



SIEM INDUSTRIES

PRESS RELEASE

For Immediate Release

SIEM INDUSTRIES INC.

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SIEM INDUSTRIES INC. ANNOUNCES RESULTS FOR THE 3RD QUARTER AND NINE MONTH PERIOD ENDED 30 SEPTEMBER 2012

GEORGE TOWN, GRAND CAYMAN, 12 March 2013 – SIEM INDUSTRIES INC. (the “Company”) announces its unaudited results for the quarter and nine month period ended 30 September 2012 that have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as discussed below.

COMPARATIVE CONSOLIDATED FINANCIAL PERFORMANCE

Quarter Ended 30 September 2012. Net income attributable to Common Shares for the third quarter ended 30 September 2012 was \$42.3 million, or \$2.77 per share (3Q2011: \$12.2 million, or \$0.79 per share).

Operating revenues and operating expenses for the quarter were \$33.7 million and \$30.0 million, respectively (2011: \$34.3 million and \$38.1 million). The share of profits of associates for the third quarter was \$41.4 million (2011: \$26.9 million).

Net gains (losses) on investments during the quarter were \$1.0 million (2011: \$(1.1) million). Net losses on the re-valuation of financial derivatives for the quarter were \$(2.6) million. 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, are re-valued at the end of each quarter and the change in valuation, which can be significant, is recorded as a gain or loss. The valuation is strongly influenced by the volatility of market prices for Subsea 7 shares during the period and the market price at the end of the period.

General and administrative expenses for the quarter were \$7.7 million. The expenses during the comparable period in 2011 were \$(1.3) million reflecting a reversal of expenses accrued in prior periods. Major components of these expenses include the performance unit plan expense and the management services agreement expense. Currency exchange gains (losses) for the quarter were \$8.4 million (2011: \$(8.5) million).

Nine Months Ended 30 September 2012. Net income attributable to Common Shares for the nine month period was \$262.4 million, or \$17.19 per share (2011: \$40.0 million, or \$2.61 per share).

Operating revenues and operating expenses were \$132.3 million and \$110.2 million, respectively (2011: \$143.1 million and \$130.0 million). The share of profits of associates for the period was \$152.1 million (2011: \$61.3 million).

Net gains (losses) on investments during the nine month period were \$2.7 million (2011: \$(0.9) million). Net losses on the re-valuation of financial derivatives for the period were \$(2.6) million.

A gain of \$81.4 million was recorded in May 2012 following the sale of the Company's claims against Lehman Brothers International (Europe) ("LBIE"). These claims arose in connection with the September 2008 bankruptcy of LBIE. One claim resulted from LBIE's failure to deliver a bond purchased by the Company at the settlement date. The second claim involved stock lending agreements to which the Company and LBIE were parties. Under these agreements which were designed to support the marketing of certain convertible bonds issued by Subsea 7, LBIE was entitled to borrow Subsea 7 shares from the Company for the purpose of on-lending to Subsea 7 bondholders. At the time of LBIE's bankruptcy, LBIE had borrowed 4,680,000 Subsea 7 shares from the Company. The Company recorded full impairments for the defaulted bond settlement and for the book value of the lost shares in the amounts of \$4.6 million and \$30.4 million, respectively.

Dividend income in the amount of \$41.8 million was recorded following the approval of a \$0.60 per share dividend by the Subsea 7 shareholders. The dividend payment was received in July 2012.

Siem Shipping Inc. (formerly, STAR Reefers Inc.), a 73.5%-owned subsidiary of the Company, recorded a \$1.2 million impairment during the period (2011: \$12.3 million). The impairments recorded by Siem Shipping during 2011 and the sales of older, less efficient vessels in its fleet reduced the depreciable base of Siem Shipping and resulted in a lower depreciation expense during 2012.

