



SIEM INDUSTRIES INC.

Prospectus

Siem Industries Inc.

Registration Document

31 October 2016

IMPORTANT NOTICE

The Registration Document is based on sources such as annual reports and publicly available information.

This Registration Document has been prepared to comply with the Norwegian Securities Trading Act of 29 June 2007 no. 75 (the "**Norwegian Securities Trading Act**") and related secondary legislation, including the Commission Regulation (EC) no. 809/2004 implementing Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in prospectuses, as amended, and as implemented in Norway (the "**EU Prospectus Directive**"). This Registration Document has been prepared solely in the English language. The Financial Supervisory Authority of Norway (*Nw: Finanstilsynet*) (the "**Norwegian FSA**") has reviewed and, on 31 October 2016, approved this Registration Document in accordance with Sections 7-7 and 7-8 of the Norwegian Securities Trading Act. The Registration Document is valid for a period of twelve months from the date of approval by the Norwegian FSA. The Norwegian FSA has not controlled or approved the accuracy or completeness of the information included in this Registration Document. The approval by the Norwegian FSA only relates to the information included in accordance with pre-defined disclosure requirements. The Norwegian FSA has not made any form of control or approval relating to corporate matters described in or referred to in this Registration Document

A prospective investor should consider carefully the factors set forth in chapter 1 "Risk Factors", and elsewhere in the Registration Document, and should consult his or her own expert advisers as to the suitability of an investment in the Bonds.

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Other than in compliance with applicable United States securities laws, no solicitation is being made or will be made, directly or indirectly, in the United States. Securities will not be registered under the United States Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

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The Registration Document together with a Securities Note constitutes the Prospectus.

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1. RISK FACTORS

Investing in bonds issued by Siem Industries involves inherent risks. As the Company is the parent company of the Group and primarily a holding company, the risk factors for Siem Industries and the Group are deemed to be equal for the purpose of this Registration Document. Prospective investors should consider, among other things, the risk factors set out in the Prospectus before making an investment decision. If any of the following risks actually occur, the Company's business, financial position and operating results could be materially and adversely affected. The Company believes that the factors described below represent the principal risks inherent in investing in bonds issued by the Company. Occurrence of the risk factors described below may cause inability of Siem Industries to pay interest, principal or other amounts on or in connection with the Bonds.

The Company's risk exposure is analyzed and evaluated to ensure sound internal control and appropriate risk management based on the Company's values, policies and code of ethics.

1.1 Risks relating to the Company's business

Liquidity Risk

The Company's activities do not generate a steady, predictable flow of net operating cash. Rather, the Company must rely on the sales or the leveraging of its assets that have appreciated considerably over time to generate liquidity. The ability of the Company to increase its liquidity through the sales of its assets may be affected by conditions that arise in the market which serve to reduce the activity in the buying or selling of the Company's assets or in the pricing of the Company's assets. The pricing of the Company's investments in certain of its assets may be adversely affected by developments within an individual investee or within the investee's industry which are beyond the scope of the Company to manage.

The Company may increase its liquidity by entering into debt facilities with banks or other financial institutions. The security for such facilities is represented by the pledging of the Company's assets which, as noted above, may be subject to value volatility that is beyond the immediate capability of the Company to control.

Foreign Exchange Risk

The nature of the activities conducted by the Company exposes the Company to foreign exchange risk. Gains and losses on foreign exchange derivative instruments which qualify as hedges for accounting purposes are deferred and recorded as other reserves and recognized when the underlying foreign exchange exposure is realized. Gains and losses on foreign exchange derivative instruments which do not qualify as hedges for accounting purposes are recognized based on the change in the market value of the derivative instruments.

The Company has in the past purchased foreign exchange contracts with contracts terms less than six months to protect against the adverse effects of exchange rate fluctuations. These derivatives did not meet the strict guidelines to qualify for hedge accounting and the gains and losses on both the derivatives and the existing foreign currency-denominated assets and liabilities were recorded as currency gains or losses in the statements of operations for each of the reporting dates.

The Company also has significant exposure to currency exchange fluctuations that is attributed to its significant cash holdings that are denominated in various currencies.

Interest Rate Risk

The Company's use of debt exposes the Company to risks of adverse interest rate development. Floating rate debt, in which the interest rate can change from one interest period to the next in periods as short as one month, exposes the Company to short-term changes in market interest rates. Fixed rate debt, in which the interest rate is fixed over

the life of the facility, exposes the Company to changes in market interest rates if the Company should decide to refinance maturing debt with new debt.

The Company may, from time to time, use interest rate swap agreements to manage the effect of interest rate changes on future income. These derivatives are used as a hedge of underlying future interest payments and are not used for speculative or trading purposes. The agreements involve the exchange of amounts based on variable interest rates and amounts based on a fixed interest rate over the life of the agreement without an exchange of the notional amount upon which the payments are based. The interest rate differential to be paid or to be received on the swaps is recognized over the lives of the swaps as an adjustment to interest expense.

The major risks in using interest rate derivatives include changes in interest rates that affect the value of such instruments, potential increases in the interest expense of the Company due to market increases in floating interest rates in the case of derivatives which exchange fixed interest rates for floating interest rates and the creditworthiness of the counterparties in such transactions.

Credit Risk

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and other financial institutions as well as to customers, including outstanding receivables and committed transactions.

1.2 Market and commercial risks

The Company's balance sheet includes a substantial amount of assets whose fair values are subject to market risks. Due to the Company's significant level of investments in equity securities, fluctuations in equity prices represent the largest market risk factor affecting the Company's financial position. The following sections address the significant market risks associated with the Company's business activities.

Equity Price Risk

Strategically, the Company strives to invest at reasonable prices in businesses possessing good economics and competent management. The Company prefers to own a meaningful amount in each business and, as a result, the Company is concentrated in relatively few holdings.

The Company's primary strategy is to engage in businesses in which it possesses experience on a long-term basis. Thus, short-term price volatility with respect to its holdings is understood and accepted by the Company provided that the underlying business, economic and management qualities of the operations remain favorable.

