

THESE NOTICES ARE IMPORTANT AND REQUIRE THE IMMEDIATE ATTENTION OF BONDHOLDERS. IF BONDHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD SEEK THEIR OWN FINANCIAL ADVICE, INCLUDING AS TO ANY TAX CONSEQUENCES, IMMEDIATELY FROM THEIR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER INDEPENDENT FINANCIAL ADVISER.

THE OFFER MADE BY SIEM INDUSTRIES INC. PURSUANT TO WHICH THE MEETING OF BONDHOLDERS IS BEING CONVENED IS NOT BEING MADE AND WILL NOT BE MADE IN OR INTO THE REPUBLIC OF ITALY. THIS DOES NOT AFFECT THE RIGHT OF BONDHOLDERS IN THE REPUBLIC OF ITALY TO ATTEND AND VOTE (OR APPOINT A PROXY TO ATTEND AND VOTE) AT THE MEETING IN ACCORDANCE WITH THE PROVISIONS OF THE TRUST DEED.

NOTICE OF AN OFFER TO PURCHASE FOR CASH BY

SIEM INDUSTRIES INC.

to the holders (the "Bondholders") of the outstanding

U.S.\$275,000,000 Zero Coupon Limited Recourse Exchangeable Bonds due 2007/2017 (ISIN: NO0010372766) (the "Bonds")

issued by **Siem Industries Inc.** (the "Company")

NOTICE IS HEREBY GIVEN that the Company invites holders of its outstanding Bonds to tender all or part (subject to a minimum of U.S.\$100,000 or an integral multiple of U.S.\$100,000) of its Bonds for purchase by the Company. The Offer is made on the terms and subject to the conditions contained (the "Offer") in an offer memorandum relating to the Bonds dated 4 December 2008 (the "Offer Memorandum").

Subject to invitation and distribution restrictions, Bondholders may obtain a copy of the Offer Memorandum from either the Tender and Tabulation Agent or the Dealer Manager.

The Offer begins on the date of this Notice and expires at 4.00 p.m. (Oslo time) on 29 December 2008, unless extended, re-opened or terminated as provided in the Offer Memorandum. The Early Consent Deadline will be 4:00 p.m. (Oslo time) on 12 December 2008.

In order to be eligible to receive the Early Purchase Price of 73%, Bondholders must validly tender their Bonds at or before the Early Consent Deadline. Bondholders who validly tender their Bonds after the Early Consent Deadline but at or before the Expiration Deadline will be eligible to receive the Purchase Price of 70%.

Bondholders who tender their Bonds pursuant to the Offer will automatically instruct the Tender and Tabulation Agent to vote in favour of the Extraordinary Resolution as set out below. Payment by the Company of the Early Purchase Price or Purchase Price is conditional upon the passing of the Extraordinary Resolution but the Company reserves the right to waive such condition.

None of the Company, the Dealer Manager, the Tender and Tabulation Agent or The Law Debenture Trust Corporation p.l.c. (the "Trustee") makes any recommendation whether Bondholders should tender Bonds in the Offer or otherwise participate in the Offer.

NOTICE OF MEETING OF THE BONDHOLDERS TO BE CONVENED PURSUANT TO, AND AS PART OF, THE OFFER

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of Schedule 1 to the Trust Deed (as defined below) made between, *inter alios*, the Company and the Trustee (as defined below) a meeting (a "Meeting") of the Bondholders convened by the Company will be held at the offices of Clifford Chance LLP at 10 Upper Bank Street, Canary Wharf, London E14 5JJ, United Kingdom on 31 December 2008 at 11:00 a.m. (London time) for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an Extraordinary Resolution, in accordance with the provisions of the trust Deed.

Unless the context otherwise requires, capitalised terms used in this notice shall bear the meanings given to them in the Supplemental Trust Deed (as defined below).

In accordance with normal practice, the Trustee expresses no opinion on the merits of the proposed modifications and amendments contained in the Extraordinary Resolution but has authorised it to be stated that it has no objection to the Extraordinary Resolution being submitted to Bondholders for their consideration.

