

NOT FOR PUBLICATION OR RELEASE OR DISTRIBUTION DIRECTLY OR INDIRECTLY IN WHOLE OR IN PART IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, SOUTH AFRICA, REPUBLIC OF IRELAND OR JAPAN OR ANY JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL.

SEMBCORP SALALAH LAUNCHES INITIAL PUBLIC OFFERING

- *An established operator backed by government support, strong predictability of cash flows and experienced Project Sponsors*
 - *Subscription is now open for Oman's biggest IPO so far in 2013*

Muscat, 28 August 2013 – Sembcorp Salalah Power & Water Company SAOG (under transformation) (Sembcorp Salalah or the Company), a leading power and water company based in the Dhofar Governorate of Oman, today launched its Initial Public Offering (IPO) of 33,410,019 existing ordinary shares, representing 35% of the issued share capital of Sembcorp Salalah. Shares are priced at OMR 1.590 per ordinary share. The IPO is now open for subscription until 26 September 2013.

The IPO is expected to raise around OMR 53 million, which would make it the biggest share offer in Oman so far in 2013. The existing shareholders, Sembcorp Utilities, Oman Investment Company (OIC) and BDCC Investment Company, are required to undertake this IPO and make 35% of the Company's shares available to the public as the IPO is a condition under the Project Founders' Agreement.

Highlights:

- IPO of 35% of the issued share capital of Sembcorp Salalah
- Offer runs from 28 August 2013 to 26 September 2013
- Offer open to individual investors, juristic persons and institutions within Oman, and to non-Omani investors outside of US, Canada, Australia, South Africa, Republic of Ireland and Japan
- Shares priced at OMR 1.590 per share
- Offer size of OMR 53 million
- Market capitalisation on listing of OMR 152 million
- First day of trading expected to be around 10 October 2013
- Further information available from the Issue Manager, HSBC Bank Oman SAOG; the following Collecting Banks: Bank Muscat, Oman Arab Bank, National Bank of Oman and Bank Dhofar; as well as at a dedicated IPO website: www.sembcorpssalalah.com.om/ipo

NOT FOR PUBLICATION OR RELEASE OR DISTRIBUTION DIRECTLY OR INDIRECTLY IN WHOLE OR IN PART IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, SOUTH AFRICA, REPUBLIC OF IRELAND OR JAPAN OR ANY JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL.

Commenting on the launch, Mr Lim Yeow Keong, Chief Executive Officer of Sembcorp Salalah, said, “We are pleased to offer the public the unique opportunity to invest in Sembcorp Salalah. With an established operation backed by strong government support, our Company allows our shareholders to benefit from a stable business model and strong predictability of cash flows, as well as future growth opportunities. It’s a very exciting time for us as we look forward to welcoming new shareholders into the Company.”

Mr Tang Kin Fei, Group President & CEO of Sembcorp Industries and Chairman of Sembcorp Salalah, said, “We are delighted to launch the next stage in Sembcorp Salalah’s development now that we have successfully delivered this plant, which is expected to play a major role in meeting the region’s growing power and water demand for many years to come. Sembcorp Salalah is a world-class operator that benefits from the proven track record of Sembcorp as an established developer, owner and operator of large-scale power and water projects worldwide, and the regional knowledge and experience of OIC. As a long-term shareholder of the Company, we look forward to welcoming new shareholders on board with us.”

Mr Kalat Al-Bulooshi, CEO of OIC and Deputy Chairman of Sembcorp Salalah, commented, “Sembcorp Salalah makes a valuable contribution to Oman through the provision of power and water to the people of Dhofar. This IPO is a great opportunity for Omanis to own a part of the Company, and to be an integral part of the future of both Sembcorp Salalah and the development of Dhofar.”

