



SIEM INDUSTRIES

PRESS RELEASE

For Immediate Release

SIEM INDUSTRIES INC.

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SIEM INDUSTRIES INC. **REPORTS 3RD QUARTER AND 9 MONTH RESULTS FOR FISCAL 2005**

GEORGE TOWN, GRAND CAYMAN, 15 NOVEMBER 2005 – SIEM INDUSTRIES INC. reports the unaudited results for the quarter and nine months ended 30 September 2005.

Siem Industries adopted the International Financial Reporting Standards (“IFRS”) for the preparation of its consolidated accounts effective 1 January 2005. Accordingly, the Company restated the beginning retained earnings for 2004 and the statements of operations and balance sheets for each of the respective reporting periods in fiscal 2004. The summary financial data that is attached presents the quarter and nine month periods ended 30 September 2005 and 2004 as prepared in accordance with IFRS and the comparative nine month period ended 30 September 2004 as prepared in accordance with U.S. generally accepted accounting principles (“US GAAP”).

Since 31 December 2004, the Company has reported its investment in Subsea 7 Inc. (OSE Symbol: SUB; formerly, “Siem Offshore Inc.”) under the equity method of accounting. Prior to that date, the Company included the detail financial statements of Subsea 7 within its consolidated financial statements. STAR Reefers, Inc. (OSE Symbol: SRI) and Siem Car Carriers Inc. are included in the Company’s consolidated financial statements for all periods shown. At 30 September 2005, the Company owned 43.3%, 72.3% and 88.1% of Subsea 7, STAR and Siem Car Carriers, respectively.

Net income for the quarter ended 30 September 2005 was \$4,868,000, or \$0.29 per share (2004: \$11,671,000, or \$0.69 per share). Net income for the nine months ended 30 September 2005 was \$25,349,000, or \$1.51 per share (2004: \$19,656,000, or \$1.17 per share).

Operating revenues and operating expenses for the quarter were \$37,375,000 and \$25,484,000, respectively (2004: \$38,663,000 and \$30,514,000). Operating revenues and operating expenses for the nine month period ended 30 September 2005 were \$133,748,000 and \$81,138,000, respectively (2004: \$134,378,000 and \$94,656,000). As noted above, Subsea 7’s operating revenues and expenses are not included as such in the current quarter; rather, Subsea 7’s results are shown as equity income. The increase in STAR’s operations offset the absence of Subsea 7’s separate operating revenues and expenses.

Equity in the income (loss) of unconsolidated affiliates for the quarter was \$2,701,000 (2004: \$9,306,000). Equity in the income (loss) of unconsolidated affiliates for the nine month period ended 30 September 2005 was \$11,422,000 (2004: \$(839,000)). Fiscal 2005 has shown a strong improvement in the offshore construction and other activities of Subsea 7 as compared to 2004 as the result of solid project execution, higher utilization of assets and growth.

Net gains (losses) for the quarter were \$2,108,000 (2004: \$7,882,000) and for the nine month period ended 30 September 2005 were \$7,582,000 (2004: \$10,293,000). During the quarter, STAR recorded a \$1,729,000 gain on the sale of a vessel (2004: \$4,411,000).

Interest expense for the quarter was \$2,090,000 (2004: \$2,337,000) and for the nine months ended 30 September 2005 was \$5,201,000 (2004: \$6,400,000). The lower expenses during 2005 are attributed to the paydown of debt by the Company, improved margins following a refinancing and the deconsolidation of Siem Offshore which offset the increase in rates on U.S.-denominated debt. General and administrative expenses for the third quarter were \$5,485,000 (2004: \$6,457,000) and for the nine months ended 30 September 2005 were \$19,235,000 and (2004: \$13,459,000). The increases resulted from performance unit plan expenses that are based on the value of the Company's Common Shares and from higher management fees which are based on net income.

Currency exchange gains (losses) for the quarter were \$(685,000) (2004: \$227,000) and for the nine months ended 30 September 2005 were \$(8,278,000) (2004: \$(299,000)) and reflect the decline in value of the Company's investments that are denominated in currencies other than the U.S. dollar.

Subsea 7 is a major contractor to the oil and gas industry that provides services related to the design, engineering, construction, installation and maintenance of subsea production facilities for the global market. In order to enhance its pipelay capabilities, particularly in deepwater, Subsea 7 entered into contracts for the construction of a rigid pipelay and construction vessel at an overall project cost of approximately \$180-200 million based on fixed prices from the shipyard and equipment supplier. At 30 September 2005, Subsea 7 had a backlog of approximately \$1.3 billion of which approximately \$330,000,000 is scheduled for execution before the end of 2005. In addition, Subsea 7 had received letters of intent for an additional \$310,000,000. For more information on Subsea 7, please visit its website at www.subsea7.com.

