



SIEM INDUSTRIES

PRESS RELEASE

For Immediate Release

SIEM INDUSTRIES INC.

Contact: Michael Delouche
P.O. Box 10718
George Town
Grand Cayman KY1-1006
CAYMAN ISLANDS
Mobile: +1.832.483.0541

SIEM INDUSTRIES INC. ANNOUNCES RESULTS FOR THE 1ST HALF AND 2ND QUARTER ENDED 30 JUNE 2015

GEORGE TOWN, GRAND CAYMAN, 3 September 2015 – SIEM INDUSTRIES INC. (the “Company”) announces its unaudited results for the first half year and quarter ended 30 June 2015 that have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as discussed below.

COMPARATIVE CONSOLIDATED FINANCIAL PERFORMANCE

Six Months Ended 30 June 2015. Net income attributable to Common Shares for the six months ended 30 June 2015 was \$19.3 million, or \$1.27 per share (1H2014: \$174.2 million, or \$11.50 per share).

Operating revenues and operating expenses for the six months were \$111.7 million and \$85.5 million, respectively (2014: \$91.3 million and \$70.8 million, respectively). The share of profits of associates for the six months was \$23.0 million (2014: \$97.8 million). The sharp drop in the share of profits of associates reflects the significant impact on operations of the downturn in the oil and gas industry.

Net gains (losses) on investments during the six months were \$(14.6) million (2014: \$61.8 million). Net gains on investments in 2014 included a gain of \$24.7 million on the sale of the Company’s 21.0% interest in Veripos Inc. in the first quarter 2014 and a gain of \$36.8 million on the sale of the Company’s 38.2% interest in Sinav Limited in the second quarter 2014. Net losses of \$8.7 million were recorded following the re-valuation of financial derivatives during the first half of 2014. The financial derivatives, which were initially valued at the closing of the Exchangeable Bond issue in early September 2012 and segregated from the debt liability of the bonds, were re-valued at the end of each quarter and the change in valuation, which can be significant, was recorded as a gain or loss. At the end of 2014, the Company determined that the significant drop in the market price of the shares underlying the Exchangeable Bonds had essentially eliminated the optionality of such bonds. As a consequence, the Company decided to reclass the financial derivative liability to long-term debt liability and account for the Exchangeable Bonds as a conventional debt liability.

General and administrative expenses for the six months were \$9.3 million (2014: \$16.3 million). Major components of these expenses include performance unit plan expenses and management services fees. For the first six months in 2015, the Company recorded a reversal of the accrual for performance unit plan liabilities of \$2.2 million as a result of the decline in the net market-adjusted value of the Company at the end of the period. For the comparative period in 2014, the Company’s expenses were negligible. The Company incurs fee expenses under a management services agreement which amount is based on the level of the Company’s net income. The fee expenses recorded in 2015 reflect the

Company's significantly lower net income as compared to the higher fee expenses recorded during 2014 which reflected a much higher net income. The net currency exchange gains (losses) for the six months were \$(15.6) million (2014: \$5.4 million). The exchange losses during 2015 reflect the appreciation of the U.S. dollar relative to other currencies and the impact on the values of the Company's significant investments that are denominated in other currencies.

Quarter Ended 30 June 2015. Net income attributable to Common Shares for the second quarter ended 30 June 2015 was \$26.2 million, or \$1.73 per share (2Q2014: \$106.2 million, or \$7.02 per share).

Operating revenues and operating expenses for the second quarter were \$61.0 million and \$45.6 million, respectively (2014: \$47.0 million and \$34.9 million, respectively). The share of profits of associates for the quarter was \$1.5 million (2014: \$60.2 million).

Net gains (losses) on investments during the quarter were \$(6.3) million (2014: \$35.6 million). A net loss of \$4.8 million was incurred following the re-valuation of financial derivatives at the end of the second quarter 2014.

General and administrative expenses for the quarter were \$5.3 million (2014: \$8.9 million). The decrease in expenses during the second quarter of 2015 as compared to the same period in 2014 is attributed to the lower fees related to the management services agreement which is based on the level of net income. The net currency exchange gains (losses) for the quarter were \$16.3 million (2014: \$(0.1) million) and reflects a slight strengthening of other currencies relative to the U.S. dollar during the second quarter 2015.

CONSOLIDATED FINANCIAL POSITION

The Company held \$229.0 million of cash and cash equivalents at 30 June 2015, which included restricted cash of \$2.0 million.

Shareholders' equity was \$2.0 billion at 30 June 2015. There were 15,139,681 Common Shares issued and outstanding at 30 June 2015.

In May 2015, the Board of Directors declared and paid a dividend of \$0.20 per Common Share.

