



SIEM INDUSTRIES

PRESS RELEASE

For Immediate Release

SIEM INDUSTRIES INC.

Contact: Michael Delouche
P.O. Box 10718, Harbour Place – 5th Floor
103 South Church Street, George Town
Grand Cayman KY1-1006
CAYMAN ISLANDS
Telephone: +1.345.949.1030

SIEM INDUSTRIES INC. **REPORTS 3RD QUARTER AND NINE MONTHS RESULTS FOR FISCAL 2007**

GEORGE TOWN, GRAND CAYMAN, 8 November 2007 – SIEM INDUSTRIES INC. announces its unaudited results for the quarter ended 30 September 2007 prepared in accordance with International Financial Reporting Standards (“IFRS”).

Net income for the quarter ended 30 September 2007 was \$62.5 million, or \$4.03 per share (2006: \$20.1 million, or \$1.34 per share). Net income for the nine months ended 30 September 2007 was \$135.8 million, or \$8.84 per share (2006: \$73.4 million, or \$4.88 per share).

Operating revenues and operating expenses for the quarter were \$52.0 million and \$31.5 million, respectively (2006: \$44.3 million and \$27.6 million). Operating revenues and operating expenses for the nine months were \$161.8 million and \$91.6 million, respectively (2006: \$144.2 million and \$80.9 million).

The share of profit of associates for the quarter and nine months ended 30 September 2007 was \$54.3 million and \$111.6 million, respectively (2006: \$23.4 million and \$69.3 million). Net gains on investments for the quarter and nine months were \$1.7 million and \$17.8 million, respectively (2006: \$(0.1) million and \$0.9 million).

General and administrative expenses for the quarter and nine months were \$9.4 million and \$21.4 million, respectively (2006: \$11.6 million and \$33.6 million). An impairment of \$20.6 million was recorded in June 2007 with respect to loans advanced to an associate company for project construction purposes.

The Company reports its investments in Subsea 7 Inc. (OSE Symbol: SUB), Siem Offshore Inc. (OSE Symbol: SIOFF), Siem Capital AB and Deusa International GmbH (Deusa) under the equity method of accounting. The detail financial statements of the Company’s investments in STAR Reefers Inc. (OSE Symbol: SRI), Siem Car Carriers Inc. and Deep Seas Insurance Limited 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 services. The Company owns a beneficial interest of 66,394,145 Subsea shares, or 45.0%. For more information, please visit Subsea 7’s website at www.subsea7.com.

Siem Offshore owns interests in 39 vessels working in the oil and gas industry, which includes 16 vessels under construction at Norwegian yards, and 1 scientific offshore drilling vessel currently undergoing conversion. The Company increased its beneficial ownership of Siem Offshore shares from 64,128,403 shares to 85,504,538 shares in July 2007 when it

participated in a 1:3 rights offering at a subscription price of NOK13 per new share. The Company exercised its rights and purchased 21,376,135 Siem Offshore shares for approximately \$47.7 million to maintain its beneficial ownership at 38.2%. For more information on Siem Offshore, please visit www.siemoffshore.com.

STAR controls a modern fleet of approximately 44 owned and chartered vessels, including ships under construction, engaged in the refrigerated transportation of fruit and other perishable products. 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 which are all under firm contracts through 2010. The Company owns 88.1% of Siem Car Carriers.

Siem Capital AB, the Company's 64%-owned Swedish affiliate, holds an interest in 2 Swedish industrial and research companies. Siem Capital sold its interests in European Furniture Group AB during the second quarter at a profit and in Emotron AB during the third quarter, also at a profit.

Deusa, the Company's 49%-owned German affiliate, is engaged in the mining of potash and has potash reserves of greater than 60 years. Deusa is currently building a thermolysis process facility to incinerate municipal wastes to produce energy for use in its potash operations. During the second quarter, Deusa experienced a setback during the testing phase of one of the process facility's units which will require the re-engineering of the design and delay the facility's completion until the end of the year. The Company has advanced loans to Deusa to fund the construction of the plant and recorded an impairment of approximately \$20.6 million following the setback.

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.

During the first quarter, the Company purchased and retired 25,050 of its Common Shares at an average price of \$52 per share.

Following the termination of the 1987 Performance Unit Plan, the Company made a cash payment and issued 502,485 new shares of Common Stock during the second quarter in exchange for the performance units.

