



SIEM INDUSTRIES

PRESS RELEASE

For Immediate Release

SIEM INDUSTRIES INC.

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SIEM INDUSTRIES INC. ANNOUNCES RESULTS FOR THE 1ST HALF AND 2ND QUARTER ENDED 30 JUNE 2013

GEORGE TOWN, GRAND CAYMAN, 9 September 2013 – SIEM INDUSTRIES INC. (the “Company”) announces its unaudited results for the quarter and six months ended 30 June 2013 that have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as discussed below.

COMPARATIVE CONSOLIDATED FINANCIAL PERFORMANCE

Six Months Ended 30 June 2013. Net income attributable to Common Shares for the first half of the fiscal year ended 30 June 2013 was \$48.4 million, or \$3.17 per share (1H2012: \$178.3 million, or \$11.68 per share).

Operating revenues and operating expenses for the first half were \$86.1 million and \$70.0 million, respectively (2012: \$98.6 million and \$80.2 million, respectively). The share of profits of associates for the first half was \$29.1 million (2012: \$110.6 million).

Net gains (losses) on investments during the first half were \$(0.2) million (2012: \$1.7 million). Net gains on the re-valuation of financial derivatives for the first half were \$25.2 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 first half were \$5.1 million (2012: \$20.0 million). Major components of these expenses include performance unit plan expenses and management services agreement expenses. A reversal of the accrual for performance unit plan liabilities for \$4.2 million was recorded during the period as a result of the decline in the net market-adjusted value of the Company due to volatility in the market at the end of the period. The management services agreement expenses are based on the level of the Company’s net income and the decrease reflects the lower net income as compared to 2012. The currency exchange losses for the first half were \$12.8 million (2012: \$3.3 million).

Quarter Ended 30 June 2013. Net income attributable to Common Shares for the second quarter ended 30 June 2013 was \$15.5 million, or \$1.01 per share (2Q2012: \$148.2 million, or \$9.71 per share).

Operating revenues and operating expenses for the second quarter were \$34.9 million and \$26.0 million, respectively (2012: \$44.1 million and \$39.0 million, respectively). The share of profits (losses) of associates for the quarter was \$(6.7) million (2012: \$83.2 million).

Net gains (losses) on investments during the quarter were \$(2.8) million (2012: \$0.3 million). Net gains on the re-valuation of financial derivatives for the quarter were \$19.8 million.

General and administrative expenses for the quarter were \$0.1 million (2012: \$11.0 million) which reflect the reversal of the performance unit plan liabilities following a reduction in net market-adjusted value of the Company at the end of the period. Currency exchange losses for the quarter were \$3.1 million (2012: \$9.8 million).

CONSOLIDATED FINANCIAL POSITION

The Company held \$427.2 million of cash and cash equivalents at 30 June 2013, which included restricted cash of \$2.0 million.

Shareholders' equity was \$2.04 billion at 30 June 2013. There were 15,259,927 Common Shares issued and outstanding at 30 June 2013.

In May 2013, the Board of Directors declared and paid a dividend of \$0.20 per Common Share.

In June 2013, the Company acquired \$195 million of preference shares plus accrued interest at 95 flat. The preference shares were issued at the end of November 2012 by an international offshore drilling contractor and bear a rate of 10% p.a. which is payable-in-kind on a semi-annual basis. The Company financed the acquisition with a \$91 million short-term loan that was repaid in July.

At the annual general meeting of Subsea 7 S.A. in late June 2013, its shareholders approved a \$0.60 per share dividend to its shareholders with payments distributed in July 2013.

At the end of June 2013, the Company purchased \$14.2 million nominal value of its Exchangeable Bonds at an average price of 91.81% of nominal value.

SUBSEQUENT EVENTS

On 6 September 2013, the Company acquired and retired 120,246 of its Common Shares in market transactions at \$80.00 per Common Share. Following the retirement, the Company had 15,139,681 Common Shares issued and outstanding.

OPERATIONS AND INVESTMENTS IN ASSOCIATES

The Company reports its investments in Subsea 7 S.A. (OSE Symbol: SUBC), Siem Offshore Inc. (OSE Symbol: SIOFF), Veripos Inc. (OSE Symbol: VPOS), 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 June 2013, the Company owned a beneficial interest in 69,731,931 Subsea 7 S.A. shares, or approximately 21.0% of Subsea 7 S.A.'s issued and outstanding shares. For more information on Subsea 7, please visit www.subsea7.com .