About the IPO

- The offer period will commence on 28 August 2013 and end on 26 September 2013 at the end of the working hours of the Collecting Banks. It is proposed that the shares will be admitted to trading on the Muscat Securities Market on or around 10 October 2013.
- The offer is open to Omani and non-Omani individual investors, juristic persons and institutions through two categories.

NOT FOR PUBLICATION OR RELEASE OR DISTRIBUTION DIRECTLY OR INDIRECTLY IN WHOLE OR IN PART IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, SOUTH AFRICA, REPUBLIC OF IRELAND OR JAPAN OR ANY JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL.

- The minimum subscription for Category I investors is 100 shares and in multiples of 100 shares thereafter. For Category II investors, the minimum subscription is 50,100 shares and in multiples of 100 shares thereafter.
- The maximum subscription for Category I investors is 50,000 shares. For Category II investors, the maximum subscription is 10% of the size of the share offer, which equates to 3,341,000 shares.
- Shares are allocated on a proportionate basis and must be 100% pre-funded at the Collecting Banks at the time of subscription.
- The IPO Prospectus, Articles of Association and Application Forms will be available from the following Collecting Banks throughout the offer period: Bank Muscat, Oman Arab Bank, National Bank of Oman and Bank Dhofar. There is also an IPO section on the Sembcorp Salalah website www.sembcorpsalalah.com.om/ipo, which contains information about the Company and the IPO as well as downloadable copies of the IPO Prospectus and the summary Offer Pamphlet.

About Sembcorp Salalah:

- Sembcorp Salalah developed, owns and operates an electricity generation and seawater desalination plant, the Salalah Independent Water and Power Plant, located between Taqah and Mirbat in Oman. The plant is located approximately 50 kilometres from Salalah, the administrative town in the Dhofar Governorate.
- The plant has been in full commercial operation since 25 May 2012 and has a contracted power capacity of 445 megawatts (MW) and a contracted water capacity of 15 million imperial gallons per day (MiGD). It consists of a gas-fired combined cycle power plant and a reverse osmosis seawater desalination plant.
- As of the date of this announcement, Sembcorp Salalah supplies approximately 72% of the power dispatch and 100% of the net installed water capacity of the Dhofar Governorate.
- The Company has invested approximately US\$1 billion to develop, finance, build, own and operate the plant. It generates its revenues in accordance with a 15-year power and

NOT FOR PUBLICATION OR RELEASE OR DISTRIBUTION DIRECTLY OR INDIRECTLY IN WHOLE OR IN PART IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, SOUTH AFRICA, REPUBLIC OF IRELAND OR JAPAN OR ANY JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL.

water purchase agreement (PWPA) with the Oman Power and Water Procurement Company (OPWP), which is indirectly wholly-owned by the Omani government.

- As the largest and most energy-efficient power and water plant in the Dhofar Governorate, the Salalah Independent Water and Power Plant is expected to play a major role in meeting the growing power and water demand of the region into the foreseeable future and beyond.
- Sembcorp Salalah is currently 60% owned by Sembcorp Utilities, a wholly-owned subsidiary of Singapore-based Sembcorp Industries, 35% owned by OIC and 5% owned by BDCC Investment Company.

Business Highlights:

Strong predictability of stable cash flows:

- Sembcorp Salalah has strong predictability of cash flows that are not affected by the amount of power and water actually required by OPWP as the Company is paid on an availability basis, based on the power and water that is made available.
- Under the PWPA, Sembcorp Salalah is entitled to receive capacity charges from OPWP for 100% of the available power and water capacity of the plant, which comprise approximately 90% of the total revenue of Sembcorp Salalah. These capacity charges are payable by OPWP regardless of whether the actual output of the plant is dispatched by OPWP.

Well-established contractual framework:

- Sembcorp Salalah's project represents one of 12 independent power and/or water production projects to be implemented by the government through OPWP on a "build, own and operate" basis and benefits from a well-established contractual framework.

