

PRESS RELEASE

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SEMBCORP EXTENDS ITS INDUSTRIAL WASTEWATER TREATMENT BUSINESS TO THE CAOFEIDIAN CHEMICAL INDUSTRIAL PARK IN HEBEI, CHINA

Singapore, December 19, 2013 – Sembcorp is pleased to announce that it will be developing a new industrial wastewater treatment plant in the Caofeidian Chemical Industrial Park in Hebei province, China.

Through its wholly-owned subsidiary, Sembcorp (China) Holding Co, the company has entered into an agreement to set up an 80-20 joint venture with Tangshan Caofeidian Yongtai Industry Co, a wholly-owned entity of the Caofeidian Industrial Zone Administrative Committee. The joint venture company, Sembcorp Caofeidian Water Co, will build, own and operate an industrial wastewater treatment plant to serve customers in the chemical industrial park. Targeted to begin operations in late 2015, this wastewater treatment facility will have an initial capacity of 10,000 cubic metres per day and have advanced capabilities to treat high concentration industrial wastewater and high oil content industrial wastewater.

The Caofeidian Chemical Industrial Park is a petrochemical and coal-to-chemicals industrial park that is part of an industrial zone enjoying strong support from the central government. Strategically located along the coast of Hebei province, it is also at the centre of the Bohai Bay Economic Rim, widely considered one of China's three centres of economic growth alongside the Pearl River and Yangtze River Deltas. The chemical industrial park has close proximity to Tangshan City, which is rich in coal and oil, as well as to a deep water port for the transport of crude oil, coal, iron ore and bulk cargo.

Sembcorp's joint venture has secured a 30-year exclusive concession agreement to provide wastewater treatment services within a 32-square kilometre area in the chemical industrial park. In addition, it has already secured binding letters of intent from two key customers. This project leverages on Sembcorp's experience and track record in serving the specialised wastewater treatment needs of companies on industrial sites. In China alone, Sembcorp's industrial wastewater business is currently present in six key industrial sites.

Alan Yau, CEO of Sembcorp China, said, “We are honoured that once again, Sembcorp has been recognised as a vital partner in providing water and wastewater solutions to support China’s industrial expansion plans. We look forward to serving the Caofeidian Chemical Industrial Park’s demand for advanced, effective water and wastewater treatment solutions, and to supporting the growth of the site into a thriving petrochemical and coal-to-chemicals centre.

“With the central government’s growing emphasis on greater environmental protection, Sembcorp’s solutions can also contribute to greater sustainability in the Beijing, Tianjin and Hebei region. Our centralised treatment model, strong technical strength and impeccable operating track record would enable the region to pursue development, but not at the expense of the environment.”

The joint venture’s total investment in the project of around RMB 108.3 million (approximately S\$22.4 million) will be funded through a mixture of internal sources and external borrowings. Sembcorp’s equity investment in the project of approximately RMB 35 million (S\$7.2 million) will be funded through internal sources.

This project is not expected to have a material impact on the earnings per share and net asset value per share of Sembcorp Industries for the current financial year.

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ABOUT SEMBCORP INDUSTRIES

Sembcorp Industries is a leading energy, water and marine group operating across six continents worldwide. With facilities of over 5,900 megawatts of gross power capacity and over eight million cubic metres of water per day in operation and under development, Sembcorp is a trusted provider of essential energy and water solutions to both industrial and municipal customers. It is also a world leader in marine and offshore engineering as well as an established brand name in urban development.

The Group has total assets of over S\$13 billion and employs over 9,000 employees. Listed on the main board of the Singapore Exchange, it is a component stock of the Straits Times Index and several MSCI and FTSE indices.

ABOUT SEMBCORP IN CHINA

Sembcorp has invested in the China market for close to two decades and its presence spans 15 provinces across the country.

The Group has the expertise to provide essential utilities like energy, water and wastewater treatment, as well as urban development solutions such as sustainable, self-sufficient townships, to support China's continued growth. In addition, its commitment to sustainability is aligned with the strong emphasis on environmental protection in China's 12th Five-year Plan.

In Hebei province alone (where Caofeidian is located), Sembcorp's utilities business currently operates in Tianjin, Yanjiao and Huanghua.

Note to Editors: 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.