General and administrative expenses for the nine month period were \$27.7 million (2011: \$6.5 million). Major components of the increase during 2012 included expenses related to the performance unit plan expenses and the management services agreement. Currency exchange gains (losses) for the period were \$5.1 million (2011: \$(2.2) million).

CONSOLIDATED FINANCIAL POSITION

The Company held \$568.0 million of cash and cash equivalents at 30 September 2012, which included restricted cash of \$2.0 million.

Shareholders' equity was \$2.1 billion at 30 September 2012 as compared to \$1.8 billion at 31 December 2011. There were 15,259,927 Common Shares issued and outstanding at 30 September 2012. The Company acquired and retired 30,000 Common Shares in early 2012.

In September 2012, the Company completed the private placement of USD445 million Senior Secured Exchangeable Bonds due 2019 to Norwegian and international institutional investors. The Exchangeable Bonds carry exchange rights linked to the value of the common shares of Subsea 7 S.A.

The Exchangeable Bonds mature 12 September 2019 and bear a coupon of 1.00%, payable semiannually in arrears. The exchange price was set at USD29.00 and represented a premium of 30.0% to the volume weighted average price of the common shares of Subsea 7 on the Oslo Stock Exchange and converted at the prevailing USD:NOK spot exchange rate at the time of pricing. The Exchangeable Bonds were issued at par and, unless previously exchanged, redeemed or purchased and cancelled, will be redeemed at par at maturity. The Bondholders will have the option to put the bond to the Company for one day on 12 September 2016.

The Exchangeable Bonds are secured by way of pledge in respect of 39.9 million common shares of Subsea 7 representing a collateral ratio of 260% of the number of shares underlying the Exchangeable Bonds. The Exchangeable Bonds are listed on 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) and Sinav 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 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 September 2012, the Company owned a beneficial interest in 69,731,931 Subsea 7 S.A. shares, or approximately 20.9% 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 45 vessels working in the offshore industry including 10 vessels that are under-construction in Norway. At 30 September 2012, the Company owned a beneficial interest of 133,279,421 Siem Offshore shares, or 33.7%. For more information on Siem Offshore, please visit www.siemoffshore.com.

Siem Shipping controls a modern fleet of approximately 33 owned and chartered reefer vessels engaged in the transportation of refrigerated fruit and other perishable products. The shareholders approved the change of name of the listed holding company from STAR Reefers Inc. to Siem Shipping Inc. at the company's annual meeting in May 2012. The company will continue to trade under the STAR Reefers brand. At 30 September 2012, the Company owned a beneficial interest of 7,345,501 Siem Shipping shares, or 76.1%, of Siem Shipping. For more information, please visit www.star-reefers.com.

Veripos Inc. was spun-off by Subsea 7 S.A. to Subsea 7's shareholders in July 2012 and the shares were listed on the Oslo Stock Exchange at the end of July 2012 (OSE Symbol: VPOS). Veripos is a market leader in precise positioning and navigation solutions for the offshore industry. At 30 September 2012, the Company owned 6,973,192 Veripos shares, or approximately 21% of Veripos' issued and outstanding shares. For more information, please visit www.veripos.com.

Siem Car Carriers owns two vessels which are under contracts. The Company owns 100% of Siem Car Carriers.

Siem Capital AB, the Company's 64%-owned Swedish affiliate, holds an interest in 2 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.

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.

The Company and a third party are 50:50 owners of Sinav Limited. In October 2011, the boards of Sinav and GTL Resources Plc (“GTL”) reached agreement on a cash offer to buyout all of the issued or to-be-issued share capital of GTL. The GTL shareholders approved the offer and the buyout was completed in January 2012. Sinav owns 90% of GTL and GTL management owns the remaining 10%. GTL’s principal asset is its subsidiary, Illinois River Energy, a dry mill, corn-based processing facility which produces fuel-grade ethanol and dried distiller’s grains.

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.

Similarly, the market outlook for the Company is primarily a product of the market outlooks for each of Siem Shipping, Subsea 7 S.A. and Siem Offshore.

