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Sembcorp Signs Agreement to Develop the Largest Gas-Fired Independent Power Plant in Myanmar

Myanmar, Dec 07, 2015

Sembcorp Industries (Sembcorp) is pleased to announce that its wholly-owned subsidiary, Sembcorp Utilities, has today signed a memorandum of agreement with Myanmar's Department of Electric Power Planning (DEPP), under the Ministry of Electric Power of Myanmar (MOEP), to invest in and develop a 225-megawatt gas-fired power plant in central Myanmar.

The agreement was signed by Tan Cheng Guan, Executive Vice President & Head of Group Business Development & Commercial of Sembcorp Industries, and U Khin Maung Win, Director General of DEPP, in the presence of senior government officials of Myanmar. The signing of the memorandum of agreement followed Sembcorp's receiving the notice of award to develop and operate the power plant in April this year.

Located in the Myingyan district of the Mandalay division, the US\$300 million power plant is set to be the largest gas-fired independent power plant in Myanmar. Utilising the most efficient technologies, the plant will be able to maximise power output while minimising emissions. When completed, the new facility will help to ease the country's severe power deficit.

The build-operate-transfer project was awarded after an international bidding process called by Myanma Electric Power Enterprise (MEPE), a division under MOEP, and advised by International Finance Corporation of the World Bank Group. Sembcorp will have an 80% stake in this project, while its partner MMID Utilities will hold the remaining 20%. Expected to be completed in 2018, the project will supply power to MEPE under a 22-year power purchase agreement (PPA), with MOEP guaranteeing MEPE's obligations under the PPA.

Mr Tan said, "Sembcorp is pleased to be embarking on this project, which is our first investment in Myanmar. This new facility will provide a reliable source of power which is integral to the country's economic development. At the same time, it gives us a foothold to potentially develop other businesses in the country, such as water and urban development. We look forward to working closely with MOEP on this project."

A project company, Sembcorp Myingyan Power Company, has been incorporated in Myanmar to undertake the development of this project. The total project investment of approximately US\$300 million is expected to be funded through a mix of limited recourse project financing and equity. Financial close of the project is expected in the first half of 2016.

This signing of the agreement 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, 2015.

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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 close to 8,800 megawatts of gross power capacity and over 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.

The Group has total assets of over S\$19 billion and employs over 8,000 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.