The carrying values of holdings subject to equity price risks accounted for under the equity method of accounting are based on costs adjusted for the Company's proportionate share of investee earnings. The carrying values of investments which the Company has classified as available-for-sale securities are adjusted to reflect market prices at the end of the period with the appreciation or depreciation in the investments reflected as a component of other reserves. The carrying values of investments which the Company has classified as trading securities are adjusted to reflect market prices at the end of the period with the adjustment reflected as a gain or loss. Market prices are subject to fluctuation and, consequently, the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amounts realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

Investment Concentration Risk

The Company believes that it may have investment concentration risks with respect to its operational holdings in the oil and gas services industry. Over the last two years, oil prices have fallen sharply, and this has in turn had a significant negative impact on the oil services industry. Several of the Company's subsidiaries and holdings, such as Subsea 7, Siem Offshore and EMGS, have been negatively affected as a result. While the Group has important investments outside the oil services industry, the Group is likely to be negatively affected should the challenging situation in the oil services industry continue.

2. DEFINITIONS

2012 Exchangeable Bonds:	The Company's USD 445,000,000 Senior Exchangeable Bonds 2012/2019, listed on Oslo Børs 30 November 2012 under the ticker code SIEIN02 and ISIN NO 0010657968.
2016 Exchangeable Bonds:	The Company's EUR 250,000,000 Senior Secured Exchangeable Bonds due 2021 with ISIN NO 0010766546.
AHTS:	Anchor-handling, tug and supply vessels.
Annual Report 2014:	Siem Industries Inc.'s annual report of 2014.
Annual Report 2015:	Siem Industries Inc.'s annual report of 2015.
Articles of Association:	The Memorandum of Association and the Articles of Association of Siem Industries Inc.
Board of Directors:	The Board of Directors of Siem Industries Inc.
Company/Issuer/Siem Industries:	Siem Industries Inc., a limited liability company registered under the laws of the Cayman Islands.
Deusa:	Deusa International GmbH, a limited liability company registered under the laws of Germany.
EEA:	European Economic Area.
EMGS:	Electromagnetic Geoservices ASA, a public limited company registered under the laws of Norway.
EPC:	Engineering, procurement and construction.
EU Prospectus Directive	Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003 regarding information contained in prospectuses, as amended,
First Half Report 2016:	Siem Industries Inc.'s first half report 2016.
First Half Report 2015:	Siem Industries Inc.'s first half report 2015.
FSG:	Flensburger Schiffbau-Gesellschaft MbH & Co. KG, a limited partnership registered under the laws of Germany.
Group:	The Company and its subsidiaries and affiliates from time to time.
NOK:	Norwegian kroner, the lawful currency of Norway.
Norwegian FSA:	The Financial Supervisory Authority of Norway (Finanstilsynet).
IAS:	International Accounting Standards.
IASB:	International Accounting Standards Board.
IFRIC:	International Financial Reporting Interpretations

	Committee.
IFRS:	International Financial Reporting Standards.
ISIN:	International Securities Identification Number.
Norwegian FSA	The Financial Supervisory Authority of Norway (<i>Nw: Finanstilsynet</i>)
The Norwegian Institute of Public Accountants	Norsk Revisorforening.
Norwegian Securities Trading Act	The Norwegian Securities Trading Act of 29 June 2007 no. 75
Offering:	On 26 May 2016, the Company launched an offering of EUR 250 million Senior Secured Exchangeable Bonds due 2021, exclusively by way of a private placement to international institutional investors.
OSCVs:	Offshore subsea construction support vessels.
PSVs:	Platform supply vessels.
Registration Document:	This document.
Prospectus:	The Registration Document and the Securities Note.
RoRo:	Roll-on/roll-off
Securities Note:	The document to be prepared for each new issue of bonds under the Prospectus.
Siem Car Carriers:	Siem Car Carriers AS, a limited liability company registered under the laws of Norway.
Siem Europe:	Siem Europe S.à r.l., a limited liability company registered under the laws of Luxembourg.
Siem Offshore:	Siem Offshore Inc., a public limited liability company registered under the laws of the Cayman Islands.
Siem Investments:	Siem Investments Inc. a limited liability company registered under the laws of the Cayman Islands.
Siem Shipping, or STAR Reefers:	Siem Shipping, a public limited liability company registered under the laws of the Cayman Islands, renamed from STAR Reefers Inc. to Siem Shipping Inc., but still doing business under the name STAR Reefers.
SPGL:	Sustainable Power Generation Limited, a limited liability company registered under the laws of the United Kingdom.
Subsea 7:	Subsea 7 S.A., a public limited liability company registered under the laws of Luxembourg.

USD:	United States dollars, the lawful currency of the United States of America.
Venn:	Venn Partners LLP, a limited liability partnership company registered under the laws of the United Kingdom.
Venn Capital:	Venn Capital S.à r.l., a limited liability company registered under the laws of Luxembourg.
VSK Holdings:	VSK Holdings Limited, a limited liability company registered under the laws of Cayman Islands.
VSK Finance:	VSK Finance Limited, a limited liability company registered under the laws of Cayman Islands.
VPS:	The Norwegian Central Securities Depository, (Verdipapirsentralen).

3. PERSONS RESPONSIBLE

3.1 Persons responsible for the information

Person responsible for the information given in the Registration Document is as follows:

Siem Industries Inc., with its registered office at P.O. Box 309, Uglan House, South Church Street, George Town, Grand Cayman KY1-1104, Cayman Islands.

3.2 Declaration by person responsible

Responsibility statement

This Registration Document has been prepared by Siem Industries Inc. in connection with issue of bonds and an investment therein. We confirm that, having taken all reasonable care to ensure that such is the case, the information contained in this Registration Document is, to the best of our knowledge, in accordance with the facts and contains no omission likely to affect its import.

31 October 2016

Siem Industries Inc.

Michael Delouche
President and Secretary

4. STATUTORY AUDITORS

4.1 Names and addresses

The Company's auditor is PricewaterhouseCoopers AS, independent state authorised public accountants with address at P.O. Box 447, 4664 Kristiansand, Norway, and telephone number 02316 (+47 95 26 00 00). PricewaterhouseCoopers AS is a member of the Norwegian Institute of Public Accountants ("**Norsk Revisorforening**").

State authorised public accountant, Svein A. Andresen, has been responsible for the auditor's reports for 2014 and 2015.

5. INFORMATION ABOUT THE ISSUER

5.1 History and development of the Issuer

5.1.1 Legal and commercial name

The legal name of the Company is Siem Industries Inc and the commercial name is Siem Industries.

5.1.2 Place of registration and registration number

The Company is registered in the Cayman Islands Company Registry with registration number CR 1248.

5.1.3 Date of incorporation

The Company was incorporated on 13 October 1980 under the laws of the Cayman Islands.

5.1.4 Domicile and legal form

The Company is an exempted limited liability company incorporated under the laws of Cayman Islands, specifically the Companies Law (2016 Revision). See also Section 7.1 "Description of the Group that the Issuer is part of" for further information.