SIEM INDUSTRIES INC. is a diversified industrial holding company that operates through autonomous affiliates. The Company currently holds interests in the offshore oil and gas services industries, ocean transportation industries, satellite positioning and navigation services, potash-mining, ethanol processing and distiller’s grains production, and financial 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 nine-month period ended 30 September 2012 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 September 2012 and the results of its operations and cash flows 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 nine month period and their impact on the summary financial statements and a description of the principal risks and uncertainties for the remaining three months of fiscal 2012.

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>3rd Quarter Ended 30 September</i>		<i>Nine Mos. Ended 30 September</i>		<i>Fiscal Year</i>
	<i>2012</i>	<i>2011</i>	<i>2012</i>	<i>2011</i>	<i>2011</i>
INCOME:					
Operating revenues	\$ 33,722	\$ 34,299	\$ 132,302	\$ 143,083	\$ 181,839
Share of profits of associates	41,459	26,864	152,082	61,317	85,904
Interest income	615	1,298	1,375	3,716	3,617
Gains (losses) on investments, net	983	(1,120)	2,682	(854)	(1,531)
Gains (losses) on re-valuation of financial derivatives, net	(2,629)	—	(2,629)	—	—
Gain on recovery of claims against Lehman Brothers Int'l	—	—	81,438	—	—
Other	201	615	42,740	1,641	2,213
Total income	74,351	61,956	409,990	208,903	272,042
EXPENSES AND OTHER:					
Operating expenses	(30,026)	(38,124)	(110,223)	(130,016)	(169,501)
Depreciation and amortization	(3,676)	(5,367)	(11,265)	(18,331)	(24,346)
Impairment of vessels and investments	—	—	(1,231)	(12,311)	(106,052)
Interest expense	(894)	(2,941)	(2,599)	(4,848)	(5,961)
General and administrative expenses	(7,723)	1,342	(27,675)	(6,524)	(11,789)
Currency exchange gains (losses), net	8,417	(8,514)	5,073	(2,199)	(6,796)
Other	—	—	(1)	(4)	(8)
Total expenses and other	(33,902)	(53,604)	(147,921)	(174,233)	(324,453)
Income (loss) before income tax expense	40,449	8,352	262,069	34,670	(52,411)
Income tax expense	(16)	—	(120)	(172)	(895)
Net income (loss)	\$ 40,433	\$ 8,352	\$ 261,949	\$ 34,498	\$ (53,306)
Net income (loss) attributable to:					
Holders of Common Shares	\$ 42,283	\$ 12,158	\$ 262,409	\$ 40,041	\$ (20,586)
Non-controlling interests	\$ (1,850)	\$ (3,806)	\$ (460)	\$ (5,543)	\$ (32,720)
Earnings (Loss) per Common Share – Basic and Diluted	\$ 2.77	\$ 0.79	\$ 17.19	\$ 2.61	\$ (1.34)
Wtd. avg. no. of Common Shares outstanding for period	15,259,927	15,329,927	15,264,354	15,339,927	15,329,626
STATEMENTS OF FINANCIAL POSITION					
<i>(Dollars in thousands)</i>			<i>30 September</i>	<i>31 December</i>	
			<i>2012</i>	<i>2011</i>	
ASSETS					
Cash and cash equivalents, excluding restricted cash			\$ 565,976	\$ 44,979	
Trading securities, and notes, loans and other financial assets			15,043	11,594	
Other current assets			49,891	65,212	
Total current assets			630,910	121,785	
Notes, loans and other financial assets			58,707	44,000	
Investments in associates			1,747,335	1,549,669	
Vessels, property and equipment, net			238,892	252,199	
Other assets, including restricted cash			7,054	7,032	
Total Assets			\$ 2,682,898	\$ 1,974,685	
LIABILITIES					
Accounts payable and other current liabilities			\$ 44,217	\$ 44,935	
Current maturities and short-term notes			16,272	23,939	
Total current liabilities			60,489	68,874	
Long-term debt and financial derivatives			477,352	56,055	
Other			46,593	25,901	
Total Liabilities			584,434	150,830	
EQUITY					
Common Shares, \$0.25 par value, 15,259,927 and 15,289,927 shares issued and outstanding, respectively			\$ 3,815	\$ 3,822	
Additional paid-in capital			105,405	105,405	
Retained earnings			1,323,306	1,062,511	
Cumulative translation and other reserves			622,843	604,354	
Total Shareholders' Equity			2,055,369	1,776,092	
Non-controlling interests			43,095	47,763	
Total Equity			2,098,464	1,823,855	
Total Liabilities and Equity			\$ 2,682,898	\$ 1,974,685	