At an extraordinary general meeting held in August 2005, the shareholders of Subsea 7 approved the spin-off of all non-subsea activities that had been aggregated into a single wholly-owned subsidiary. The spin-off of the subsidiary, which was renamed Siem Offshore Inc. during its annual general meeting in July 2005, was accomplished by issuing one share of Siem Offshore Inc. for each share of Subsea 7 Inc. held by its shareholders. Siem Offshore has traded on the Oslo Stock Exchange under the symbol "SIOFF" since mid-August 2005. Siem Offshore's assets include six Platform Supply

Vessels (“PSVs”) that are currently under construction with delivery of the first PSV made at the end of October 2005 and the second PSV scheduled for delivery in January 2006. The total contract value for the six vessels is approximately NOK740 million. Siem Offshore holds an option for the construction of two additional PSVs that can be exercised in 2006. Siem Offshore also owns ten supply/crewboat vessels that are under contracts with Petrobras in Brazil, a 50% interest in Overseas Drilling Limited that is sole owner of the vessel *Joides Resolution*, a 41% interest in the vessel *Big Orange XVIII* that is under contract for well stimulation work in the North Sea through August 2010 and operations performing services to the Brazilian Navy.

The *Joides Resolution* is currently under contract into January 2006 as a scientific ocean drilling vessel with the Texas A&M Research Foundation (“TAMRF”) for Phase I of the Integrated Ocean Drilling Program (“IODP”). Ocean Drilling recently signed a letter of intent with TAMRF for the use of the *Joides Resolution* in Phase II of the IODP with a firm contract anticipated to be executed by mid-December 2005. The vessel will undergo a conversion following completion of its current contract and will begin operations for an initial period from mid-2007 to the fourth quarter of 2013 followed by 10 additional one-year options. The contract value for the initial period is \$140,000,000 with separate contract rates applying during the preconversion and conversion periods. TAMRF has the right to terminate the contract and pay a \$3,000,000 termination fee.

As a result of the spin-off, the Company has recorded its investment in Siem Offshore under the equity method of accounting since July 2005. During September 2005, Siem Offshore purchased and retired approximately 3,100,000 shares of its own common stock. At 30 September 2005, the Company owned 44.3% of Siem Offshore. For more information, please visit www.siemoffshore.com.

STAR controls a modern fleet of 40 owned and chartered vessels engaged in the ocean-borne refrigerated transportation of fruit, vegetables and other perishable products which activity is primarily driven by the harvest in the southern hemisphere during the first six months of the year. STAR reported net income during the quarter of \$4,199,000 (2004: \$4,606,000) and net income for the nine months ended 30 September 2005 of \$27,875,000 (2004: \$17,205,000). Revenues net of voyage expenses were approximately \$119,056,000, an increase of over 13% as compared to 2004.

STAR completed the purchases of seven vessels for approximately \$131.5 million during the quarter. STAR financed the acquisitions using bank debt of approximately \$85 million, a short-term loan from the Company of approximately \$21 million and internal cash sources. In addition, STAR has agreed to charter four new reefer vessels currently under construction in Japan, each with a capacity of approximately 585,000 cubic feet. The newbuildings will be chartered for a period of 10 years following their delivery. For more information, please visit www.star-reefers.com.

Siem Car Carriers owns three ocean-transport vessels, each with a capacity to transport 4,300 cars and 400 high and heavy units. Two of the vessels are under contracts through 2011 and the third vessel is under contract into 2008. Siem Car Carriers reported net income during the quarter of \$1,878,000 (2004: \$1,599,000) and net income for the nine months ended 30 September 2005 of \$5,442,000 (2004: \$5,967,000).

Siem Industri Kapital AB, the Company's 64%-owned Swedish affiliate, holds investments in companies engaged in land-based industries. In April 2005, Siem Industri Kapital made a SEK123,500,000 (Swedish krona) distribution to the Company using the proceeds from the sale of a large shipping investment which it completed in 2004.

The Company, through a subsidiary, owns a 49% interest in Deusa International GmbH ("Deusa"), a German company based in eastern Germany. Deusa's operations involve the mining of potash which is used for fertilizer production, bischofite for the construction industry, magnesium chloride for de-icing and other materials. Deusa has approximately 60 years of potash reserves.