The Company's registered address is P.O. Box 309, Ugland House, South Church Street, George Town, Grand Cayman KY1-1104, Cayman Islands and its mailing address is P.O. Box 10718, George Town, Grand Cayman KY1-1006, Cayman Islands. The Issuer's telephone number is + 1 345 949 1030 and telefax number is + 1 345 946 3342.

6. BUSINESS OVERVIEW

6.1 Principal activities

Siem Industries is a diversified industrial holding company that mainly operates through autonomous subsidiaries and affiliates. The Company currently holds interests in the offshore oil and gas services industries, ocean transportation industries, financial investments, shipyards, potash-mining and solar parks. The Company's major holdings are represented in the oil and gas service industry by Subsea 7 S.A., Siem Offshore Inc. and Electromagnetic Geoservices ASA, in the shipping industry by Siem Shipping Inc., Flensburger Schiffbau-Gesellschaft and Siem Car Carriers, in the financial investments area by Siem Investments Inc., Venn Partners LLP, Venn Capital S.à r.l., Siem Europe S.à r.l. and VSK Holdings Limited, in potash-mining by Deusa International GmbH and in large-scale solar projects and solar parks by Sustainable Power Generation Limited.

The Company's strategy is to focus on long-term growth rather than on short-term results. Siem Industries has a history of active participation in the consolidation and restructuring of different industries.

In summary, the Group is operated based on the following principles.

- Long-term value creation through an industrial approach and outlook with a focus on quality operations.
- Focus on business areas where the Group has experience in and knows well.
- Focus on dealings with reliable partners on a long term basis.
- Aim for quality and reliability and predictability.
- Financial solidity and adequate liquidity on the Company level.
- Only furnish limited financial guarantees to subsidiaries/business areas.

6.2 History in brief

The Company was incorporated in October 1980 under the laws of the Cayman Islands under the name Bahama Cruise Line Inc. The name was changed to Bermuda Star Line Inc. in 1986, to Norex America Inc. in 1989, to Norex Industries Inc. in 1996 and finally to Siem Industries Inc. in 1998.

6.3 Major Industrial Holdings

6.3.1 Subsea 7 S.A.

General

On 7 January 2011, Subsea 7 Inc. and Acergy S.A. completed the combination of the two companies and the combined entity was renamed Subsea 7 S.A. ("**Subsea 7**"). The shareholders of Subsea 7 Inc. exchanged their holdings at the rate of 1.065 newly-issued shares of Subsea 7 for each existing share of Subsea 7 Inc.

As of the date of this Prospectus, the Company beneficially owns 69,731,931 shares of Subsea 7 (OSE Symbol: SUBC), or approximately 21.3% of its issued and outstanding shares. Current information regarding Subsea 7 is available on its website at www.subsea7.com. The Company accounts for the investment under the equity method of accounting.

Activities

Subsea 7 is a seabed-to-surface engineering, construction and services contractor for the global offshore oil and gas service industry. Subsea 7 provides integrated services and plans, designs, implements and delivers complex projects under many conditions, including harsh and challenging environments.

The operations are conducted using a diversified high-specification fleet of more than 37 vessels and a fleet of more than 175 remotely operated vehicles with access to extensive fabrication and onshore facilities and utilizing state-of-the-art technology.

Subsea 7's business consists of several principal areas of operations as described below:

Subsea Umbilicals, Risers and Flowline ("SURF") Services. These services include infrastructure related to subsea trees or floating production platforms, regardless of water depth, such as pipelines, risers, umbilicals, moorings, and other subsea structures such as pipeline end manifolds and pipeline end terminations.

Life-of-Field Services. These services include inspection, maintenance and repair, integrity management and remote intervention.

Conventional Services. Subsea 7 provides conventional construction skills and capabilities to assist its clients in solving complex hydrocarbon extraction and field development problems and services include the fabrication and installation of fixed platforms and associated pipelines, hook-up and platform refurbishment.

Other areas include the iTech technology division which provides remotely-operated vehicles (ROVs) and tooling services to support exploration, development and production activities.

6.3.2 Siem Offshore Inc.

General

Siem Offshore Inc. ("**Siem Offshore**") is an industrial group within the marine sector of the global oil service business. The company's main activity is to own and operate modern offshore support vessels to support the offshore energy service industry.

As the date of this Prospectus, Siem Industries owns 83.0% of the shares of Siem Offshore (OSE Symbol: SIOFF), corresponding to 699,110,008 shares of Siem Offshore. Current information regarding Siem Offshore is available on its website at www.siemoffshore.com.

Business objectives and strategy

Siem Offshore's main area of activity is the ownership and operation of various types of anchor-handling, supply, support and service vessels for the offshore oil and gas service industry. SIOFF has 45 vessels in operation, and four newbuilds under construction. The total fleet of 49 vessels includes, among others, 15 mid-size and large-size platform supply vessels ("**PSVs**"), five offshore subsea construction support vessels ("**OSCVs**"), ten large-capacity anchor-handling, tug and supply ("**AHTS**") vessels, two well-intervention vessels, one installation support vessel, one cable-lay vessel and six offshore support vessels in Canada.

The vessels under construction in Polish and German yards include three dual-fuel PSVs for deliveries in 2016 through 2017 and one large well-intervention vessel for delivery in 2016.

Siem Offshore's wholly-owned subsidiary, Overseas Drilling Limited, is the owner of the scientific ocean drilling vessel, the "JOIDES Resolution" (Joint Oceanographic Institutions for Deep Earth Sampling), which is chartered to the Texas A&M Research Foundation to conduct expeditions for researchers in the scientific community. The expeditions employ riserless drilling technologies to acquire sediment and rock samples and to install monitoring instrumentation beneath the ocean floor. The firm part of the contract runs until September 2019 and there are further options for extensions through 2023 on an annual basis.

In addition, the company has a 41% interest in the company owning the well-stimulation vessel "Big Orange" and holds a majority shareholding in Siem WIS AS, a company which is developing and commercializing new technology for riserless intervention solutions.

The Company is involved in the business of submarine cable-laying through its 100% ownership in Siem Offshore Contractors GmbH. Siem Offshore Contractors GmbH performs operations in the installation of inner-array and export cables in the offshore renewable energy market and related repair and maintenance business. SOC performs contracts for the installation of submarine cables for the European windfarm market which combine the project engineering and management experience of SOC with the marine operating capabilities of Siem Offshore.