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

STATEMENTS OF COMPREHENSIVE INCOME <i>(Dollars in thousands)</i>	<i>Nine Mos. Ended 30 September</i>		<i>Fiscal Year</i>
	2012	2011	2011
Net income (loss)	\$ 261,949	\$ 34,498	\$ (53,306)
Other comprehensive income (expense):			
Currency translation differences	(1,344)	2,999	3,693
Share of other comprehensive income (loss) of associates	19,833	—	(1,586)
Total comprehensive income (loss)	18,489	2,999	2,107
Total comprehensive income (loss)	\$ 280,438	\$ 37,497	\$ (51,199)
Total comprehensive income (loss) attributed to:			
Holders of Common Shares	\$ 280,898	\$ 43,040	\$ (18,479)
Non-controlling interests	\$ (460)	\$ (5,543)	\$ (32,720)

STATEMENTS OF CHANGES IN EQUITY <i>(Dollars in thousands)</i>	<i>Nine Mos. Ended 30 September</i>		<i>Fiscal Year</i>
	2012	2011	2011
Equity at beginning of period	\$ 1,823,855	\$ 1,304,984	\$ 1,304,984
Net income (loss) attributed to:			
Holders of Common Shares	262,409	40,041	(20,586)
Non-controlling interests	(460)	(5,543)	(32,720)
Currency translation differences	(1,344)	2,999	3,693
Share of other comprehensive income (loss) of associates	19,833	—	(26,779)
Deferral of recognition of gain on uplift of recorded investment in associate following combination is recorded as a component of equity	—	—	601,237
Purchase additional shares in affiliates from non-controlling interests	(4,207)	—	—
Purchase and retirement of Common Shares	(1,622)	(2,100)	(4,504)
Dividend distributed to non-controlling interests	—	—	(1,470)
Equity at end of period	\$ 2,098,464	\$ 1,340,381	\$ 1,823,855

STATEMENTS OF CASH FLOWS <i>(Dollars in thousands)</i>	<i>Nine Mos. Ended 30 September</i>		<i>Fiscal Year</i>
	2012	2011	2011
Cash flows from operating activities:			
Net income (loss)	\$ 261,949		\$ (53,306)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization, including drydock	13,765		29,692
Undistributed share of losses (profits) of associates	(152,082)		(85,904)
Losses (gains) on investments, net	(2,682)		1,531
Losses (gains) on re-valuation of financial derivatives, net	2,629		—
Impairment of vessels and investments	1,231		106,052
Deferred compensation expense (reversal) for performance unit plan	4,155		(5,089)
Currency exchange losses (gains)	(5,073)		6,796
Other	107		205
Net changes in assets and liabilities	10,965		(9,175)
Net cash provided by (used in) operating activities	134,964		(9,198)
Net cash provided by (used in) investing activities	(30,057)		77,829
Net cash provided by (used in) financing activities	413,504		(61,951)
Effect of exchange rate on cash	2,586		35
Net increase (decrease) in cash and cash equivalents	520,997		6,715
Cash and cash equivalents at beginning of period	44,979		38,264
Cash and cash equivalents at end of period	\$ 565,976		\$ 44,979