



SIEM INDUSTRIES

PRESS RELEASE

For Immediate Release

SIEM INDUSTRIES INC.

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SIEM INDUSTRIES INC. **REPORTS 4TH QUARTER AND FULL YEAR RESULTS FOR FISCAL 2006**

GEORGE TOWN, GRAND CAYMAN, 28 February 2007 – SIEM INDUSTRIES INC. announces its unaudited results for the quarter and year ended 31 December 2006 in accordance with International Financial Reporting Standards (“IFRS”).

Net income for the quarter ended 31 December 2006 was \$14.8 million, or \$0.98 per share (2005: \$1.5 million, or \$0.10 per share). Net income for the year ended 31 December 2006 was \$88.2 million, or \$5.86 per share (2005: \$26.8 million, or \$1.64 per share).

Operating revenues and operating expenses for the quarter were \$48.6 million and \$28.1 million, respectively (2005: \$39.6 million and \$25.1 million). Operating revenues and operating expenses for the year were \$192.8 million and \$109.0 million, respectively (2005: \$173.3 million and \$106.2 million).

Equity in the income of unconsolidated affiliates for the quarter and year ended 31 December 2006 were \$8.0 million and \$77.2 million, respectively (2005: \$2.9 million and \$10.5 million). Net gains on investments and assets sales for the quarter and year were \$8.5 million and \$9.4 million, respectively (2005: \$1.8 million and \$5.7 million).

Depreciation expense for the quarter and year were \$4.8 million and \$18.8 million (2005: \$3.0 million and \$13.3 million). Interest expense for the quarter and year were \$4.1 million and \$14.0 million, respectively (2005: \$3.0 million and \$8.2 million, respectively).

General and administrative expenses for the quarter and year were \$16.1 million and \$49.7 million (2005: \$11.5 million and \$30.8 million). Currency exchange gains (losses) for the quarter and year were \$2.8 million and \$6.6 million (2005: \$(2.1) million and \$(10.3) million).

The Company reports its investments in Subsea 7 Inc. (OSE Symbol: SUB) and Siem Offshore Inc. (OSE Symbol: SIOFF) under the equity method of accounting. The detail financial statements of the Company’s investments in STAR Reefers Inc. (OSE Symbol: SRI) and Siem Car Carriers Inc. are incorporated within the Company’s consolidated financial statements.

Subsea 7 is a contractor in the oil and gas industry that provides integrated subsea engineering and construction expertise to the global market. During 2006, the Company increased its ownership in Subsea 7 to 66,394,145 shares, or 45.1%. For more information, please visit Subsea 7’s website at **www.subsea7.com**.

Siem Offshore owns and operates a fleet of 34 vessels working in the oil and gas industry, which includes 13 vessels under construction at Norwegian yards. The Company increased its ownership in Siem Offshore to 64,128,403 shares, or 38.3%, during 2006. For more information on Siem Offshore and its affiliates, please visit www.siemoffshore.com.

STAR controls a modern fleet of approximately 40 owned and chartered vessels that is engaged in the ocean-borne refrigerated transportation of fruit, vegetables and other perishable products. During 2006, STAR received delivery of the newbuilds *STAR First* and *STAR Prima*, the first of four vessels to operate under long-term charters to STAR, and established an in-house vessel technical management operation in Poland. In addition, STAR exercised its option to purchase 4 vessels under bareboat charters and concluded the transaction in December 2006 for approximately \$31 million. The Company owns 6,272,534 shares, or 71.6%, of STAR. For more information, please visit www.star-reefers.com.

Siem Car Carriers owns three vessels. Two of the vessels are under contracts through 2011 and the third vessel is under contract through 2008. The Company owns 88.1% of Siem Car Carriers.

Siem Industrikapital AB, the Company's 64%-owned Swedish affiliate, holds interests in several companies including European Furniture Group AB, a manufacturer of business office furniture, Emotron AB, a developer of variable speed drives, softstarters and monitors for electrical motors, Boule Diagnostics International AB, a developer of hematology diagnostic systems, and Essentys AB, a research biotech company

Deusa International GmbH ("Deusa"), the Company's 49%-owned German affiliate, is engaged in 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 known 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 owns the remaining 49% interest in DSI.

SIEM INDUSTRIES INC. currently holds interests in 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, the mining and processing of potash and captive insurance. 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")
 FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2006
 (in thousands, except per share amounts)

<u>CONSOLIDATED STATEMENTS OF OPERATIONS</u>	<u>Quarter Ended 31 December</u>		<u>Year Ended 31 December</u>	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Operating revenues	\$ 48,556	\$ 39,596	\$ 192,776	\$ 173,344
Interest income	1,241	1,795	3,647	13,217
Net gains on investments	8,490	1,785	9,377	5,743
Equity in income of unconsolidated affiliates	7,967	2,926	77,229	10,508
Other	2,043	1,305	2,293	2,710
	<u>68,297</u>	<u>47,407</u>	<u>285,322</u>	<u>205,522</u>
Operating expenses	(28,138)	(25,059)	(109,006)	(106,197)
Depreciation and amortization	(4,801)	(2,994)	(18,787)	(13,262)
Interest expense	(4,099)	(3,011)	(14,028)	(8,212)
General and administrative	(16,052)	(11,537)	(49,647)	(30,772)
Currency exchange gains (losses)	2,753	(2,054)	6,612	(10,332)
Other	(726)	41	(801)	(259)
Income before income taxes	17,234	2,793	99,665	36,488
Income tax expense	341	(226)	116	(332)
Net income	17,575	2,567	99,781	36,156
Minority interest expense	(2,801)	(1,079)	(11,561)	(9,319)
Net income attributed to Common Shares	<u>\$ 14,774</u>	<u>\$ 1,488</u>	<u>\$ 88,220</u>	<u>\$ 26,837</u>
Net income per Common Share, basic and diluted	<u>\$ 0.98</u>	<u>\$ 0.10</u>	<u>\$ 5.86</u>	<u>\$ 1.64</u>
Wtd. average no. of shares outstanding	<u>15,053</u>	<u>15,313</u>	<u>15,053</u>	<u>16,406</u>
 <u>CONSOLIDATED BALANCE SHEETS</u>		<u>31 December</u>	<u>31 December</u>	
		<u>2006</u>	<u>2005</u>	
Cash and cash equivalents, excluding restricted cash		\$ 19,953	\$ 58,077	
Net trading securities and short-term notes receivable		44,194	23,650	
Other current assets		21,260	21,352	
Senior secured notes, notes receivable and other investments		35,968	5,715	
Marketable equity securities		115,165	99,219	
Investments in unconsolidated affiliates		295,495	189,107	
Property and equipment, net		396,942	374,306	
Other assets, including restricted cash		8,955	7,383	
Total Assets		<u>\$ 937,932</u>	<u>\$ 778,809</u>	
Accounts and other payables		\$ 27,851	\$ 15,267	
Current maturities and short-term notes		30,306	25,846	
Other current liabilities		7,705	19,862	
Long-term debt		200,189	204,740	
Other		58,666	23,215	
Shareholders' equity:				
Common stock		3,763	3,763	
Paid-in capital		70,092	64,405	
Retained earnings		379,090	290,870	
Accumulated comprehensive income and other		107,894	92,004	
Total shareholders' equity		<u>560,839</u>	<u>451,042</u>	
Minority interest		52,376	38,837	
Total Equity		<u>613,215</u>	<u>489,879</u>	
Total Liabilities and Equity		<u>\$ 937,932</u>	<u>\$ 778,809</u>	