Advanced fleet

Siem Offshore's plan is to meet the market's demand for modern and advanced service vessels for the global offshore oil and gas industry. The considerable newbuilding activity undertaken by Siem Offshore during the past several years reflects this strategy.

Professional and cost effective operations

Siem Offshore will maintain a strong focus on operating its fleet professionally and cost-effectively and in accordance with relevant laws and regulations.

Siem Offshore has a team of dedicated staff focusing on core activities such as marketing, chartering, crewing, technical supervision, finance, business development and investor relations.

6.3.3 Siem Shipping Inc.

Siem Shipping Inc. (**Siem Shipping**) is listed on the Oslo Stock Exchange (www.oslobors.no) under the ticker symbol "SSI". Siem Shipping is an owner and operator of vessels in specialist shipping sectors. The company operates in the specialised reefer industry as STAR Reefers, it is an owner and operator of refrigerated vessels, and directly controls 30 vessels with a total capacity of 17 million cbft.

In the first half of 2015, the Company entered the car carrier market as a tonnage provider by signing a contract with a shipbuilder based in Croatia, to build two 7,000 CEU (Car Equivalent Units) pure car and truck carriers ("PCTCs") for delivery in the second half of 2017. Siem Shipping has provided management and technical services to this sector since 2012. The Company has further expanded into the car carrier market in 2016 by acquiring all the shares of Auto Marine Transport Inc., which has three 7,000 CEU PCTC vessels under construction with delivery due in 2017.

STAR Reefers' objective is to fulfil the marine transportation requirements of its customers in the global perishable produce sector by providing a high-quality and cost-effective service. The Company's core values include safe operations, reliability, quality, honesty, predictability, providing our customers with the service they need through long-term relationships, caring about the environment, flexibility and profitability. Siem Shipping's activity in the reefer segment is focused on the transportation of bananas and in the PCTC sector, on being first-class tonnage provider.

As of the date of this Prospectus, Siem Industries owned 7,409,498 shares in Siem Shipping equivalent to 82.3% of its total issued and outstanding shares. Further information about Siem Shipping is available on its website at www.siemshipping.com.

6.3.4 Siem Car Carriers

The Company owns 100% of the shares in Siem Car Carriers AS. Siem Car Carriers AS operates a liner service for transportation of cars and RoRo cargo in the Pacific. In 2015, the Company commenced transportation of VW Group vehicles under a 4-year COA with Volkswagen Logistics. This liner service in the Atlantic is guaranteed minimum volumes of vehicles both eastbound and westbound. Additionally, a service between South East Asia and China/Korea has been established. In addition, the Company owns two 2000-built car carriers through SCC Shipowning I AS and SCC Shipowning II DA. Each car carrier has carrying capacity of 4,100 RT standard cars. Both vessel are chartered out at acceptable rates.

6.3.5 Siem Investments Inc.

Siem Investments Inc. ("**Siem Investments**") was established to originate and/or participate in the acquisition, reorganisation or restructuring of investment opportunities in particular businesses experiencing distress situations.

Since the commencement of its activities in 1998, Siem Investments has accumulated a number of investments which have since concluded successfully.

Siem Investments owns a 49% interest in Deusa International GmbH, a German company involved in potash-mining. Deusa earned its first ever annual profit in 2009 and has grown its production volumes and net income each year since. The production was 67,400mt, 79,400mt and 95,600mt for 2013, 2014 and 2015, respectively. Deusa has implemented a plan to increase the production capacity of the operations to 120,000mt over the next several years.

Siem Investments owns a 23.9% interest in Electromagnetic Geoservices ASA.

At the end of December 2015, Siem Europe S.à r.l., a wholly-owned subsidiary of Siem Industries, acquired a 24.9%-interest from Deusa's major shareholder for EUR 3.1 million. As a consequence, the Company is now the beneficial owner of 73.9% of Deusa.

Siem Investments also holds certain portfolio investments in shares and bonds.

6.3.6 Venn Partners LLP

Siem Kapital AS, a wholly-owned Norwegian company of Siem Europe, owns a 44.48%-interest in Venn Partners LLP ("**Venn**"), a UK company. Venn 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 has been awarded an exclusive mandate from the UK government to manage the Private-Rented Sector Guarantee Scheme which will offer government guarantees to raise more than GBP 3.5 billion of competitive 10 to 30 year financing in the capital markets with the proceeds to be used for eligible private rental housing after construction has been completed. Venn will arrange all aspects of the scheme and is expected to conduct the first offering in 2016.

6.3.7 Venn Capital S.à r.l.

Venn Capital S.à r.l. ("**Venn Capital**"), a Luxembourg company wholly-owned by Siem Europe, was established to finance commercial real estate projects that have been arranged by Venn. The projects funded by Venn Capital meet strict investment criteria to manage exposures arising from downturns in the economy and are backed by the underlying commercial real estate in the specific project.

In 2014, Venn Capital agreed with a pension fund to set-up an investment vehicle, Venn Capital II, to invest in similar types of projects which it would manage but in which Venn Capital would hold an ownership interest of 9.67% and the fund owned 90%. Venn Capital transferred notes of approximately GBP 19.3 million to Venn Capital II as its share of the capital contributions.

In September 2015, Venn helped to establish the Venn Commercial Real Estate Fund for certain counties located in the U.K. with the purpose to invest pension funds. The initial size of the fund is GBP 160 million. Venn Capital's commitment is for GBP 30 million, or 18.66% of the fund. Venn Capital transferred all but one of its commercial real estate notes into the fund. The total amount of notes transferred to the fund was GBP 107.4 million and Venn Capital received GBP 76.8 million from the other fund participants with the difference representing Venn Capital's equity investment.

6.3.8 VSK Holdings Limited

VSK Holdings Limited ("**VSK Holdings**"), a Cayman Islands company, was established at the end of 2013. The Company owns 100% of the voting shares in VSK Holdings. Ember

VRM S.à r.l., a Luxembourg company, is a wholly-owned subsidiary of VSK Holdings, and purchased a portfolio of Dutch residential mortgages in December 2013. In March 2014 this portfolio was securitised. Since 2015, Ember VRM S.à r.l. has built up a new portfolio of residential mortgages in the Netherlands through an associated company. A total of EUR 16.5 million in equity has been committed to this new portfolio.