Siem Offshore owned interests in 46 vessels working in the offshore industry including 10 vessels that are under-construction in Norway and Brazil at the end of the quarter. At 30 June 2013, 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 33 owned and chartered reefer vessels engaged in the transportation of refrigerated fruit and other perishable products. At 30 June 2013, the Company owned a beneficial interest of 7,339,948 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. Veripos is a market leader in precise positioning and navigation solutions for the offshore industry. At 30 June 2013, the Company owned 6,973,192 Veripos shares, or approximately 21.0% of Veripos' issued and outstanding shares. For more information, please visit www.veripos.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.

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.

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 the owners of Sinav Limited. Sinav's principal asset is its investment in Illinois River Energy, a dry mill, corn-based processing facility which produces fuel-grade ethanol, dried distiller's grains and corn oil.

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 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 fiscal year ended 30 June 2013 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 2013 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 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>Quarter Ended 30 June</i>		<i>Fiscal Year</i>
	<i>2013</i>	<i>2012</i>	<i>2013</i>	<i>2012</i>	<i>2012</i>
INCOME:					
Operating revenues	\$ 86,100	\$ 98,580	\$ 34,898	\$ 44,063	\$ 176,378
Share of profits (losses) of associates	29,109	110,623	(6,692)	83,169	177,412
Interest income	8,301	760	5,776	207	6,976
Gains (losses) on investments, net	(186)	1,699	(2,807)	261	6,546
Gains (losses) on re-valuation of financial derivatives, net	25,178	—	19,841	—	7,688
Gain on recovery against Lehman Brothers Int'l (Europe)	—	81,438	—	81,438	81,438
Other	480	700	338	406	1,039
Total income	148,982	293,800	51,354	209,544	457,477
EXPENSES AND OTHER:					
Operating expenses	(69,962)	(80,197)	(25,984)	(38,956)	(147,185)
Depreciation and amortization	(6,979)	(7,589)	(3,467)	(3,739)	(14,628)
Impairment of vessels and investments	(300)	(1,231)	(300)	4,400	(22,172)
Interest expense	(3,971)	(1,705)	(1,937)	(809)	(5,575)
General and administrative expenses	(5,113)	(19,952)	(98)	(11,025)	(33,541)
Currency exchange gains (losses), net	(12,817)	(3,344)	(3,088)	(9,792)	10,966
Other	(1)	(1)	0	0	(1)
Total expenses and other	(99,143)	(114,019)	(34,874)	(59,921)	(212,136)
Income (loss) before income tax expense	49,839	179,781	16,480	149,623	245,341
Income tax expense	(42)	(104)	(30)	(57)	(138)
Net income (loss)	\$ 49,797	\$ 179,677	\$ 16,450	\$ 149,566	\$ 245,203
Net income (loss) attributable to:					
Holders of Common Shares	\$ 48,388	\$ 178,287	\$ 15,449	\$ 148,188	\$ 246,511
Non-controlling interests	\$ 1,409	\$ 1,390	\$ 1,001	\$ 1,378	\$ (1,308)
Earnings (Loss) per Common Share – Basic and Diluted	\$ 3.17	\$ 11.68	\$ 1.01	\$ 9.71	\$ 16.15
Weighted avg. no. of Common Shares outstanding for period	15,259,927	15,266,592	15,259,927	15,259,927	15,263,241
STATEMENTS OF FINANCIAL POSITION					
<i>(Dollars in thousands)</i>			<i>30 June</i>	<i>31 December</i>	
			<i>2013</i>	<i>2012</i>	
ASSETS					
Cash and cash equivalents, excluding restricted cash	\$ 425,153		\$ 425,153	\$ 499,424	
Trading securities, and notes, loans and other financial assets	19,473		19,473	46,759	
Other current assets	48,712		48,712	46,910	
Total current assets	493,338		493,338	593,093	
Notes, loans and other financial assets			248,343	74,179	
Investments in associates			1,716,564	1,734,236	
Vessels, property and equipment, net			264,285	258,788	
Other assets, including restricted cash			5,836	4,763	
Total Assets			\$ 2,728,366	\$ 2,665,059	
LIABILITIES					
Accounts payable and other current liabilities	\$ 55,458		\$ 55,458	\$ 46,350	
Current maturities and short-term notes	102,522		102,522	11,518	
Total current liabilities	157,980		157,980	57,868	
Long-term debt			417,801	462,216	
Other			65,303	58,365	
Total Liabilities			641,084	578,449	
EQUITY					
Common Shares, \$0.25 par value, 15,259,927 shares issued and outstanding	\$ 3,815		\$ 3,815	\$ 3,815	
Additional paid-in capital	105,405		105,405	105,405	
Retained earnings	1,352,743		1,352,743	1,307,407	
Cumulative translation and other reserves	581,583		581,583	627,736	
Total Shareholders' Equity	2,043,546		2,043,546	2,044,363	
Non-controlling interests	43,736		43,736	42,247	
Total Equity	2,087,282		2,087,282	2,086,610	
Total Liabilities and Equity			\$ 2,728,366	\$ 2,665,059	