The text of the Extraordinary Resolution is as follows:

EXTRAORDINARY RESOLUTION

"THAT this meeting of the holders of the outstanding (as such term is defined in the Trust Deed) US\$275,000,000 Zero Coupon Secured Limited Recourse Exchangeable Bonds due 2007/2017 of Siem Industries Inc. (the "Bonds" and the "Company" respectively) constituted by a trust deed dated 12 July 2007 (as amended and supplemented from time to time) (the "Trust Deed") made between the Company and The Law Debenture Trust Corporation p.l.c. (the "Trustee") as trustee for the holders of the Bonds hereby:

(a) assents to the modification of the terms and conditions of the Bonds (the "Conditions");

(i) by the inclusion, immediately after Condition 7(k) (Multiple Notices), of a new Condition 7(l) which provides:

"(l) **Redemption by the Issuer:** The Issuer may redeem the Bonds at any time at or prior to the Long Stop Date at a price equal to the Purchase Price. The Issuer shall give Bondholders notice of not less than ten Business Days and not more than fifteen Business Days notice of the date on which the Bonds will be redeemed pursuant to this Condition 7(l). Such redemption is conditional upon the Issuer having unconditionally and irrevocably accepted (by delivery of the Acceptance of Offers to Sell Notice) all of the Bonds that have been validly offered for sale pursuant to the Offer. Capitalised terms used in this Condition 7(l) and not defined in the Trust Deed shall have the meaning given to them in the Offer Memorandum published by the Issuer dated 4 December 2008";

(ii) by amending the fourth paragraph of Condition 6(a) (*Exchange Period and Exchange Price*) through the addition of the words "or 7(l)" immediately after the words "called for redemption pursuant to Condition 7(b) or 7(c)";

(iii) by amending the fourth paragraph of Condition 6(a) (*Exchange Period and Exchange Price*) through the addition of the words "or 7(l)" immediately after the words "fixed for redemption thereof pursuant to Condition 7(b) or 7(c)"; and

(iv) certain consequential amendments to the Conditions and the Trust Deed, all as set out in the Supplemental Trust Deed (as defined below);

(b) authorises, directs, requests and empowers the Trustee:

(i) to concur in and execute a deed supplemental to the Trust Deed (the "Supplemental Trust Deed") to effect the modifications and amendments referred to in paragraph (a) of this Extraordinary Resolution substantially in the form of the draft produced to this meeting and signed by the chairman of the meeting for the purposes of identification;

(ii) to concur in and to effect the release and discharge of the security granted in favour of the Trustee under the Security Documents (as defined in the Conditions) and the termination of the Security Documents; and

(iii) to concur in, approve, and execute and do all such deeds, instruments, acts and things that may be necessary in the opinion of the Trustee to carry out and give effect to this Extraordinary Resolution;

(c) sanctions and approves every modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of Bondholders necessary to give effect to this Extraordinary Resolution and assents to every modification, variation or abrogation of the Conditions of the Bonds and/or the provisions contained in the Trust Deed involved in or inherent in or effected by the implementation of this Extraordinary Resolution;

(d) authorises and requests the Trustee to concur in taking all steps considered by it in its sole discretion to be necessary, desirable or expedient to carry out and give effect to this Extraordinary Resolution;

(e) discharges and exonerates the Trustee from any and all liability in respect of any act or omission for which it may have become responsible under the Trust Deed and/or the Bonds in connection with this Extraordinary Resolution or its implementation, the amendments and modifications referred to in this Extraordinary Resolution or the implementation of those modifications and amendments; and

Tender and Tabulation Agent

Nordea Bank Norge ASA

Securities Services - Issuers Services, Essendropsgate 7, PO.Box 1166
Sentrum, NO-0107 Oslo, Norway
Telephone: +47 22 48 62 62, Attention: Nordea Issuer Services
Email: issuerservices.no@nordea.com

Dealer Manager

Deutsche Bank AG, London Branch

Winchester House, 1 Great Winchester Street, London EC2N 2DB
United Kingdom
Telephone: +44 (0)20 7545 8011, Attention: Liability Management Group
Email: liability.management@db.com

Issuer

SIEM INDUSTRIES INC.

PO. Box 309, Ugland House
South Church Street, George Town
Grand Cayman KY1-1104
Cayman Islands

(f) acknowledges that capitalised terms used in this Extraordinary Resolution have the same meanings as those defined in the Supplemental Trust Deed, unless the context otherwise requires;

Background

The above Meeting of Bondholders is being convened in accordance with the terms of the Trust Deed in connection with an Offer by the Company to the Bondholders to tender their Bonds. Details of the Offer are contained in the Offer Memorandum, a copy of which (subject to invitation and distribution restrictions) is also available for inspection as indicated below.

Documents Available for Inspection

Bondholders may, at any time during normal business hours on any weekday from the date hereof up to and including 29 December 2008 and at the Meeting and at any adjourned Meeting (and, in each case, for 15 minutes prior thereto), inspect copies of the documents listed below relating to the Bonds at the specified offices of the Tender and Tabulation Agent and at the Meeting and at any adjourned Meeting (and, in each case, for 15 minutes prior thereto). The specified offices of the Tender and Tabulation Agent are set out at the end of this Notice. The documents available for inspection are:

- the Trust Deed dated 12 July 2007;
- the latest draft of the Supplemental Trust Deed referred to in the Extraordinary Resolution set out above;
- subject to invitation and distribution restrictions, a copy of the Offer Memorandum; and
- a copy of the Prospectus pursuant to which the Bonds were issued dated 11 July 2007.