6.3.9 VSK Finance Limited

At the end of 2013, VSK Holdings established VSK Finance Limited ("**VSK Finance**"), a Cayman Islands company, as a swap vehicle to perform the swap transactions carried out by VSK Holdings, to optimize the swap function and manage costs. VSK Finance was capitalized with EUR 10 million to serve as collateral for the swap transactions.

6.3.10 Sustainable Power Generation Limited

Siem Europe S.à r.l. acquired a 40%-interest in Sustainable Power Generation Limited ("**SPGL**") for GBP 6,200,000- at the end of September 2014. SPGL is among the larger developers of large-scale solar projects in the U.K. and performs engineering, procurement and construction activities for solar parks which may be sold to third parties or remain owned and operated within the company. SPGL also performs operations and maintenance activities after the solar parks go into operation.

6.3.11 Flensburger Schiffbau-Gesellschaft MbH & Co. KG

The Company owns 100% of the shares in Flensburger Schiffbau-Gesellschaft MbH & Co. KG ("**FSG**"), a German shipbuilding company. Siem Offshore entered into shipbuilding contracts with FSG for the construction of two modern large-tonnage well-intervention vessels in early 2014. In September 2014, FSG experienced liquidity problems which resulted in the Company forming a committee of stakeholders, including owners with vessels under construction or on order, banks, local German governments, employee union and suppliers, for the purpose of finding a solution for the shipyard. As part of the solution, the Company purchased 100% of FSG from the former owner, a private equity firm which declined to participate in the solution, for EUR 1.00 on behalf of Siem Europe which agreed to invest additional capital of EUR 6 million, or an approximate equivalent of USD 7,514,000, in FSG. All parties contributed to the solution. The vessels under construction at the time have been completed and delivered and new contracts have been secured.

6.3.12 Siem Europe S.à r.l.

Siem Europe S.à r.l. ("**Siem Europe**") is the Company's wholly-owned Luxembourg subsidiary and wholly-owns Siem Kapital AS, Venn Capital S.à r.l, and FSG. The investments include an 83.0%-interest in Siem Offshore, a 24.9%-interest in Deusa International, a 40%-interest in SPGL, related loans for solar park construction and development and a 48.3%-interest in Grespo AB.

6.3.13 Electromagnetic Geoservices ASA

In November 2014, Siem Investments purchased a block of shares in Electromagnetic Geoservices ASA ("**EMGS**"), a publicly-traded Norwegian company, to increase its ownership to 11.1%. EMGS is the ownership of proprietary electromagnetic technology which supports the offshore exploration for oil and gas. EMGS provides services for survey design and data acquisition which will be processed and interpreted. EMGS' services can also integrate the data with seismic and other geophysical and geological information to provide a more in-depth and complete understanding of the subsurface which reduces costs and associated risks.

In November 2015, the Siem Investments agreed to underwrite 37.3% of a NOK 278 million Rights Issue that was conducted by EMGS. Upon conclusion of the Rights Issue,

Siem Investments acquired an additional 290,843,061 new shares in EMGS at NOK 0.25 per share increasing Siem Investments' shareholding in EMGS to 313,769,927, corresponding to 23.9% of the issued and outstanding shares.

6.3.14 Other

The Group recently sold its 88 % of an office building in Grimstad, Norway and owns one office building in Oslo.

6.3.15 Recent events

2014

At the end of 2014, Venn Partners was awarded an exclusive mandate from the UK government to manage the Private-Rented Sector Guarantee Scheme which will offer government guarantees to raise more than GBP 3.5 billion of competitive 10 to 30 year financing in the capital markets with the proceeds to be used for eligible private rental housing after construction has been completed. Venn will arrange all aspects of the scheme.

2015

In 2015, the Company transferred its shareholding of 133,279,421 shares in Siem Offshore Inc. to its wholly owned subsidiary Siem Europe S.à r.l. As the parent company of Siem Europe S.à r.l, the Company remains as the beneficial owner of the shares.

In January 2015, Siem Shipping sold two of its older, less efficient vessels for an aggregate USD 10 million. Siem Shipping also completed its share buy-back program to buy-back shares at a maximum price of NOK 60 per share. A total of 527,674 shares were purchased and retired at an aggregate cost of approximately USD 4.1 million. Following the buy-back, Siem Shipping had 9,119,805 shares outstanding and the Company's ownership interest increased to 81.2%.

In January 2015, the Company agreed to provide GBP 47.7 million of project financing available to SPGL for the **EPC** of a 51.8MW solar park known as Owl's Hatch Solar Park. In February 2015, the Company acquired a single-purpose UK company known as Bradenstoke Solar Park and committed with SPGL to build a facility up to 70MW in capacity, one of the largest in the U.K. SPGL-owned entities to perform the EPC. The Company and SPGL agreed to a profit split arrangement on the Bradenstoke Solar Park project. The committed financing was up to GBP 58 million. The goal for both solar parks was to have them completed and commissioned by 31 March 2015 in order to have access to the 1.4 Renewable Obligation Certificate which is part of the renewable energy commitment undertaken by the U.K. government. Both Owl's Hatch and Bradenstoke Solar Parks were completed and commissioned by the end of March 2015.

On 15 January 2015, the Company repurchased USD 5,000,000- nominal value of its 2012 Exchangeable Bonds at an average price of 88.25% of nominal value. The aggregate amount of bonds that were repurchased by the Company was USD 96,200,000 and the bonds were exchangeable into shares of Subsea 7, a number of which shares have been pledged by the Company for purposes of the exchange and security.

On 15 May 2015, the Board of Directors of the Company declared a cash dividend of USD 0.20 per share to shareholders of record 18 May 2015. The dividends were paid to the shareholders on 25 May 2015.

On 14 August 2015, the Company followed up with an additional repurchase of USD 10,800,000 of its 2012 Exchangeable Bonds with an average price of 92.4% of nominal value. On 30 November 2015, the Company repurchased USD 18,000,000 of its 2012 Exchangeable Bonds at an average price of 94.5% of nominal value, making the

aggregate amount of repurchased bonds by the Company under the 2012 Exchangeable Bonds USD 125,000,000.

In February 2015, the Company agreed to commit up to EUR 50 million to VSK Holding to establish and fund a new Dutch mortgage originator and leverage the lessons learned by Venn Partners and its related parties during the past year. The intention was to build a sizable portfolio using a loan warehouse arrangement and then securitize the portfolio. The new vehicle will not require additional funding or liquidity support to structure an interest rate hedging strategy.

In March 2015, VSK Holdings was restructured after the Company's partner decided not to participate in the Ember II transaction. New classes of shares were added. The Company now owns 100% of the voting shares and the other shareholders hold new classes of shares that pay dividends.

