

PRESS RELEASE

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THERMAL POWERTECH CORPORATION INDIA SECURES 8-YEAR POWER PURCHASE AGREEMENT WITH TELANGANA POWER DISTRIBUTION COMPANIES**- Signed Long-Term Power Purchase Agreement with Telangana for 570 Megawatts**

Hyderabad, February 18, 2016 – Sembcorp Industries (Sembcorp) is pleased to announce that Thermal Powertech Corporation India (TPCIL), which owns and operates a 1,320-megawatt coal-fired power plant in Krishnapatnam in Andhra Pradesh's SPSR Nellore district has signed a long-term power purchase agreement (PPA) with the Telangana Power Distribution Companies. Under the power purchase agreement, 570 megawatts of power will be sold to the Southern and Northern Power Distribution Companies of Telangana for a period of eight years.

Together with the 500 megawatts of power supplied to the Andhra Pradesh and Telangana Power Distribution Companies under a 25-year power purchase agreement, TPCIL has secured more than 85 percent of its net total generating capacity under long-term power purchase agreements. The approximately US\$1.5 billion coal-fired power plant, which has a total capacity of 1,320 megawatts, completed its first 660-megawatt unit in March 2015 and second 660-megawatt unit in September 2015. The plant is more efficient and environmentally-friendly compared to conventional coal-fired power plants as it uses supercritical technology.

Atul Nargund, CEO of TPCIL, said, "We are pleased to sign this long-term PPA with a progressive state such as Telangana. With this PPA, we have achieved our goal of securing at least 85 percent of our generating capacity on a long-term basis. With this, TPCIL is now eligible for mega power status. In addition, operationally the plant is performing well and achieving good plant load factors."

The signing of the agreement is not expected to have a material impact on the earning 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 five continents worldwide. With facilities of over 10,600 megawatts of gross power capacity and close to nine 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.

In India, Sembcorp has a balanced portfolio of thermal and renewable assets with over 3,500 megawatts of power capacity in operation and under development in seven states. The 2,640-megawatt Sembcorp Gayatri Power Complex in Andhra Pradesh houses two identical supercritical thermal power plants: Thermal Powertech Corporation India (TPCIL), and NCC Power Projects (NCCPP). Sembcorp's renewable energy portfolio in India, operated through Sembcorp Green Infra, consists of over 900 megawatts of wind and solar power assets in six states across the southern, western and central regions of India.

The Group has total assets of S\$20 billion and employs over 7,000 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.