NOT FOR PUBLICATION OR RELEASE OR DISTRIBUTION DIRECTLY OR INDIRECTLY IN WHOLE OR IN PART IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, SOUTH AFRICA, REPUBLIC OF IRELAND OR JAPAN OR ANY JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL.

Strong government support and stable revenues due to the strategic importance of both the industry and project:

- The power and water sectors are of high strategic importance to the Dhofar Governorate and Oman as a whole. As of July 2013, the plant's capacity constitutes approximately 72% of the power dispatch and 100% of the net installed water capacity of the Dhofar Governorate.
- Given the projected growth in electricity and water demand, the plant is expected to remain critical to the continued supply of power and water in the Dhofar Governorate in the long term.

Fully operational project with minimal operating risk:

- The plant is completed and has been in full commercial operation for over 14 months. In addition, Sembcorp Salalah benefits from minimal operating risk as its operator, Sembcorp Salalah O&M Services Company (Sembcorp Salalah O&M), is a joint venture indirectly owned by the Project Sponsors, Sembcorp Utilities and OIC, creating an alignment of interests which ensures that the plant is operated efficiently.
- Sembcorp Salalah O&M is managed locally and benefits from the procedures and expertise of Sembcorp Utilities, which is well established in the region and has a demonstrated track record of running similar plants, with facilities of over 5,900 MW of power capacity and over 1,500 MiGD of water in operation and under development globally.

Excess capacity and outage allowance to ensure an extended plant lifespan:

- Management believes that the excess of actual capacity over the contracted capacity of the plant will more than compensate for the estimated degradation of the plant over the term of the PWPA.
- The PWPA also allows Sembcorp Salalah to perform maintenance on the power plant at designated off-peak periods of the year. This contemplated maintenance is likely to

NOT FOR PUBLICATION OR RELEASE OR DISTRIBUTION DIRECTLY OR INDIRECTLY IN WHOLE OR IN PART IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, SOUTH AFRICA, REPUBLIC OF IRELAND OR JAPAN OR ANY JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL.

extend the lifespan of the plant and delay the degradation of its electricity and desalinated water capacity.

Mitigation of fuel risks:

- Under the natural gas sales agreement between Sembcorp Salalah and the Ministry of Oil & Gas, the plant has mitigated risks associated with gas quality, gas supply and gas price. In the event that natural gas is not available, and provided that Sembcorp Salalah is not in breach of its obligations regarding the operations of the plant, Sembcorp Salalah is still entitled to receive its incremental costs for the use of diesel from the Ministry of Oil & Gas and capacity charges from OPWP.

Extensive experience of the Project Sponsors:

- Sembcorp Salalah benefits from the extensive water and energy experience of the Project Sponsors. Sembcorp Utilities is a leading energy, water and on-site logistics group with a strong track record in identifying, securing, financing and executing energy and water projects and has a number of strategic relationships and long-term partnerships with multinational customers. OIC is a private equity investment company with strong experience of investing in the region and a diversified portfolio of investments in the oil and gas, petrochemical, construction and manufacturing sectors in Oman.
- The project is strategically important to the Project Sponsors, who provide Sembcorp Salalah with technological and management capabilities and expertise that are critical to its operational success.

Experienced and skilled operational personnel:

- Sembcorp Salalah has the advantage of well-trained and experienced personnel, who bring extensive management expertise and the knowledge sharing of know-how accumulated through decades of experience. Sembcorp Salalah personnel are also able to attend training and off-site sessions with personnel of the Project Sponsors around the world in order to share and exchange knowledge and best practices.

NOT FOR PUBLICATION OR RELEASE OR DISTRIBUTION DIRECTLY OR INDIRECTLY IN WHOLE OR IN PART IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, SOUTH AFRICA, REPUBLIC OF IRELAND OR JAPAN OR ANY JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL.