2016

In January 2016, Siem Shipping reached an agreement to time-charter two specialized reefer vessels for minimum 5-year periods. Each of the new build vessels will have a capacity of 650,000 cubic feet in its refrigerator holds and capacity for 300 refrigerated containers on deck. Deliveries of the vessels are expected in early 2017. Siem Shipping further issued a voluntary offer to buy-back shares from its shareholders at NOK 60 per share. A total of 112,053 shares were tendered and acquired by the Company pursuant to the offer.

In March 2016, the Company received a margin loan facility with a commitment amount of NOK 500 million that can be drawn in USD. Terms of the loan provide for interest payable monthly at a rate of LIBOR plus 1.25%, cancellation notice of four months and security in the form of Subsea 7 shares.

Further in March 2016, the Company reached an agreement to sell all of the outstanding shares in Auto Marine Transport to Siem Shipping subject to approval by the board of directors of Siem Shipping. The consideration was USD 44.8 million to be settled by a cash payment of USD 10.8 million at closing and a seller's credit for the remaining amount. The seller's credit is payable with two payments of 50% each due and payable by the end of 2017 and 2018, respectively. The transaction was approved at Siem Shipping's annual general meeting in May 2016.

Siem Europe made an additional capital contribution to Flensburger Schiffbau-Gesellschaft, its wholly-owned German shipyard, of EUR 11 million in March 2016. FSG has obtained newbuild contracts for four new roll-on/roll-off "ro-ro" carriers for a price of EUR 55 million each. FSG owns one of the vessels and a wholly-owned subsidiary of the Company owns the other three vessels. Terms for 5-year time charters have been agreed for all four vessels with two separate customers. The charterers will have purchase options.

In early April 2016, the Company advanced EUR 5 million to VSK Holdings for the purpose to commence the suspended loan origination activity and build a portfolio of residential mortgage loans that can be securitized. Preliminary indications are that the restructured loan origination process has been successful.

On 26 May 2016, the Company issued an offering of EUR 250 million Senior Secured Exchangeable Bonds due 2021 (the "**2016 Exchangeable Bonds**"), exclusively by way of a private placement to international institutional investors (the "**Offering**"). The 2016 Exchangeable Bonds are exchangeable for common shares of Subsea 7.

The Company has made several repurchases and cancellations of its 2012 Exchangeable Bonds. On 15 January 2016, the Company cancelled USD 125 million nominal amounts of its 2012 Exchangeable Bonds. At the same time, the Company requested the trustee to

release shares of Subsea 7 which had been pledged in favour of the bondholders under the 2012 Exchangeable Bonds. A total of 11,456,481 shares of Subsea 7 were released in February 2016 which corresponded to the amount of bonds that were cancelled. Further in April 2016, the Company repurchased USD 21.8 million nominal amounts of its 2012 Exchangeable Bonds at average prices of 95.1%. On 26 May 2016, the Company announced a concurrent repurchase of its outstanding 1.00% 2012 Exchangeable Bonds through a reverse bookbuilding. On 6 June 2016, the Company announced that it had repurchased USD 2,200,000- nominal value of its 2012 Exchangeable Bond at a price of 99.5% of nominal value. Further, on 7 June 2016, the Company announced that it had cancelled USD 150,400,000- nominal value of its 2012 Exchangeable Bonds which the Company has repurchased in through the repurchase of bonds made in concurrently with the issue of its 2016 Exchangeable Bond. On 15 June 2016, the Company announced that it had repurchased USD 19,200,000- nominal value of its 2012 Exchangeable Bond at a price of 99.5250% of nominal value. In August 2016, the Company received irrevocable Put Exercise Notices from its bondholders representing USD 146,200,000 nominal amount of the 2012 Exchangeable Bonds. On 12 September 2016, the Company redeemed the USD 146,200,000 with payment at par value plus accrued interest. The aggregate amount of 2012 Exchangeable Bonds that has been repurchased or redeemed by the Company is USD 443,000,000 which leaves USD 2,000,000 nominal amount issued and outstanding.

On 19 August 2016, Siem Offshore announced that it had received approval from all of its financing banks for a financial platform to position it for the expected challenging market in the coming years. The approvals include a three year extension of the final bullet payments of all mortgage debt due before 31 December 2019, deferral of instalments for the fleet of AHTS vessels for 2.5 years with a cash sweep mechanism, in the meantime as well as easing of certain covenant requirements to Siem Offshore's banks for the next three years. Payment of interest and instalment on all bank debt except for debt related to AHTS vessels will continue as normal. The agreement is conditional on a restructuring of Siem Offshore's two public bonds.

