



SEMBCORP INCREASES STAKE IN ITS SECOND THERMAL POWER PROJECT IN INDIA

Singapore, March 15, 2016 – Sembcorp Industries (Sembcorp) announces that its shareholding in NCC Power Projects, which has been renamed Sembcorp Gayatri Power, will increase from 49% to 88% with a combination of purchase of shares from NCC Infrastructure Holdings (NCCIHL) in two tranches and the conversion of Fully and Compulsory Convertible Debentures fully owned by Sembcorp to shares. The remaining 12% shares will be held by Gayatri Energy Ventures (GEV) through NCCIHL. The transaction is expected to complete in the second quarter of 2016. GEV currently has an option to purchase additional shares in Sembcorp Gayatri Power from Sembcorp, which if exercised, will increase GEV's stake up to 18%.

The purchase of shares will amount to approximately Rs 650 crores (approximately S\$134 million), and will be financed by a mix of internal funds and borrowings. The amount was arrived at taking into account the par value of shares and carrying cost.

Sembcorp Gayatri Power owns and is developing a 1,320-megawatt supercritical coal-fired plant located within Sembcorp's power complex in Krishnapatnam in Andhra Pradesh's SPSR Nellore District, India. As Sembcorp's second thermal power plant in India, the facility is expected to be completed in phases in 2016.

The transaction is not expected to have a material impact on the earnings per share and net asset value per share of Sembcorp Industries for the financial year ending December 31, 2016.