In June 2015, Siem Europe S.a r.l., a wholly-owned subsidiary of the Company and the largest shareholder of Siem Offshore Inc., agreed to underwrite a \$100 million Rights Issue conducted by Siem Offshore with the subscriptions for new shares commencing in August 2015.

SUBSEQUENT EVENTS

In August 2015, the Company repurchased \$10.8 million nominal value of its \$445 million Senior Secured Exchangeable Bonds 2012/2019 (the "Bonds") that are listed on the Oslo Stock Exchange (OSE Symbol: SIEIN02) at an average price of 92.4% of nominal value. The aggregate amount of Bonds repurchased by the Company is \$107.0 million.

The subscription period for new shares at NOK1.80 per share in Siem Offshore's Rights Issue expired on 2 September 2015. Siem Europe subscribed for its portion of the Rights Issue and the allocation of newly subscribed shares will be announced to the market on 4 September 2015. In the

event that Siem Europe's guarantee as underwriter is executed and Siem Europe's shareholder interest is increased above the current level, then Siem Europe will be required to make a mandatory offer for all shares in Siem Offshore that it does not own at a price of NOK1.80 per share in accordance with the rules and regulations of the Oslo Stock Exchange.

OPERATIONS AND INVESTMENTS IN ASSOCIATES

The Company reports its investments in Subsea 7 S.A. (OSE Symbol: SUBC), Siem Offshore Inc. (OSE Symbol: SIOFF), Siem Capital AB, Deusa International GmbH (Deusa), Venn Partners LLP and Sustainable Power Generation Limited under the equity method of accounting. The detail financial statements of the Company's investments in Siem Shipping Inc. (OSE Symbol: SSI), Siem Car Carriers AS, Siem Europe S.a r.l., VSK Holdings Ltd., Auto Marine Transport Inc., Flensburger Schiffbau-Gesellschaft mbH & Co. KG and Deep Seas Insurance Limited are incorporated within the Company's consolidated financial statements.

Subsea 7 is a seabed-to-surface engineering, construction and services contractor for the offshore energy industry. At 30 June 2015, the Company owned a beneficial interest in 69,731,931 Subsea 7 S.A. shares, or approximately 21.3% of Subsea 7 S.A.'s issued and outstanding shares. For more information on Subsea 7, please visit www.subsea7.com.

Siem Offshore owns interests in 46 vessels that are operating in the offshore industry and 9 vessels that are under-construction at the end of the period. In addition, Siem Offshore has a wholly-owned subsidiary, Siem Offshore Contractors GmbH, that performs operations for the installation of inner-array and export cables for the offshore renewable energy market and the related inspection, repair and maintenance business. At 30 June 2015, the Company owned a beneficial interest of 133,279,421 Siem Offshore shares, or 34.4%. For more information on Siem Offshore, please visit www.siemoffshore.com.

Siem Shipping operates under the STAR Reefers brand name and controls a modern fleet of approximately 28 owned and chartered reefer vessels engaged in the transportation of refrigerated fruit and other perishable products. In January 2015, Siem Shipping completed a tender offer to its shareholders to buyback its shares at a price of NOK60 per share. A total of 527,674 shares were acquired at a cost of \$4.1 million and were subsequently retired. At 30 June 2015, the Company owned a beneficial interest of 7,409,948 Siem Shipping shares, or 81.3%, of Siem Shipping. For more information, please visit www.star-reefers.com.

Siem Car Carriers owns two vessels which are under contracts. In addition, Siem Car Carriers arranges for the transportation of cars, trucks and heavy equipment and other products using owned and chartered-in vessel capacity. The Company owns 100% of Siem Car Carriers.

Auto Marine Transport entered into contracts for the construction of three 7,000 CEU (car equivalent units) Pure Car/Truck Carrier ("PCTC") vessels at a contracted price of EUR46 million each at Uljanik d.d. shipyard in Croatia. Auto Marine Transport has reached agreement for the bank financing of 70% of the contract prices. The vessels are scheduled for delivery in the third quarter of

2016 and the first and second quarters of 2017. The vessels will be incorporated into contracts which Siem Car Carriers has obtained. The Company owns 100% of Auto Marine Transport.

Venn Partners provides specialist credit and advisory services and focuses on private asset-based financing in European markets. Its activities extend to commercial real estate and residential mortgage finance, asset-backed securities and other specialist asset finance markets. Venn Partners has been awarded an exclusive mandate by the UK government to arrange and manage all aspects of the Private-Rented Sector Guarantee Scheme which will offer government guarantees to raise in excess of GBP3.5 billion of competitive 10 to 30 years financing in the capital markets with the proceeds to be used for eligible rental housing after construction has been completed. The Company owns 40% of Venn Partners.

