

PRESS RELEASE



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SEMBCORP ACQUIRES POWER ASSETS IN CHINA FOR US\$85.5 MILLION AND GROWS RENEWABLE ENERGY PORTFOLIO

- **Sembcorp's first wind power assets, a significant milestone in its strategy to grow its renewable energy capabilities**

SINGAPORE, May 7, 2012 – Sembcorp Industries (Sembcorp) today announces that its wholly-owned subsidiary, Sembcorp Utilities, has signed a sale and purchase agreement with The AES Corporation (AES) to acquire part of its power asset portfolio in China for US\$85.5 million (equivalent to approximately S\$106.7 million).

The acquisition includes a 49% stake in four wind power assets owned through AES Huanghua, AES Hulunbeier Wind Power Co., AES Xinba'erhu Wind Power Co. and AES Chenba'erhu Wind Power Co., as well as a 25% stake in a coal-fired power plant owned through AES China Corp. The AES Corporation is a global power company listed on the New York Stock Exchange (NYSE: AES).

Commenting on the transaction, Tang Kin Fei, Group President & CEO of Sembcorp, said, "This acquisition strengthens our global energy portfolio and provides a platform to accelerate Sembcorp's growth in the renewable energy sector. As a responsible energy player, Sembcorp aims to have a portfolio of high efficiency thermal and renewable power generation assets including a growing component of low carbon capacity. With this acquisition, our renewable energy capabilities will now include wind in addition to biomass.

“We are excited about the growth prospects and immense opportunities that this acquisition will bring to Sembcorp. We now have our first wind power assets in China, an important foothold to tap into the fast-growing and largest wind power market in the world. At the same time, this transaction is set to further extend Sembcorp’s presence in China as an established energy and water player. With the inclusion of Inner Mongolia and Shanxi, we will have utilities operations in 11 provinces across the country.”

The wind power assets comprise three wind power plants in Inner Mongolia and one wind power plant in Hebei with a total gross power capacity of 247.5 megawatts. These wind power plants are currently owned through four 49%-owned Equity Joint Ventures with Chinese partner, Guohua Energy Investment Co. (Guohua). Guohua is one of the top wind power companies in China and is owned by Shenhua Group Corporation, a listed state-owned enterprise and the largest coal company in China as well as the largest coal supplier in the world.

As part of the transaction, Sembcorp will also acquire a 25% stake in a Cooperative Joint Venture, which owns, operates and manages a 2,100-megawatt coal-fired power plant in the province of Shanxi. The Cooperative Joint Venture expires in 2016.

The aggregate total of Sembcorp’s share of the net assets of the operating joint venture companies, based on the companies’ audited accounts and management accounts for the financial year ended December 31, 2011 (prepared using PRC GAAP), is RMB1,274 million (approximately S\$252 million).

The offer price was arrived at based on bilateral negotiations with AES. Sembcorp will fund the acquisition through internal resources. The acquisition is expected to be accretive to earnings from the first year of the acquisition.

The table below summarises the interests acquired by Sembcorp.

Name of subsidiary to be acquired	Name of joint venture company (JV Co) owned by subsidiary	Effective interest in JV Co	Type of plant / Gross capacity	Location	Commercial operation date
AES Huanghua	Guohua AES (Huanghua) Wind Power Co.	49%	Wind power plant / 99MW	Hebei	Phase 1: 2009; Phase 2: 2010

AES Hulunbeier Wind Power Co.	Guohua AES (Hulunbeier) Wind Power Co.	49%	Wind power plant / 49.5MW	Inner Mongolia	2007
AES Xinba'erhu Wind Power Co.	Guohua AES (Xinba'erhu) Wind Power Co.	49%	Wind power plant / 49.5MW	Inner Mongolia	2010
AES Chenba'erhu Wind Power Co.	Guohua AES (Chenba'erhu) Wind Power Co.	49%	Wind power plant / 49.5MW	Inner Mongolia	2012 (February)
AES China Corp	Yangcheng International Power Generating Co.	25%	Coal-fired power plant / 2,100 MW	Shanxi	2002

The transaction is expected to be completed in the second half of 2012 upon the satisfaction of certain conditions precedent, including approval by China's relevant authorities. This transaction is not expected to have a material impact on the earnings per share and net asset value per share of Semcorp Industries for the current financial year.

None of the directors or substantial shareholders of Semcorp has any interest, direct or indirect, in the above transaction.

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ABOUT THE RENEWABLE ENERGY MARKET IN CHINA

The Chinese government has an overall energy objective under the twelfth Five-Year Plan to steadily increase the country's proportion of energy produced from renewable sources. It pledges to have 15% of its energy from renewable sources by 2020, with non-hydro renewable energy targeted to reach 3% by 2020. As a testament to the Chinese government's commitment to its renewable energy target, China has become the world's largest investor in renewable energy sources, investing more than RMB300 billion in renewable energy sources in 2010.

With regard to wind energy, the Chinese government has set a target of 150 gigawatts of installed wind capacity by 2020. A major part of the Chinese government's commitment to wind power also involves the creation of seven 'gigawatt-scale wind power bases', of which parts of Inner Mongolia and Hebei are two of the seven selected bases. According to the China Wind Energy Association, China is currently the world's largest wind power market with 62.4 gigawatts of wind power capacity installed by end 2011, an increase of 39.4% year-on-year.

ABOUT SEMBCORP INDUSTRIES

Sembcorp Industries is a leading energy, water and marine group operating across six continents worldwide. With facilities with 5,600 megawatts of gross power capacity and over seven 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 integrated urban development.

Sembcorp has the ability to produce energy from a diversity of fuels including natural gas, coal and renewable sources. The Group owns and operates the UK's first large scale wood-fuelled renewable energy project, and a woodchip-fuelled biomass steam production plant in Singapore.

In China, Sembcorp has an established presence in water and wastewater treatment operations in 12 cities across nine provinces, serving both industrial and municipal customers, as well as a cogeneration power plant in Shanghai.

The Group has total assets of over S\$11 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, several MSCI and FTSE indices as well as the Dow Jones Sustainability Asia Pacific Index.

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.

Map of Power Assets Acquired by Sembcorp

