



# SIEM INDUSTRIES

## PRESS RELEASE

For Immediate Release

## SIEM INDUSTRIES INC.

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### SIEM INDUSTRIES INC.

#### US\$ 275,000,000 Zero Coupon Secured Limited Recourse Exchangeable Bonds

GEORGE TOWN, GRAND CAYMAN, 19 SEPTEMBER 2008 – SIEM INDUSTRIES INC. discusses the US\$ 275,000,000 Zero Coupon Secured Limited Recourse Exchangeable Bonds (the “Bonds”) constituted by a Trust Deed (the “**Trust Deed**”) that were issued by Siem Industries Inc. (the “**Issuer**”) on 12 July 2008.

The Issuer is party to two stock lending agreements with Lehman Brothers International (Europe) (“**Lehman**”) whereby the Issuer made facilities of an aggregate 16,000,000 ordinary shares in Subsea 7 Inc. available for borrowing by Lehman for the purpose of on-lending to holders of Bonds and to holders of convertible bonds issued by Subsea 7 Inc. The Issuer’s rights against Lehman in relation to these stock lending agreements have been assigned to The Law Debenture Trust Corporation p.l.c. as trustee for the Bonds (the “**Trustee**”).

On 15 September 2008, Lehman was put into administration. At the time of this action, Lehman had 4,680,000 shares borrowed under the stock lending agreements.

The remaining 11,320,000 shares which were available for borrowing under the stock lending agreements are deposited in a custody account in the name of DnB Nor Bank ASA with the Issuer as the beneficiary. These shares are pledged to the Trustee.

The security package for the Bonds further includes US\$ 137,500,000 of US Treasuries plus accumulated coupon payments and 2,100,000 additional ordinary shares in Subsea 7 Inc. which were not subject to the stock lending agreements with Lehman.

The Issuer is taking legal advice in relation to the stock lending agreements and the 4,680,000 shares borrowed by Lehman to determine the Issuer’s legal position. The Issuer is in dialogue with the Trustee in this respect and will revert to the Bondholders with further information in due course.

SIEM INDUSTRIES INC. is an industrial group with holdings in offshore oil and gas services and ocean-shipping. The Company also has interests in German potash mining and investments in marketable securities. For further information relating to the Company, please visit [www.siemindustries.com](http://www.siemindustries.com).