects of mutual interest. These projects include but are not limited to new energy, urban and infrastructure developments across key markets in Asia Pacific which both parties operate in.

Sectors of interest include green hydrogen value chains, renewables, battery and energy storage systems, net zero industrial parks, as well as water and waste-to-resources.

3. Sembcorp and IHI MOU

Sembcorp and IHI will jointly explore decarbonisation pathways utilising ammonia. Both parties will collaborate to conduct feasibility studies on an integrated green ammonia supply chain, including potential supply from Sembcorp's existing and future renewable energy production sites. Feasibility studies will also be conducted for a 100% ammonia or ammonia and natural gas co-fired power and steam plant.

The collaboration will leverage each party's technology, resources, market outreach and expertise for the development of a viable ammonia supply chain.

4. Sembcorp, Chiyoda and Mitsubishi MOU

On October 4, 2021, Sembcorp, Chiyoda and Mitsubishi signed a strategic MOU to explore the feasibility and implementation of a commercial-scale supply chain to deliver decarbonised hydrogen into Singapore, utilising Chiyoda's proven hydrogen storage and transportation technology "SPERA Hydrogen™" (Project).

With the initial feasibility study completed, the three parties are progressing to a Pre-FEED study, laying the foundation for a final investment decision for the Project.

When operational, the Project is expected to be the single largest decarbonised hydrogen import project in Asia with a capacity of approximately 60 kilo-tonnes per annum. This is equivalent to generating about one million megawatt-hour of renewable energy, which would double the current output from existing renewable capacity in Singapore.

The Project will utilise a proprietary liquid organic hydrogen carrier technology to transport decarbonised hydrogen from offshore locations such as Australia and the Middle East to Singapore.

Located on Jurong Island, the Project will leverage synergies with Sembcorp's gas-fired power generation facilities. The targeted commercial operational date is in 2026.

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ABOUT SEMBCORP INDUSTRIES

Sembcorp Industries (Sembcorp) is a leading energy and urban solutions provider, driven by its purpose to do good and play its part in building a sustainable future.

Headquartered in Singapore, Sembcorp leverages its sector expertise and global track record to deliver innovative solutions that support the energy transition and sustainable development. By focusing on growing its Renewables and Integrated Urban Solutions businesses, it aims to transform its portfolio towards a greener future and be a leading provider of sustainable solutions.

Sembcorp has a balanced energy portfolio of 16.6GW, with 7.1GW of renewable energy capacity comprising solar, wind and energy storage globally. The company also has a proven track record of transforming raw land into sustainable urban developments, with a project portfolio spanning over 13,000 hectares across Asia.

Sembcorp is listed on the main board of the Singapore Exchange. It is a constituent stock of the Straits Times Index and sustainability indices including the FTSE4Good Index and the iEdge SG ESG indices. For more information, please visit www.sembcorp.com.