

TEMASEK HOLDINGS

NEWS RELEASE

Temasek initiates sale of PowerSeraya

Third and final genco to have 800 MW of co-generation capacity by 2010

7 October 2008, Singapore - Temasek Holdings (Private) Limited ("Temasek") has begun the divestment process for its wholly-owned Singapore power generation company ("genco"), PowerSeraya Ltd ("PowerSeraya"). This follows the sale in early September 2008 of Senoko Power Limited ("Senoko Power") to a consortium known as Lion Power Holdings Pte Limited and the sale of Tuas Power Ltd ("Tuas Power") to SinoSing Power Pte Ltd in March 2008.

PowerSeraya, the third and final genco to be divested by Temasek, has a total licensed generation capacity of 3,100 MW, including 740 MW of gas-fired combined cycle plants, 2,000 MW of oil-fired steam turbine plants and 210 MW of diesel-fired open cycle gas turbine plants. In August 2007, it announced plans to invest in a new 800MW natural gas-fired Co-generation Combined Cycle Power Plant, targeted for completion by 2010.

PowerSeraya accounted for approximately 28% of Singapore's electricity generation units sold in calendar year 2007. For the year ended 31 March 2008, the company had revenues of S\$2,793 million and EBITDA of S\$355 million.

Ms Gwendel Tung, Director, Investment, Temasek Holdings said, "PowerSeraya is a quality asset. The quality is reflected by its strong cashflow, its strategic location in Singapore and able management. This in turn has attracted strong indications of interest from a number of potential bidders. As with the sale of the other two gencos, the sale of PowerSeraya will be subject to acceptable price and commercial terms."

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About Temasek Holdings

Incorporated in 1974, Temasek Holdings is an Asia-centric investment firm headquartered in Singapore. Supported by affiliates and offices around the world, it owns a diversified S\$185 billion (US\$134 billion) portfolio of blue-chip companies and investments as at 31 March 2008, concentrated principally in Singapore, Asia and the OECD economies.

Temasek's investment strategies centre on four themes – Transforming Economies, Growing Middle Class, Deepening Comparative Advantages and Emerging Champions. Its portfolio of companies covers nine major sectors: financial services; telecommunications and media; transportation and logistics; real estate; infrastructure, industrial and engineering; energy and resources; technology; life sciences; and consumer and lifestyle.

Total shareholder return for Temasek since its inception in 1974 has been more than 18% compounded annually in Singapore dollars. It has a corporate credit rating of AAA/Aaa by rating agencies Standard & Poor's and Moody's respectively since 2005.

For further information on Temasek, please visit www.temasek.com.sg

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