

PRESS RELEASE

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SEMBCORP SIGNS MEMORANDUM OF UNDERSTANDING TO EXPAND SEAWATER DESALINATION CAPACITY IN THE UAE

SINGAPORE, June 28, 2010 - Sembcorp Industries (Sembcorp) is pleased to announce that its wholly-owned subsidiary, Sembcorp Utilities, has signed a Memorandum of Understanding (MOU) with the Abu Dhabi Water and Electricity Authority (ADWEA) in the UAE to develop and build a new seawater reverse osmosis facility with potable water production capacity of around 30 million imperial gallons per day (MIGD). When developed, the new reverse osmosis plant will enhance Sembcorp's total seawater desalination capacity in the UAE from 100 MIGD to 130 MIGD.

The new seawater reverse osmosis facility is expected to be located on the same site as the Fujairah 1 Independent Water and Power Plant (IWPP), the largest operating hybrid desalination plant in the world, owned by Emirates Sembcorp Water & Power Company. Emirates Sembcorp Water & Power Company is a joint venture between Sembcorp Gulf Holding Co and Union Power Holding Company, subsidiaries of Sembcorp Utilities and ADWEA respectively.

Expected to cost approximately US\$200 million and to be operational before end 2013, the water output of the new reverse osmosis facility is expected to be sold to the Abu Dhabi Water and Electricity Company (ADWEC) under a 20-year Water Purchase Agreement. This is in addition to the 22-year Power and Water Purchase Agreement for the current water and electricity output from the Fujairah 1 IWPP to ADWEC.

Mr Tang Kin Fei, Group President & CEO of Sembcorp, said, "We are pleased to take our strong relationship with our partner ADWEA a step further with the planned development of the new reverse osmosis plant. This new development will increase our water capacity and enable us to serve the growing needs for water in the UAE."

Besides the Fujairah 1 IWPP, Sembcorp has also established a second beachhead in the Middle East with an investment to develop, build, own and operate a combined power and desalination plant in Salalah, Oman. The Salalah plant, with a gross power capacity of 490 megawatts and a seawater desalination capacity of 15 MIGD, is expected to begin full commercial operations in the first half of 2012.

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ABOUT SEMBCORP INDUSTRIES

Sembcorp Industries is a leading energy, water and marine group. With facilities with over 5,200 megawatts of power capacity and over four million cubic metres of water per day in operation and under development, Sembcorp is a trusted provider of essential energy and water solutions to customers in Singapore, China, India, Vietnam, the UK, Oman and the UAE.

Aside from its energy and water business, the Sembcorp Industries Group also encompasses a world leader in marine & offshore engineering, as well as an established provider of environmental services and developer of integrated townships and industrial parks. The Group has total assets of over S\$9 billion and employs more than 6,700 employees. Listed on the main board of the Singapore Exchange, it is a component stock of the Straits Times Index and several MSCI indices.

Note to Editors:

Following a 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 brand name in itself, and it is therefore incorrect to refer to our company as “Sembawang”, “Sembawang Corporation” or similar.