VSK Holding is the sole owner of a company that acquired a portfolio of Dutch residential mortgages in 2013. The performing loans were sold into an independent entity which financed the acquisition with a combination of bank loans and subordinated loans from VSK Holdings. The entity prepared and completed a securitization of the loans and used proceeds from the securitization to repay the bank loan and make repayments to VSK Holdings. VSK Holdings has received amounts in excess of its loan. During the first quarter of 2015, VSK Holdings completed a capital restructuring which added a new class of shares. Consequently, the Company's ownership changed from a 55% interest in VSK Holdings to a 100% interest in the Class "A" voting shares of VSK Holdings and a 59.4% interest in the new Class "B" shares. The aggregate value of Class "B" shares is EUR35.5 million and pays dividends at a rate of 8% p.a.

Siem Europe, in addition to its ownership in Siem Offshore, is the owner of Venn Capital S.a r.l., Sustainable Power Generation Limited ("SPGL") and Flensburger Schiffbau-Gesellschaft mbH & Co. KG ("FSG"). Venn Capital provides loans for commercial real estate activity, primarily within the United Kingdom. SPGL is one of the largest developers of large-scale solar projects in the United Kingdom and performs engineering, procurement and construction of solar parks ranging in size from approximately 5MW to 70MW which it may retain or sell to third parties. FSG is a German shipyard that has operated for many years and is well-respected for the quality of its vessel construction. FSG is currently constructing two large, sophisticated well-intervention vessels for Siem Offshore.

Siem Capital AB, the Company's 64%-owned Swedish affiliate, holds an interest in two Swedish industrial and research companies.

Deusa, the Company's 49%-owned German affiliate, is engaged in the mining of potash and has potash reserves of greater than 60 years at current production levels.

Deep Seas Insurance Limited ("DSI"), the Company's 51%-owned Cayman Islands captive insurance affiliate, commenced operations in early-2006. DSI provides a risk management function to companies within the Siem Group by participating as co-insurer on marine insurances and as lead insurer on other risks on a fully reinsured basis. Subsea 7 S.A. owns the remaining 49% interest in DSI.

RISKS AND UNCERTAINTIES AND MARKET OUTLOOK

The principal risks and uncertainties confronting the Company reflect primarily the risks and uncertainties confronting its subsidiary, Siem Shipping, and its associates, Subsea 7 and Siem Offshore. The risks and uncertainties of each of these companies are more fully discussed in the individual Reports to Shareholders from each of the respective companies' websites as indicated above.

SIEM INDUSTRIES INC. is a diversified industrial holding company that operates through autonomous affiliates. The Company currently holds interests in the oil and gas services industry and renewable energy sector, ocean transportation of refrigerated cargoes and automobiles, shipyard engineering and construction, potash-mining and finance, which includes loans and guarantees, specialist credit advisory services and investments. For further information relating to the Company, please visit www.siemindustries.com.

RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the summary consolidated financial information for the fiscal year ended 30 June 2015 that is presented in this report has been prepared in accordance with IAS 34 "Interim Financial Reporting" and gives a true and fair view of the Company's consolidated financial position at 30 June 2015 and the results of its operations for the period then ended as a whole. We also confirm, to the best of our knowledge, that this report includes a fair review of important events that have occurred during the fiscal year and their impact on the summary financial statements.

For and on behalf of the Board of Directors of

SIEM INDUSTRIES INC.

/s/ Kristian Siem

Kristian Siem, Chairman

/s/ Michael Delouche

Michael Delouche, President

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
 PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