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
	2013	2012	2012
Net income (loss)	\$ 49,797	\$ 179,677	\$ 245,203
Other comprehensive income (expense):			
Currency translation differences	(283)	1,630	259
Share of other comprehensive income (loss) of associates	(45,870)	(12,768)	23,123
Total comprehensive income (loss)	(46,153)	(11,138)	23,382
Total comprehensive income (loss)	\$ 3,644	\$ 168,539	\$ 268,585
Total comprehensive income (loss) attributed to:			
Holders of Common Shares	\$ 2,235	\$ 167,149	\$ 269,893
Non-controlling interests	\$ 1,409	\$ 1,390	\$ (1,308)

STATEMENTS OF CHANGES IN EQUITY <i>(Dollars in thousands)</i>	Six Months Ended 30 June		Fiscal Year
	2013	2012	2012
Equity at beginning of period	\$ 2,086,610	\$ 1,823,855	\$ 1,823,855
Net income (loss) attributed to:			
Holders of Common Shares	48,388	178,287	246,511
Non-controlling interests	1,409	1,390	(1,308)
Currency translation differences	(283)	1,630	259
Share of other comprehensive income (loss) of associates	(45,870)	(12,768)	23,123
Pay cash dividends of \$0.20 per share to Holders of Common Shares	(3,052)	—	—
Purchase and retirement of Common Shares	—	(1,622)	(1,622)
Purchase additional shares in affiliates from non-controlling interests	—	—	(4,208)
Sell shares in affiliates to non-controlling interests	80	—	—
Equity at end of period	\$ 2,087,282	\$ 1,990,772	\$ 2,086,610

STATEMENTS OF CASH FLOWS <i>(Dollars in thousands)</i>	Six Months Ended 30 June		Fiscal Year
	2013	2012	2012
Cash flows from operating activities:			
Net income (loss)	\$ 49,797	\$ 179,677	\$ 245,203
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization, including drydock	6,979	7,589	18,434
Undistributed share of losses (profits) of associates	(29,109)	(110,623)	(177,412)
Losses (gains) on investments, net	186	(1,699)	(6,546)
Losses (gains) on re-valuation of financial derivatives, net	(25,178)	—	(7,688)
Impairment of vessels and investments	300	1,231	22,172
Deferred compensation expense (reversal) for performance unit plan	(4,166)	1,210	5,589
Currency exchange losses (gains)	12,817	3,344	(10,965)
Other	426	1,456	213
Net changes in assets and liabilities	18,773	(21,013)	(8,845)
Net cash provided by (used in) operating activities	30,825	61,172	80,155
Net cash provided by (used in) investing activities	(169,181)	26,933	(31,849)
Net cash provided by (used in) financing activities	68,305	(32,374)	402,352
Effect of exchange rate on cash	(4,220)	(371)	3,787
Net increase (decrease) in cash and cash equivalents	(74,271)	55,360	454,445
Cash and cash equivalents at beginning of period	499,424	44,979	44,979
Cash and cash equivalents at end of period	\$ 425,153	\$ 100,339	\$ 499,424