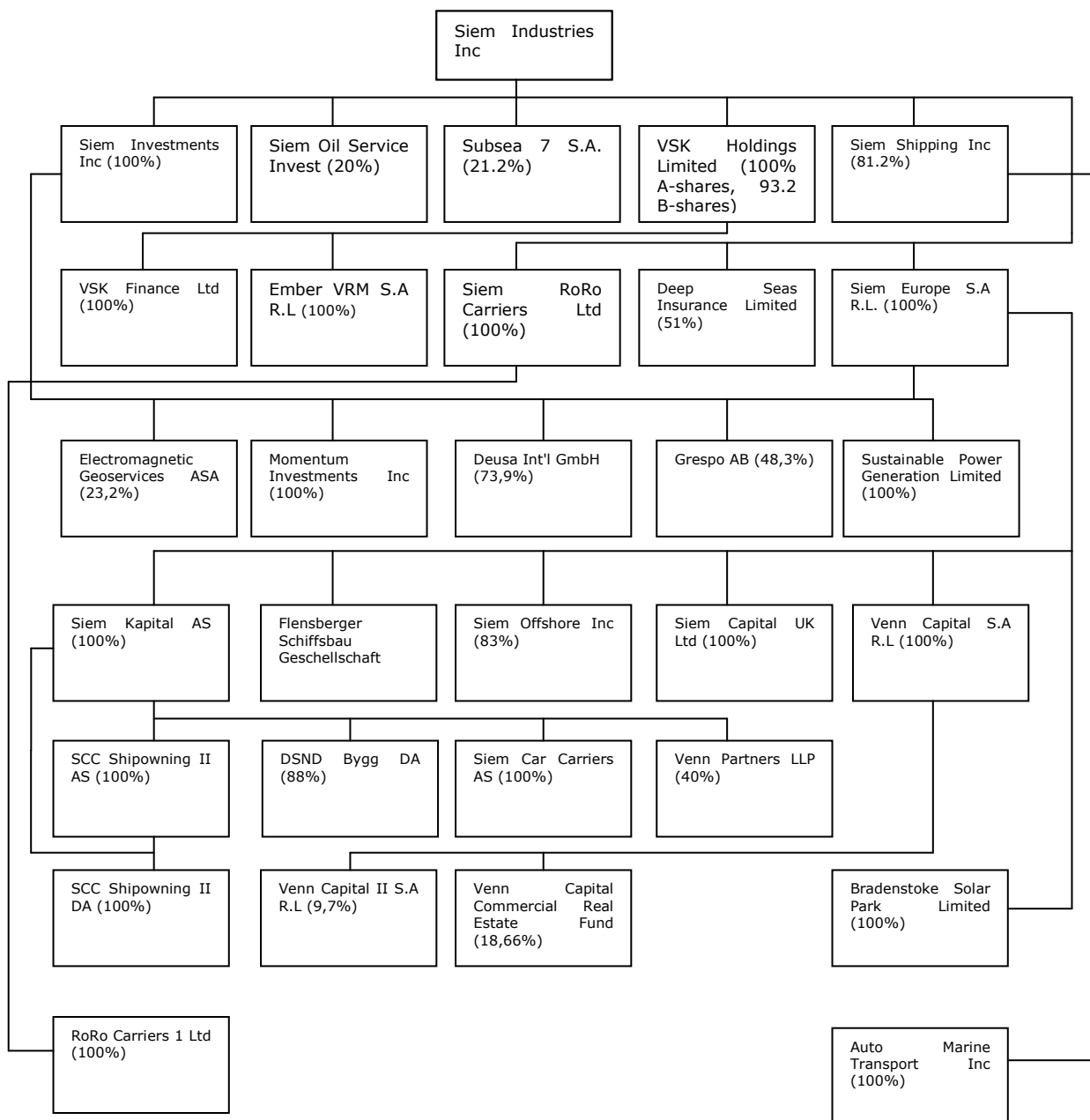
Siem Offshore also announced that it is agreed to establish a stand-alone AHTS vessel company, Siem AHTS Pool AS ("SAP"), where Siem Offshore through its subsidiary Siem Offshore Rederi AS has sold all its 8 AHTS vessels and the pool partner Singa Star PTE LTD has sold 2 AHTS vessels to SAP. All vessels have in the past been operated in a pool agreement between Siem Offshore and Singa Star. Post the transaction, Siem Offshore and Singa Star will hold shares in SAP in proportion to the net value of the vessels transferred to SAP, representing a share for Siem Offshore of 78.16% and Singa Star of 21.84%.

7. ORGANIZATIONAL STRUCTURE

7.1 Description of the group that the Issuer is part of

Siem Industries is the parent company of the Group. Siem Industries functions primarily as a holding company for its Group of companies and provides advice and financial assistance as and where deemed appropriate and necessary. The main subsidiaries and other investments of the Group are described in section 6.3.

The chart below sets out the main companies of the Group (percentage of ownership in parentheses):



7.2 Issuer dependent upon other entities

As set out in section 6.1, the Company is a holding company that mainly operates through autonomous subsidiaries and affiliates. As such, it is to a significant extent dependent on distributions or loans from its subsidiaries for its cash flow. Except for this, the Company is not dependent upon other entities within its Group.

8. TREND INFORMATION

8.1 Statement of no material adverse change

There has been no material adverse change in the prospects of the Company since 31 December 2015.

9. ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

9.1 Information about persons

9.1.1 The Board of Directors

Pursuant to the Company's Articles of Association, the Board of Siem Industries shall have from three to twenty-five members. Currently the Board has four members.

The table below set forth the names of the member of the Board of the Company:

Name	Position
Kristian Siem	Chairman
M.D. Moross	Board member
Barry W. Ridings	Board member
Ivar Siem	Board member

The business address of each of the directors in relation to their directorships in the Company is P.O. Box 10718, George Town, Grand Cayman KY1-1006, Cayman Islands.

Kristian Siem, Chairman (born 1949)

Kristian Siem is the founder of Siem Industries and has been Director and Chairman of the Company since 1982. He is also the chairman of Subsea 7 S.A. and a director of Siem Shipping Inc., Siem Offshore Inc., Flensburger Schiffbau-Gesellschaft mbH & Co., North Atlantic Smaller Companies Investment Trust PLC and Frupor S.A (Portugal). Over the years, Mr. Siem has been a director of a number of other public companies. Prior to founding the Group, he held several management positions with the Fred. Olsen Group in the U.S. and in Norway. He is a Norwegian citizen and a resident in Monaco.

Shares in Siem Industries: 1,882,856

M.D. Moross, board member (born 1931)

M.D Moross has been a Director of the Company since 1995 and is currently a private investor. He was chairman and CEO of the Schlesinger Organisation based in Johannesburg until 1974 when he joined the board of Rand Selection Group, the controlling shareholder of Anglo American Corporation. In 1976, he founded AIM Management Group Inc., which became one of the larger players in the US Mutual Fund Industry. He further founded Whitehall Financial Group in 1982 which today holds several strategic investment positions within the US banking and life insurance industry. He is the father-in-law of Kristian Siem and a U.K. citizen.

Shares in Siem Industries: 23,973

Barry W. Ridings, board member (born 1952)

Barry W. Ridings has been a Director of the Company since 1993. He is the vice chairman of U.S. Investment Banking for Lazard Frères & Co., chairman of LMDC Holdings, chairman of Lazard Middle Market LLC, a subsidiary of Lazard focusing on middle market mergers and acquisitions, and a director on the boards of iStar Financial, Inc. and Ultrapetrol Limited. Previously, Mr. Ridings was a managing director of Deutsche Bank Alex. Brown and, prior to that, Drexel Burnham Lambert. He is an American citizen, and lives in New Jersey in the U.S.

Shares in Siem Industries: 24,530

Ivar Siem board member (born 1947)

Ivar Siem was appointed a Director in May 2007 and previously served as a Director of the Company from 1992 to 1998. He is the chairman and president of American Resources, Inc. and a director of Siem WIS AS. Previously, Mr. Siem was the chairman of the board of directors and president of Blue Dolphin Energy Company, and the president of Drillmar, Inc. He is a brother of Kristian Siem and is a Norwegian citizen.

