



SEMBCORP ACQUIRES UK'S LARGEST FLEXIBLE DISTRIBUTED ENERGY GENERATOR

Sembcorp Industries (Sembcorp) has today (31 May 2018) reached an agreement to acquire the business and assets of Solihull-based UK Power Reserve (UKPR), the UK's largest flexible distributed energy generator for £216 million.

The deal gives Sembcorp an additional capacity of over 1,000 megawatts (MW) in the UK, where it currently supplies energy, centralised utilities and services to industrial firms on Teesside.

UKPR's highly flexible distributed energy generating assets are spread across 32 locations in England and Wales and comprise 533 MW in operation with a further 480 MW in construction and development expected to come online by 2019.

They include small-scale, fast-ramping power generation units and the development of 120MW of rapid response battery storage – one of the biggest portfolios in Europe. Connected at the distribution level close to customer need, UKPR's assets help supplement renewable power supplies and add resilience to the national grid by providing high-value rapid response ancillary services to balance the system. This role is increasingly needed in the UK power market today given the closure of older thermal plants and the growth of renewable energy sources, which face intermittency.

Today's move gives Sembcorp an important foothold in distributed energy generation – the fastest growing sector in the UK power market - and also strengthens its UK merchant energy capabilities. The addition of UKPR to Sembcorp's UK portfolio will create a strong integrated energy business, poised for further growth. UKPR's merchant energy capabilities, together with Sembcorp's existing business on Teesside, will allow Sembcorp to better meet the needs of a fast-changing energy market.

Nomi Ahmad, Head of Sembcorp's UK utilities business, said: "Sembcorp is delighted to have secured this exciting business, which deepens our presence in the UK considerably and provides major opportunities for further expansion. UKPR and Sembcorp's existing Teesside business will form a strong integrated energy business in the UK, combining centralised services at Wilton with multiple flexible assets across the country along with expertise across the full spectrum of UK energy markets."

Sembcorp UK currently has 210MW of generation capacity at Wilton International industrial site in Teesside, comprising Combined Heat and Power, steam power and renewable generation to service energy-intensive industrial and commercial customers. Sembcorp UK is also seeking UK planning approval to develop two combined cycle gas turbine units of up to 1,700 megawatts at Wilton.

"We are committed to supporting the UK's power needs in line with Government policy and the acquisition of UKPR does exactly that, as would our proposed new power station on Teesside if approved. In addition, UKPR complements our existing operations on Teesside superbly and set us firmly on track for further growth in the UK."

Tim Emrich, who is stepping down as CEO of UKPR, said: "This is an exciting new chapter for UKPR – Sembcorp's investment underlines not only the value of the UK's distributed energy market, but also the strong position that UKPR has built up. The next phase of development is already well underway and integration with Sembcorp opens up huge possibilities for the future."

Sam Wither, UKPR's current Chief Commercial Officer, who is taking over from Mr Emrich as head of UKPR, said: "Sembcorp's coming on board as UKPR's key shareholder is a vote of confidence in our company and team. Moving ahead, UKPR looks forward to growing as part of the Sembcorp Group's integrated energy business in the UK. We will also look to continue the close working relationships we have built with our existing commercial partners over the years."

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For more information, please contact:

Terry Waldron

Corporate Public Relations Manager

Tel; 01642-212385

Email: terry.waldron@sembcorp.com

ABOUT SEMBCORP INDUSTRIES AND ITS BUSINESS IN THE UK

Sembcorp Industries is a leading utilities, marine and urban development group, present across five continents.

As an integrated energy player, Sembcorp is poised to benefit from the global energy transition. With a strong track record in developing and developed markets, it provides solutions across the energy and utilities value chain, with a focus on the Gas & Power, Renewables & Environment and Merchant & Retail sectors. It has a balanced energy portfolio of over 12,000 megawatts, including thermal power plants, renewable wind and solar power assets, as well as biomass and energy-from-waste facilities. In addition, Sembcorp is a world leader in offshore and marine engineering, as well as an established brand name in urban development.

Sembcorp Industries has total assets of over S\$22 billion (£12.3 billion) and over 7,000 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 SGX Sustainability Leaders Index and the Dow Jones Sustainability Asia Pacific Index.

In the UK, Sembcorp has been an established provider of energy, centralised utilities and services to some of the country's largest chemical and process industry firms at the 2,000-acre Wilton International site on Teesside for the past 15 years. With the addition of UK Power Reserve, Sembcorp's UK energy portfolio now includes conventional combined cycle generation, distributed energy generation, rapid response batteries, biomass and energy-from-waste assets.

For more information on Sembcorp visit www.sembcorp.com and www.sembcorp.co.uk

ABOUT UK POWER RESERVE

UK Power Reserve, founded in 2010, is the UK's leading flexible generator, harnessing the power of small-scale, nimble assets sited close to local communities. It delivers essential balancing services to the grid and supports the development of renewable energy generation, providing crucial back up power and helping to smooth peaks and troughs in demand.

For more information on UK Power Reserve visit www.ukpowerreserve.com