Voting and Quorum

(a) The relevant provisions governing the convening and holding of each Meeting are set out in Schedule 1 to the Trust Deed, a copy of which is available for inspection as referred to above. Unless the context otherwise requires, words and expressions used in this section have the meanings ascribed to them in the Trust Deed.

(b) Bondholders, or the relevant Direct Participant on its behalf, who have sent valid Bond Tender Instructions (each as defined in the Offer Memorandum) pursuant to the Offer need take no further action in relation to voting at the Meeting. By submitting a Bond Tender Instruction, each Bondholder will irrevocably instruct the Tender and Tabulation Agent to appoint two duly authorised representatives of the Tender and Tabulation Agent as its proxies to attend the Meeting and instruct it to vote in favour of the Extraordinary Resolution.

Paragraphs (c) to (f) below apply only to Bondholders who have not submitted Bond Tender Instructions, or have not had Bond Tender instructions submitted on their behalf, to VPS in accordance with the terms of the Offer Memorandum and summarise the provisions of Schedule 1 to the Trust Deed.

(c) A Direct Participant may, by an instrument in writing in the form available from the Tender and Tabulation Agent in the English language executed by or on behalf of the holder and delivered to the Tender and Tabulation Agent at least 24 hours before the time fixed for a meeting, appoint any person to act on his behalf in connection with that meeting (the "Proxy"). A Proxy need not be a Bondholder.

(d) A corporation which holds a Bond may, by delivering to the Tender and Tabulation Agent at least 24 hours before the time fixed for a meeting a certified copy of a resolution of its directors or other governing body (with, if it is not in English, a certified translation into English), authorise any person to act as its representative in connection with that meeting (the "Representative").

(e) Clearing Systems typically set deadlines for receipt of requests and instructions that are in advance of the cut-off time specified herein. Accordingly, Bondholders must allow sufficient time for compliance with standard operating procedures of the relevant Clearing System to ensure that their instructions are received by such Clearing System by the date specified by the Clearing System. If a request for submission of instructions is received by the Clearing System after this date, such instructions may not be received by the Direct Participant and will not be effective.

(f) If a Bondholder or his Proxy or Representative wishes to attend or vote at a Meeting, the Bondholder, must be entered in the records of the VPS as a Bondholder no later than the business day immediately prior to the relevant Meeting.

(g) The quorum at the Meeting required to pass the Extraordinary Resolution is one or more Bondholders or agents present in person holding or representing in the aggregate not less than 75 per cent. in principal amount of the Bonds for the time being outstanding. If, within 15 minutes after the time fixed for the Meeting, a quorum is not present, then the chairman shall, if convened on the requisition of Bondholders, dissolve the Meeting. In any other case the Meeting shall be adjourned until such date, not less than 14 nor more than 42 days later, and time and place as the chairman of the Meeting may decide. The quorum at any adjourned such Meeting required to pass the Extraordinary Resolution is one or more Bondholders or agents present in person holding or representing in the aggregate not less than 25 per cent. in principal amount of the Bonds for the time being outstanding.

(h) Each question submitted to the Meeting shall be decided by a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman of the Meeting, the Company, or one or more persons representing 2 per cent. of the Bonds.

(i) Unless a poll is demanded, a declaration by the chairman of the Meeting that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour or against the resolution. In the case of an equality of votes, the chairman of the Meeting shall both on a show of hands and on a poll have a casting vote in addition to any other votes which he may have.

(j) On a show of hands every person who is present in person and is a Proxy or Representative has one vote. On a poll every such person has one vote in respect of each U.S.\$100,000 in principal amount of Bonds.

(k) To be passed, the Extraordinary Resolution requires a majority in favour consisting of not less than 75 per cent. of the persons voting upon a show of hands or, if a poll is duly demanded, by a majority consisting of not less than 75 per cent. of the votes cast on such poll.

(l) If passed, the Extraordinary Resolution will be binding on all the Bondholders whether or not present at the Meeting and each of them shall be bound to give effect to it accordingly. The passing of any such resolution shall be conclusive evidence that the circumstances justify the passing thereof. The Bondholders will be notified by the Company of the results of voting on the Extraordinary Resolution within 14 days of such results being known **provided that** non publication shall not invalidate the Extraordinary Resolution.

Each of the above notices are governed by English law.