Shares in Siem Industries: 0

9.1.2 Management

The key management of Siem Industries comprises the following:

Name	Position
Eystein Eriksrud	Deputy CEO
Michael Delouche	President and Secretary

The business address of each of the above in relation to their positions in the Company is P.O. Box 10718, George Town, Grand Cayman KY1-1006, Cayman Islands.

Eystein Eriksrud (born 1970)

Eystein Eriksrud is the Deputy CEO of Siem Industries Inc., the chairman of Siem Offshore Inc., Electromagnetic Geoservices ASA and Flensburger Schiffbau-Gesellschaft mbH & Co. KG. Further, he is a director of the board of Subsea 7. Prior to joining Siem Industries in October 2011, he was partner of the Norwegian law firm Advokatfirmaet Wiersholm AS since 2005. He was Group Company Secretary of the Kvaerner Group from 2000-2002 and served as Group General Counsel of the Siem Industries Group from 2002-2005. He has served on the boards of Privatbanken ASA and Tinfos AS as well as a number of other boards. Mr. Eriksrud is a Norwegian citizen and a resident in Norway.

Shares in Siem Industries: 0

Michael Delouche (born 1957)

Michael Delouche was appointed President of Siem Industries Inc. in 2003 and has been an officer of the Company since 1991. He is a director of Siem Shipping Inc. and Siem Offshore Inc. He is responsible for the financial and corporate management function and is in charge of the Company's operations at the Company's office in George Town, Cayman Islands. He holds a B.S. in Civil Engineering (Structures) and an MBA. Mr. Delouche joined the Company in 1991 and is a US citizen.

Shares in Siem Industries: 52,168

9.2 Administrative, management and supervisory bodies conflicts of interest

There are no conflicts of interest between any duties to the Company of the persons referred to in item 9.1 and their private interests and or other duties.

10. MAJOR SHAREHOLDERS**10.1 Ownership; control**

Siem Industries had approximately 80 shareholders of record and 350-400 others listed only in brokers' street name as of 21 April 2016.

The following table sets forth certain information, as of 1 September 2016 with respect to the only persons known to the Company who owned beneficially more than 10% of the Company's 15,139,681 issued and outstanding shares and the number of shares owned by the other officers and directors of the Company, as a group:

Name of Beneficial Owners or Identity of Group	Shares Beneficially Owned	Percentage of Shares
Old Yard Trust Company Limited (1)	10,108,070	66.8%
Kristian Siem	1,882,856	12.4%
Other Officers and Directors as a Group	101,671	0.7%

(1) *The Old Yard Trust Company, is the trustee for a trust whose potential beneficiaries include Mr. Kristian Siem, Chairman of the Company, and member of his immediate family. The trustee holds voting and dispositive power over its shareholding.*

10.2 Change of control of the Issuer

There are no arrangements, known to the Issuer, the operation of which may at a subsequent date result in a change in control of the Issuer.

11. FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES**11.1 Historical financial information**

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**"), International Accounting Standards ("**IAS**") issued by the International Accounting Standards Board ("**IASB**") and interpretations by the International Financial Accounting Reporting Interpretation Committee ("**IFRIC**") under the assumption that the Company is a going-concern and are denominated in United States dollars. The consolidated financial statements are based on historical cost, as modified by the revaluation of available-for-sale financial assets and by adjustments of financial assets and liabilities to fair value through profit or loss.

The Group's summary of significant accounting principles and policies are shown in the Annual Report 2015 note 2 pages 24-35.

Similarly, the financial statements of Siem Industries as parent company are prepared in accordance with IFRS, IAS and IFRIC. The parent company's financial statements were not required to be separately presented in the 2015 Annual Report.

According to the Commission Regulation (EC) No 809/2004 of 29 April 2004 implementing Directive 2003/71/EC of the European Parliament and of the Council, information in a prospectus may be incorporated by reference.

Because of the complexity in the historical financial information and financial statements this information is incorporated by reference to the First Half Report 2016, the First Half Report 2015, the Annual Report of 2015 and the Annual Report of 2014.

The historical financial information is available at:

<http://www.siemindustries.com/reports/>

	Six Months, or First Half, Reports		Annual Reports	
	1H2016	1H2015	2015	2014
Siem Industries (Consolidated)				
Consolidated income statement	Page 5	Page 6	Page 19	Page 17
Consolidated statements of comprehensive income	Page 6	Page 7	Page 19	Page 17
Consolidated balance sheets	Page 5	Page 6	Page 20	Page 18
Consolidated statements of changes in equity	Page 6	Page 7	Page 21	Page 19
Consolidated statements of cash flows			Page 22	Page 20
Notes to the consolidated financial statements			Pages 23-58	Pages 21-52

11.2 Financial statements

See section 11.1 "Historical Financial Information". The historical financial statements referred to in section 11.1 above can be downloaded from <http://www.siemindustries.com>.

11.3 Auditing of historical annual financial information

The historical financial information for 2014 and 2015 has been audited.

The Independent Auditor's Report on the Consolidated Financial Statements is located on page 16 in the 2015 Annual Report and on page 15 in the 2014 Annual Report.

11.4 Age of the latest financial information

The most recent audited financial information is the consolidated financial statements as of and for the year ended 31 December 2015.

11.5 Legal and arbitration proceedings

There are no governmental, legal or arbitration proceedings, including any such proceedings which are pending or threatened of which the Company is aware, during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the Group's financial position or profitability.

11.6 Significant changes in the Group's financial or trading position

There has been no significant change in the financial or trading position of the Company itself or of the Group since the end of the last financial period for which interim financial information has been published.

12. MATERIAL CONTRACTS

The Company has not entered into material contracts outside of the ordinary course of the Company's business, which could result in any member of the Group being under an obligation or entitlement that is material to the Company's ability to meet its obligation to security holders in respect of the securities being issued.

13. THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATION OF ANY INTEREST

The Company has not sourced any information in this Registration Document from third parties.

14. DOCUMENTS ON DISPLAY

The following documents (or copies thereof) may be physically inspected for the life of the Registration Document upon appointment with the Company at Siem Industries' registered office, P.O. Box 309, Uglan House, South Church Street, George Town, Grand Cayman KY1-1104, Cayman Island:

- (a) the Memorandum of Association and the Articles of Association;
- (b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at Siem Industries' request any part of which is included or referred to in the Registration Document;
- (c) the historical financial information of Siem Industries and its subsidiary undertakings for each of the two financial years preceding the publication of the Registration Document.

The documents are also available for downloading from the Company's web page www.siemindustries.com for the life of the Registration Document.