STATEMENTS OF INCOME <i>(Dollars in thousands, except per share amounts)</i>	<i>Six Months Ended 30 June</i>		<i>2nd Quarter Ended 30 June</i>		<i>Fiscal Year</i>
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>	<i>2014</i>
INCOME:					<i>(audited)</i>
Operating revenues	\$ 111,736	\$ 91,329	\$ 61,026	\$ 47,029	\$ 188,797
Share of profits (losses) of associates	22,961	97,819	1,544	60,210	266,054
Interest income	24,172	26,961	12,121	19,685	34,695
Gains (losses) on investments, net	(14,594)	61,776	(6,270)	35,598	46,030
Gains (losses) on re-valuation of financial derivatives, net	—	(8,670)	—	(4,761)	(26,515)
Other	848	276	743	(123)	1,052
Total income	145,123	269,491	69,164	157,638	510,113
EXPENSES AND OTHER:					
Operating expenses	(85,536)	(70,802)	(45,614)	(34,886)	(133,764)
Depreciation and amortization	(10,951)	(8,389)	(5,567)	(4,280)	(20,623)
Impairment of vessels and investments	—	—	—	—	(9,664)
Interest expense	(3,594)	(3,548)	(1,842)	(1,749)	(7,640)
General and administrative expenses	(9,311)	(16,290)	(5,275)	(8,865)	(28,382)
Currency exchange gains (losses), net	(15,633)	5,351	16,288	(32)	(47,280)
Total expenses and other	(125,025)	(93,678)	(42,010)	(49,812)	(247,353)
Income before income tax expense	20,098	175,813	27,154	107,826	262,760
Income tax expense	(178)	(888)	(114)	(615)	(975)
Net income	\$ 19,920	\$ 174,925	\$ 27,040	\$ 107,211	\$ 261,785
Net income attributable to:					
Holders of Common Shares	\$ 19,262	\$ 174,173	\$ 26,156	\$ 106,233	\$ 260,832
Non-controlling interests	\$ 658	\$ 752	\$ 884	\$ 978	\$ 953
Earnings per Common Share – Basic and Diluted	\$ 1.27	\$ 11.50	\$ 1.73	\$ 7.02	\$ 17.23
Weighted avg. no. of Common Shares outstanding for period	15,139,681	15,139,681	15,139,681	15,139,681	15,139,681
STATEMENTS OF FINANCIAL POSITION <i>(Dollars in thousands)</i>			<i>30 June</i>	<i>31 December</i>	
			<i>2015</i>	<i>2014</i>	
ASSETS					<i>(audited)</i>
Cash and cash equivalents, excluding restricted cash			\$ 227,037	\$ 436,576	
Trading securities, and notes, loans and other financial assets			180,502	48,175	
Other current assets			68,480	57,025	
Total current assets			476,019	541,776	
Notes, loans and other financial assets			304,465	291,994	
Investments in associates			1,551,793	1,531,738	
Vessels, property and equipment, net			261,201	223,907	
Other assets, including restricted cash			4,228	2,446	
Total Assets			\$ 2,597,706	\$ 2,591,861	
LIABILITIES					
Accounts payable and other current liabilities			\$ 46,362	\$ 57,564	
Current maturities and short-term notes			15,247	10,995	
Total current liabilities			61,609	68,559	
Long-term debt			417,613	406,217	
Other			61,819	63,548	
Total Liabilities			541,041	538,324	
EQUITY					
Common Shares, \$0.25 par value, 15,139,681 shares issued and outstanding			\$ 3,785	\$ 3,785	
Additional paid-in capital			105,405	105,405	
Retained earnings			1,728,129	1,711,896	
Cumulative translation and other reserves			179,623	189,325	
Total Shareholders' Equity			2,016,942	2,010,411	
Non-controlling interests			39,723	43,126	
Total Equity			2,056,665	2,053,537	
Total Liabilities and Equity			\$ 2,597,706	\$ 2,591,861	

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
 PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

STATEMENTS OF COMPREHENSIVE INCOME <i>(Dollars in thousands)</i>	Six Months Ended 30 June		Fiscal Year
	2015	2014	2014
Net income (loss)	\$ 19,920	\$ 174,925	\$ 261,785
Other comprehensive income (expense):			
Currency translation differences	5,883	859	4,851
Share of other comprehensive income (loss) of associates	(9,701)	28,944	(69,504)
Total comprehensive income (loss)	(3,818)	29,803	(64,653)
Total comprehensive income (loss)	\$ 16,102	\$ 204,728	\$ 197,132
Total comprehensive income (loss) attributed to:			
Holders of Common Shares	\$ 15,444	\$ 203,976	\$ 196,179
Non-controlling interests	\$ 658	\$ 752	\$ 953

STATEMENTS OF CHANGES IN EQUITY <i>(Dollars in thousands)</i>	Six Months Ended 30 June		Fiscal Year
	2015	2014	2014
Equity at beginning of period	\$ 2,053,537	\$ 2,227,606	\$ 2,227,606
Net income (loss) attributed to:			
Holders of Common Shares	19,262	174,173	260,832
Non-controlling interests	658	752	953
Currency translation differences	5,883	859	4,851
Share of other comprehensive income (loss) of associates	(9,701)	28,944	(69,504)
Pay cash dividends of \$0.20 per share to Holders of Common Shares	(3,029)	(3,029)	(3,029)
Purchase additional shares in affiliates from non-controlling interests	—	(1,123)	(1,123)
Buyback and retirement of shares by affiliate from non-controlling interests	(4,056)	—	—
Reversal of deferred recognition of gain on uplift in value of investment in associate that was recorded as separate component of equity	—	—	(367,341)
Other	(5,889)	—	292
Equity at end of period	\$ 2,056,665	\$ 2,428,182	\$ 2,053,537