As previously reported, the Company agreed to purchase 1,714,500 of its Common Shares in exchange for a \$17,000,000 cash payment and NOK85,000,000 face amount of Subsea 7 (formerly, DSND Inc.) 8% Convertible Bonds Due 2006. The transaction was concluded in October 2005 and the shares retired. Following retirement of these shares, the Company has 15,052,492 Common Shares issued and outstanding.

SIEM INDUSTRIES INC. currently holds interests in the following industrial areas: the oil and gas services industry, the ocean transport of refrigerated cargoes, the ocean transport of automobiles, the Swedish industrial holdings in land-based industries and the mining and processing of potash. Further, the Company will from time to time invest its discretionary funds in short-term marketable investments. For further information relating to the Company, please visit **www.siemindustries.com**.

SUMMARY FINANCIAL DATA (UNAUDITED)

PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")
 (COMPARATIVE FINANCIAL STATEMENTS FOR PERIOD ENDED 30 SEPTEMBER 2004 ARE PREPARED
 IN ACCORDANCE WITH U.S. GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ("US GAAP"))

QUARTER ENDED 30 SEPTEMBER 2005
 (in thousands, except per share amounts)

CONSOLIDATED STATEMENTS OF OPERATIONS	I F R S				US GAAP
	Quarter Ended September 30,		Nine Mos. Ended September 30,		Nine Mos. Ended
	2005	2004	2005	2004	September 30,
Operating revenues	\$ 37,375	\$ 38,663	\$ 133,748	\$ 134,378	\$ 130,912
Equity in income (loss) of unconsolidated affiliates	2,701	9,306	11,422	(839)	2,992
Interest income	1,493	422	3,958	2,517	2,517
Gains (losses), net	2,108	7,882	7,582	10,293	10,412
Other	271	440	1,405	1,465	1,509
	43,948	56,713	158,115	147,814	148,342
Operating expenses	(25,484)	(30,514)	(81,138)	(94,656)	(93,196)
Depreciation and amortization	(3,805)	(2,889)	(10,268)	(10,353)	(11,810)
Interest expense	(2,090)	(2,337)	(5,201)	(6,400)	(8,238)
General and administrative	(5,485)	(6,457)	(19,235)	(13,459)	(8,151)
Currency exchange gains (losses)	(685)	227	(8,278)	(299)	(345)
Other	(172)	41	(300)	(91)	(185)
Noncontrolling interests	(1,364)	(3,109)	(8,240)	(2,867)	(2,624)
Income (loss) before income taxes	4,863	11,675	25,455	19,689	23,793
Income tax expense	5	(4)	(106)	(33)	(33)
Net income (loss)	\$ 4,868	\$ 11,671	\$ 25,349	\$ 19,656	\$ 23,760
Net income per common share, basic and diluted	\$ 0.29	\$ 0.69	\$ 1.51	\$ 1.17	\$ 1.41
Wtd. average no. of shares outstanding	16,767	16,794	16,775	16,794	16,794
	I F R S				US GAAP
CONSOLIDATED BALANCE SHEETS	September 30,	December 31,			September 30,
	2005	2004			2004
Cash and cash equivalents, excluding restricted cash	\$ 52,240	\$ 38,153			\$ 36,926
Net trading securities and short-term notes receivable	9,675	30,566			42,305
Other current assets	45,845	17,051			61,541
Senior secured notes, notes receivable and other investments	36,519	43,443			7,840
Marketable equity securities	87,288	60,352			50,941
Investments in unconsolidated affiliates	198,281	209,195			155,913
Property and equipment, net	376,588	262,228			253,380
Other assets, including restricted cash	4,171	13,922			51,857
Total Assets	\$ 810,607	\$ 674,910			\$ 660,703
Accounts and other payables	\$ 30,112	\$ 15,783			\$ 21,398
Current maturities and short-term notes	20,229	11,013			28,558
Other current liabilities	1,032	11,828			6,904
Long-term debt	221,132	168,047			201,019
Other	19,830	10,320			7,094
Noncontrolling interests	36,930	28,059			41,823
Shareholders' equity:					
Common stock	4,192	4,198			4,198
Paid-in capital	75,449	75,451			12,578
Retained earnings	322,081	297,291			278,732
	401,722	376,940			295,508
Accumulated comprehensive income and other	79,620	52,920			58,399
Total Shareholders' Equity	481,342	429,860			353,907
Total Liabilities and Shareholders' Equity	\$ 810,607	\$ 674,910			\$ 660,703