In July 2007, the Company completed the private placement of its previously-announced \$275,000,000 zero coupon, limited recourse, exchangeable bonds due in 2017 (the "Bonds"). The Bonds are exchangeable for ordinary shares of Subsea 7 that are currently owned by the Company, have a zero coupon, yield-to-maturity of 0.95% p.a. and an exchange premium of 35%. The Bondholders have the right to require the Company to redeem the Bonds at their accreted principal amount in years 3, 5 and 7 and the Company has the right to call the Bonds at their accreted principal amount after 5 years. If all of the Bonds are exchanged for Subsea 7

ordinary shares, then the Company will deliver 9,759,664 shares to the Bondholders. The bond facility provides that security for the Bonds will be initially comprised of the Company's investments in U.S. government securities for 50% of the facility and up to 18.1 million ordinary shares of Subsea 7 from the Company's holdings in Subsea 7 shares. The Bonds currently trade on the Oslo Stock Exchange. The Company used a portion of the cash proceeds to repay \$71 million of debt and the remaining cash has been placed in term deposits and is available for working capital and general corporate purposes.

SIEM INDUSTRIES INC. is an industrial group with holdings in offshore oil and gas services and ocean-shipping. The Company also has interests in Swedish industrial and research companies and German potash mining and investments in marketable securities. 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")

QUARTER ENDED 30 SEPTEMBER 2007

(in thousands, except per share amounts)

<u>CONSOLIDATED STATEMENTS OF OPERATIONS</u>	<u>Quarter Ended September 30,</u>		<u>9 Mos. Ended September 30,</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Operating revenues	\$ 51,975	\$ 44,273	\$ 161,756	\$ 144,220
Share of profit (loss) of associates	54,272	23,376	111,620	69,262
Interest income	2,760	1,118	4,433	2,406
Gains (Losses) on investments, net	1,724	(109)	17,827	887
Other	2,255	137	6,341	250
	<u>112,986</u>	<u>68,795</u>	<u>301,977</u>	<u>217,025</u>
Operating expenses	(31,485)	(27,625)	(91,539)	(80,868)
Depreciation and amortization	(5,049)	(4,199)	(14,704)	(13,986)
Interest expense	(5,403)	(3,625)	(12,382)	(9,929)
General and administrative expenses	(9,357)	(11,572)	(21,384)	(33,595)
Impairment of notes, loans and other financial assets	(293)	—	(20,595)	—
Currency exchange gains (losses), net	4,459	224	6,509	3,859
Other	0	7	(2)	(75)
Income before income taxes	65,858	22,005	147,880	82,431
Income tax expense	(15)	(77)	(53)	(225)
Net income	65,843	21,928	147,827	82,206
Minority interests	(3,318)	(1,780)	(11,999)	(8,760)
Net income attributed to Common Shares	<u>\$ 62,525</u>	<u>\$ 20,148</u>	<u>\$ 135,828</u>	<u>\$ 73,446</u>
Net income per Common Share, basic and diluted	<u>\$ 4.03</u>	<u>\$ 1.34</u>	<u>\$ 8.84</u>	<u>\$ 4.88</u>
Wtd. average no. of shares outstanding	<u>15,530</u>	<u>15,053</u>	<u>15,361</u>	<u>15,053</u>
 <u>CONSOLIDATED BALANCE SHEETS</u>			<u>September 30,</u>	<u>December 31,</u>
			<u>2007</u>	<u>2006</u>
Cash and cash equivalents, excluding restricted cash		\$ 92,336	\$ 20,059	
Trading securities and notes, loans and other financial assets		190,779	44,194	
Other current assets		26,406	21,056	
Notes, loans and other financial assets		15,268	35,968	
Available-for-sale financial assets		160,952	115,165	
Investments in associates		453,246	296,652	
Property and equipment, net		385,875	398,396	
Other assets, including restricted cash		8,390	7,501	
Total Assets		<u>\$ 1,333,252</u>	<u>\$ 938,991</u>	
Accounts and other payables	\$ 38,050		\$ 28,133	
Current maturities and short-term notes	11,978		30,306	
Other current liabilities	10,836		7,367	
Long-term debt	352,476		200,189	
Other	18,618		59,141	
Shareholders' equity:				
Common stock	3,883		3,763	
Paid-in capital	115,188		69,548	
Retained earnings	514,430		379,901	
Other reserves	203,419		107,723	
Total shareholders' equity	836,920		560,935	
Minority, or noncontrolling, interests	64,374		52,920	
Total Equity	<u>901,294</u>		<u>613,855</u>	
Total Liabilities and Equity	<u>\$ 1,333,252</u>		<u>\$ 938,991</u>	