



SIEM INDUSTRIES

PRESS RELEASE

For Immediate Release

SIEM INDUSTRIES INC.

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Pricing of \$275 Million Limited Recourse Exchangeable Bonds Due 2017 for Future Investments, Investments in Affiliates, Working Capital and General Corporate Purposes

GEORGE TOWN, GRAND CAYMAN, 30 May 2007 – SIEM INDUSTRIES INC., a diversified industrial holding company, today announces the pricing of its private placement of \$275 million of secured limited recourse exchangeable bonds that are exchangeable into Subsea 7 Inc. (“Subsea 7”) ordinary shares due 2017 (the “Bonds”).

Fifty percent of the gross proceeds of the issue will be invested in U.S. government treasuries during the life of the Bonds and the remaining proceeds will be used for future investments, investments in affiliates, working capital and general corporate purposes.

The Bonds will be exchangeable for ordinary shares of Subsea 7 currently owned by the Company and have a zero coupon, a yield-to-maturity of 0.95% and an exchange premium of 35%. The Company will have an option to call the Bonds after 5 years at their accreted principal amount. Bondholders will have the right to require the Company to redeem the Bonds at their accreted principal amount in years 3, 5 and 7. The reference price of the Subsea 7 ordinary shares has been set at NOK126.2756 (the volume weighted average pricing for such shares from the opening of the Oslo Stock Exchange to pricing of the Bonds on 30 May 2007) and the exchange rate used to determine the number of shares underlying the Bonds is NOK6.05/USD1.00. The total number of Subsea 7 ordinary shares to be issued if all Bonds are exchanged is 9,759,664 shares. The security for the Bonds is initially comprised of U.S. government treasuries, up to 18.1 million fully-paid Subsea 7 ordinary shares and the Company’s rights against Lehman Brothers International (Europe) (“Lehman”) in certain stock lending agreements entered by the Company and Lehman with respect to Subsea 7 ordinary shares.

The Bonds are expected to settle on or around 12 July 2007. It is intended that an application will be made for the Bonds to be admitted to listing and to trading on Oslo Børs.

Subsea 7 has also placed \$150 million convertible notes due 2017 (the “Notes”), convertible into Subsea 7 ordinary shares, and has granted an option to Lehman to purchase up to an additional \$25 million principal amount of Notes. These Notes are expected to settle on or around 29 June 2007.

This announcement does not constitute or form part of an offer to sell or the solicitation of an offer to subscribe for any securities of Siem Industries or Subsea 7.

Lehman Brothers International (Europe) is acting as Sole Manager for the Company in connection with the placement of the Bonds.

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Stabilisation

Lehman Brothers International (Europe) may, to the extent permitted by applicable laws and directives, over-allot and effect transactions with a view to supporting the market price of the Bonds at a level higher than that which might otherwise prevail but in doing so Lehman Brothers International (Europe) shall not act as agent of Siem Industries Inc. and any loss resulting from over-allotment and stabilisation will be borne, and any profit arising from them shall be retained, by Lehman Brothers International (Europe). Such stabilisation, if commenced, may be discontinued at any time and shall be in any event brought to an end after a limited period. There shall be no obligation on Lehman Brothers International (Europe) to enter into any such transactions.

This Announcement comprises only a summary of the terms and conditions relating to the intended offering (the “Offering”) of the Bonds by Siem Industries Inc. (“Siem Industries”) described herein. It is indicative only and subject to change without notice and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person for any purpose. By accepting delivery of this Announcement, you agree to the foregoing. Although the indicative information set forth in this Announcement is reflective of the terms of the Offering as at the time and date of this communication, under which we believe an issuance of securities might be structured, no assurance can be given that such an issuance could in fact be executed, nor is the Issuer obliged to issue such securities.

Lehman Brothers International (Europe) of 25 Bank Street, London E14 5LE, which is authorised and regulated by the Financial Services Authority, is acting for Siem Industries in connection with the Offering and for no one else and will not be responsible to anyone other than Siem Industries for providing the protections afforded to clients of Lehman Brothers International (Europe) or for providing advice in relation to the Offering, the contents of this Announcement or any matters referred to herein.

Any offer will be made by means of an institutional offer. The Offering and the distribution of this Announcement and other information in connection with the Offering in certain jurisdictions may be restricted by law and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This Announcement is directed only at persons who (i) are outside the United Kingdom or (ii) have professional experience in matters relating to investments or to whom this Announcement may otherwise be directed without contravention of section 21 of the Financial Services and Markets Act 2000 (all such persons together being referred to as “Relevant Persons”). This Announcement is directed only at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this Announcement relates is available only to Relevant Persons and will be engaged only with Relevant Persons. In addition, if and to the extent that this Announcement is communicated in, or the offered securities to which it relates is made in, any EEA member state that has implemented Directive 2003/71/EC (together with any applicable implementing measures in any member state, the “Prospectus Directive”), this Announcement and the Offering are only addressed to and directed at persons in that member state who are qualified investors within the meaning of the Prospectus Directive (or who are other persons to whom the offer may lawfully be addressed) and must not be acted on or relied on by other persons in that member state.

This Announcement may be an advertisement for the purposes of the Prospective Directive (2003/71/EC) and does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities. Any purchase of or application for securities of Siem Industries pursuant to the Offering should only be made on the basis of the information contained in the final prospectus to be issued by Siem Industries in connection with the Offering (the “Prospectus”). Copies of the Prospectus will, following publication, be available from Siem Industries’ registered office.

This Announcement does not constitute or form part of an offer to sell, or the solicitation of an offer to subscribe for, any securities in Siem Industries to any person in the United States or in any jurisdiction to whom or in which such offer or solicitation is unlawful. None of the securities described herein have been or will be registered under the U.S. Securities Act of 1933 (as amended) (the “Securities Act”) or under the securities laws or with any securities regulatory authority of any state or other jurisdiction of the United States or of any province or territory of Australia, Canada or Japan. The securities described herein are being placed and sold only outside the United States to non-U.S. persons in offshore transactions in reliance on Regulation S under the Securities Act. None of the securities described herein may be offered or sold in the United States or to U.S. persons absent an exemption from the applicable registration requirements of the Securities Act.

No information in this Announcement or any of the documents relating to the Offering, including the Prospectus, can be relied upon as a guide to future performance. The price and value of securities may go up as well as down. Persons needing advice should contact a professional adviser.