

4 December 2008

**THIS NOTICE IS IMPORTANT AND REQUIRES 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 TO PURCHASE MADE BY SIEM INDUSTRIES INC. WILL NOT BE MADE IN OR INTO THE REPUBLIC OF ITALY.**

**THE SOLICITATION OF OFFERS TO SELL DESCRIBED HEREIN IS NOT BEING MADE, DIRECTLY OR INDIRECTLY, IN OR INTO THE UNITED STATES, OR BY USE OF THE MAILS, OR BY ANY MEANS OR INSTRUMENTALITY (INCLUDING, WITHOUT LIMITATION, FACSIMILE TRANSMISSION, TELEX, TELEPHONE, E-MAIL AND OTHER FORMS OF ELECTRONIC TRANSMISSION) OF INTERSTATE OR FOREIGN COMMERCE, OR OF ANY FACILITY OF A NATIONAL SECURITIES EXCHANGE, OF THE UNITED STATES AND NO OFFER TO SELL MAY BE MADE BY ANY SUCH USE, MEANS, INSTRUMENTALITY OR FACILITY OR FROM WITHIN THE UNITED STATES.**

**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 (the "**Bonds**")  
issued by Siem Industries Inc. (the "**Company**")  
(ISIN: NO0010372766)

and

**SOLICITATION OF CONSENTS IN RELATION TO THE BONDS**

NOTICE IS HEREBY GIVEN that the Company invites holders of its outstanding Bonds (subject to offer restrictions) 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**"). The Offer is made on the terms and subject to the conditions contained in an offer memorandum relating to the Bonds dated 4 December 2008 (the "**Offer Memorandum**").

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. Settlement of the Bonds is expected to take place on or around 5 January 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%.

In conjunction with the Offer, a meeting of Bondholders has been convened to consider and, if thought fit, pass an extraordinary resolution which, subject to certain conditions set out therein, will amend certain terms and conditions of the Bonds to provide that the Company may at any time prior to 31 March 2009 redeem at a price equal to the Purchase Price all of the outstanding Bonds which have not been purchased by the Company pursuant to the Offer (the "**Extraordinary Resolution**"). 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. 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. Bondholders who do not wish to tender their Bonds but who wish to attend or vote at the meeting or appoint a proxy may do so in accordance with the voting and quorum procedures set out in the Notice of Meeting that is annexed to the Offer Memorandum.

Subject to invitation and distribution restrictions, Bondholders may obtain a copy of the Offer Memorandum from either Nordea Bank Norge ASA ("**Tender and Tabulation Agent**") or Deutsche Bank AG, London Branch (the "**Dealer Manager**"). The contact details of the Tender and Tabulation Agent and Dealer Manager are set out at the end of this Notice.

The results of the Offer will be disclosed through the information system of the Oslo Stock Exchange.

The Bonds are listed on the Oslo Stock Exchange under ticker "SIEIN01".

All costs incurred in relation to the Offer are borne by the Company. 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.

This notice is governed by, and shall be construed in accordance with English law.

The Tender and Tabulation Agent with respect to the Invitation is:

**TENDER AND TABULATION AGENT**

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

The Dealer Manager with respect to the Invitation is:

**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

This Offer may be restricted by law in certain jurisdictions. Persons into whose possession the Offer Memorandum comes are required by the Company and the Dealer Manager to inform themselves about and to observe any such restrictions.

## **United States**

The Offer is not being made and will not be made, directly or indirectly, in or into, or by use of the mails of, or by any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone, email and other forms of electronic transmission) of interstate or foreign commerce of, or any facility of a national securities exchange of, the United States, and the Bonds may not be tendered in the Offer by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States. Accordingly, copies of the Offer Memorandum and any other documents or materials relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise transmitted, distributed or forwarded in or into the United States or to persons located or resident in the United States. Any purported tender of Bonds in the Offer resulting directly or indirectly from a violation of these restrictions will be invalid and tenders of Bonds made by a person located in the United States or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States will not be accepted. Envelopes containing Bond Tender Instructions should not be postmarked in the United States or otherwise dispatched from the United States and all persons delivering Bond Tender Instructions must provide addresses outside the United States for the receipt of payment of the Purchase Price. For the purposes of this paragraph, "United States" means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia.

## **United Kingdom**

The communication of the Offer Memorandum and any other documents or material relating to the Offer is not being made and such documents and/or materials have not been approved by an authorised person for the purposes of section 21 of the Financial Services and Markets Act 2000. Accordingly, such documents and/or materials are not being distributed to, and must not be passed on to, the general public in the United Kingdom, and are only for circulation to persons outside the United Kingdom or to persons within the United Kingdom falling within the definition of investment professionals (as defined in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**") or within Article 43(2) of the Order, or to other persons to whom it may lawfully be communicated in accordance with the Order.

## **Italy**

The Offer is not being made in the Republic of Italy ("**Italy**"). The Offer and the Offer Memorandum have not been submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* pursuant to Italian laws and regulations. Accordingly, Bondholders are notified that, to the extent Bondholders are resident and/or located in Italy, the Offer is not available to them and they may not tender Bonds in the Offer and, as such, any Bond Tender Instructions received from such persons shall be ineffective and void, and neither the Offer Memorandum nor any other documents or materials relating to the Offer or the Bonds may be distributed or made available in Italy.

## **Belgium**

The Offer is not being made, directly or indirectly, to the public in Belgium. The Offer Memorandum has not been and will not be notified to nor approved by the Belgian Banking, Finance and Insurance Commission (*Commission Bancaire, Financière et des Assurances/Commissie voor het Bank, Financie en Assurantiewezen*) and neither the Offer Memorandum nor any other documents or materials relating to the Offer have been, or will be, approved by the Belgian Banking, Finance and Insurance Commission. Accordingly, the Offer may not be made and neither the Offer Memorandum nor any such documents or materials may be distributed or made available in Belgium to, or for the account of, any person other than institutional investors, as referred to in Article 3,2° of the Belgian Royal Decree of 7 July 1999 on the public character of financial transactions, acting for their own account.

## **France**

The Offer is not being made, directly or indirectly, to the public in the Republic of France ("**France**"). Neither the Offer Memorandum nor any other documents or materials relating to the Offer have been or will be distributed to the public in France and only qualified investors (*investisseurs qualifiés*), as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French Code *Monétaire et Financier* are eligible to participate in the Offer. The Offer Memorandum has not been and will not be submitted to nor approved by the *Autorité des Marchés Financiers*.

## **Cayman Islands**

The Offer, whether made directly or indirectly, may not be made to the public in the Cayman Islands unless the Bonds are listed on the Cayman Islands Stock Exchange.

## **General**

The Offer Memorandum does not constitute an offer to buy or a solicitation of an offer to sell the Bonds, and tenders of Bonds in the Offer will not be accepted from Bondholders in any jurisdiction in which such Offer or solicitation is unlawful. In those jurisdictions where the securities, blue sky or other laws require the Offer to be made by a licensed broker or dealer and the Dealer Manager is such a licensed broker or dealer in such jurisdictions, the Offer shall be deemed to be made on behalf of the Company by the Dealer Manager.

This notice is given by:

### **SIEM INDUSTRIES INC.**

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