Opportunities for incremental revenue growth:

- Sembcorp Salalah has two key opportunities for incremental growth of revenues:
 - i. The expansion of existing facilities to deliver additional desalinated water capacity, in line with the current government policy to minimise use of groundwater, and
 - ii. The sale of current excess power capacity.

- END -

Media contacts

Maurizio Monte

John Hobday

Vadia Rai

MPiRe

FTI Consulting

FTI Consulting

T: +968 9521 4290

T: +971 50 464 8706

T: +971 50 709 6545

maurizio@mpireglobal.net john.hobday@fticonsulting.com vadia.rai@fticonsulting.com

About Sembcorp Salalah Power & Water Company

Sembcorp Salalah Power & Water Company SAOG (under transformation) owns and operates an electricity generation and seawater desalination plant, the Salalah Independent Water and Power Plant, located between Taqah and Mirbat in Oman. The plant is located approximately 50 kilometres from Salalah, the administrative town in the Dhofar Governorate.

The plant has been in full commercial operation since May 2012 and consists of a gas-fired combined cycle power plant with a contracted power capacity of 445 megawatts and a seawater desalination plant that employs reverse osmosis technology to produce 15 million imperial gallons of water per day.

NOT FOR PUBLICATION OR RELEASE OR DISTRIBUTION DIRECTLY OR INDIRECTLY IN WHOLE OR IN PART IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, SOUTH AFRICA, REPUBLIC OF IRELAND OR JAPAN OR ANY JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL.

It provides power and water under a 15-year power and water purchase agreement with the Oman Power and Water Procurement Company SAOC, which is indirectly wholly-owned by the Government of Oman. Sembcorp Salalah has invested approximately US\$1 billion to develop, finance, build, own and operate the Salalah Independent Water and Power Plant.

For more information in relation to Sembcorp Salalah, please visit www.sembcorpsalalah.com.om.

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 seven million cubic metres (1,500 million imperial gallons) of water per day in operation and under development globally, 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 more than 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, several MSCI and FTSE indices as well as the Dow Jones Sustainability Asia Pacific Index.

For more information in relation to Sembcorp, please visit www.sembcorp.com.

About Oman Investment Corporation

Oman Investment Corporation (OIC) is a private equity company based in Muscat. OIC owns 35% of Sembcorp Salalah (pre-IPO).

OIC has a diversified portfolio of investments in the oil and gas, petrochemical, utilities, construction and manufacturing sectors in Oman. OIC works closely with industrial partners to develop and invest in ventures which transfer technology, know-how and innovation to Oman and provides growth capital to support the development of Omani businesses. Other than the Project, its investment portfolio includes Octal Holding SAOC, V2 Trenching & Co LLC, Gulf International Pipe Industries LLC and Ultra Electronics in collaboration with Oman Investment Corporation LLC.

NOT FOR PUBLICATION OR RELEASE OR DISTRIBUTION DIRECTLY OR INDIRECTLY IN WHOLE OR IN PART IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA, SOUTH AFRICA, REPUBLIC OF IRELAND OR JAPAN OR ANY JURISDICTION IN WHICH THE SAME WOULD BE UNLAWFUL.

For more information in relation to OIC, please visit www.omanincorp.com.

About BDCC Investment Company

BDCC is a Cayman Islands-incorporated company managed by Instrata, an asset management firm which was established in Bahrain in February 2007 and specialises in infrastructure investment in the MENA region. Instrata's strategy is to identify, structure and manage, on behalf of its investors, infrastructure investments fundamental to regional economic development. Instrata is regulated by the Central Bank of Bahrain as a Business Investment Firm holding Licence Category 2.

Instrata's team of investment professionals has broad international and regional infrastructure investment experience having invested and/or advised in excess of US\$180 billion of infrastructure projects. Instrata is backed by leading regional shareholders such as the Kuwait Investment Company SAK (a subsidiary of the Kuwait Investment Authority) and SAGE Capital Management Group WLL.

For more information in relation to Instrata, please visit www.instrata.com.