



SIEM INDUSTRIES

PRESS RELEASE

For Immediate Release

SIEM INDUSTRIES INC.

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REPORT FOR THE 2ND QUARTER AND 1ST SIX MONTHS OF FISCAL YEAR 2010

GEORGE TOWN, GRAND CAYMAN, 3 September 2010 – SIEM INDUSTRIES INC. announces its unaudited results for the quarter and six months ended 30 June 2010 that are prepared in accordance with International Financial Reporting Standards (“IFRS”), as discussed below.

COMPARATIVE CONSOLIDATED FINANCIAL PERFORMANCE

Quarter Ended 30 June 2010. Net income for the quarter was \$11.2 million, or \$0.73 per share (2Q2009: \$36.6 million, or \$2.38 per share).

Operating revenues and operating expenses for the quarter ended 30 June 2010 were \$51.8 million and \$39.5 million, respectively (2009: \$55.6 million and \$40.0 million). The share of profits of associates for the quarter was \$16.4 million (2009: \$44.9 million).

Net gains (losses) on investments for the quarter were \$(2.0) million (2009: \$1.2 million).

Net losses on the re-valuation of financial derivatives for the quarter were \$-0- million (2009: \$(19.3) million). The financial derivatives were initially valued at the closing of the Exchangeable Bond issue in July 2007 and segregated from the debt liability of the bonds. The financial derivatives were re-valued at the end of each quarter and the change in valuation, which could be significant because of the volatility of market prices for Subsea 7 shares during the period and the market price at the end of the period, was recorded as a gain or loss. At the end of fiscal 2009, the Company reassessed the expected maturity date of the Exchangeable Bonds and determined that most, if not all, of the Exchangeable Bonds would be delivered for redemption by the bondholders at July 2010 redemption date. The accelerated maturity date and reclassification of the financial derivatives liability to the debt liability component resulted in an adjustment of the liability which was recorded as an interest expense and ended future re-valuations of the financial derivatives.

General and administrative expenses for the quarter were \$0.4 million (2009: \$7.0 million). Currency exchange gains (losses) for the quarter were \$(10.5) million (2009: \$8.4 million).

First Half Year Ended 30 June 2010. Net income for the first half year was \$21.0 million, or \$1.37 per share (1H2009: \$78.9 million, or \$5.14 per share).

Operating revenues and operating expenses for the first half ended 30 June 2010 were \$105.2 million and \$78.2 million, respectively (2009: \$118.5 million and \$76.9 million). The share of profits of associates for the first half was \$29.4 million (2009: \$78.4 million).

Net gains (losses) on investments for the first half were \$(2.2) million (2009: \$1.4 million). Net losses on the re-valuation of financial derivatives for the first half were \$-0- million (2009: \$20.1 million).

General and administrative expenses for the first half were \$4.9 million (2009: \$11.9 million). Currency exchange gains (losses) for the first half were \$(16.3) million (2009: \$7.8 million).

CONSOLIDATED FINANCIAL POSITION

The Company held \$112.2 million of cash and cash equivalents at 30 June 2010, which includes restricted cash. In addition, the Company held \$137.5 million in investments in U.S. Treasuries that mature in July 2010 and are recorded in current financial assets. The U.S. Treasuries represent a portion of the security provided to holders of the Company's Exchangeable Bonds.

Shareholders' equity was \$1.26 billion at 30 June 2010 as compared to \$1.24 billion at 31 December 2009. There were 15,359,927 Common Shares issued and outstanding at the end of both periods.

OPERATIONS AND INVESTMENTS IN ASSOCIATES

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 one of the world's leading subsea engineering and construction companies with operations in all of the major offshore oil and gas areas worldwide. The Company owns a beneficial interest of 65,429,045 Subsea 7 shares, or 44.4%.

In June 2010, Subsea 7 announced a proposed merger with Acergy S.A. Key terms of the merger include: an agreed-upon ratio for equity value between Acergy and Subsea 7 of 54:46; Subsea 7 shareholders will receive 1.065 Acergy common share for each Subsea 7 common share; the combined entity will be named Subsea 7 and will have a board of directors comprised with a majority of independent directors that will be chaired by Kristian Siem, the Company's Chairman; completion expected in late 2010 or early 2011 and is subject to shareholder and regulatory approvals and other usual completion conditions; and both boards of directors have unanimously resolved to recommend the combination to their respective shareholders. For more information, please visit Subsea 7's website at www.subsea7.com.

Siem Offshore owns interests in 43 vessels working in the oil and gas industry, which includes 4 vessels under-construction in Norway and 8 vessels under-construction Brazil. At 30 June 2010, the Company owned a beneficial interest of 121,163,111 Siem Offshore shares, or 33.7%.

In July 2010, Siem Offshore conducted a private placement of approximately 36 million shares at NOK9.70 per share to raise the equivalent of approximately \$55 million. For more information on Siem Offshore, please visit www.siemoffshore.com.

STAR controls a modern fleet of approximately 44 owned and chartered reefer vessels that is engaged in the refrigerated transportation of fruit and other perishable products. STAR conducted a private placement and a subsequent repair offering which was directed towards shareholders that were

not invited to participate in the initial private placement. At the end of March 2010, STAR issued a total 890,660 new common shares at NOK120 per share to raise net proceeds of approximately NOK106 million. The Company owns a beneficial interest of 7,089,349 STAR shares, or 73.5%, of STAR. For more information, please visit www.star-reefers.com.

Siem Car Carriers owns two vessels of which one is under firm contract through mid-2013 and the other firm contract expires at the end of 2010. The Company owns 100% of Siem Car Carriers.

Siem Capital AB, the Company's 64%-owned Swedish affiliate, holds an interest in 2 Swedish industrial and research companies.

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 developing an environmentally-friendly thermolysis process facility which will incinerate municipal wastes to produce energy for use in its potash mining operations.

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.

RISKS AND UNCERTAINTIES AND MARKET OUTLOOK

The principal risks and uncertainties confronting the Company reflect primarily the risks and uncertainties confronting its subsidiary, STAR, and its associates, Subsea 7 and Siem Offshore. The risks and uncertainties of each of these companies are more fully discussed in the individual Reports to Shareholders from each of the respective companies' websites as indicated above.

Similarly, the market outlook for the Company is primarily a product of the market outlooks for each of STAR, Subsea 7 and Siem Offshore.

MANAGEMENT COMMENTS

The Company and its associates continue to adjust to the uncertain economic conditions that have prevailed since late-2008.

SUBSEQUENT EVENTS

In July 2010, the Company redeemed an aggregate \$214,500,000- par value of the outstanding Exchangeable Bonds that had been delivered by bondholders for redemption at the accreted principal amount for approximately \$220,686,000- in cash. In addition, the \$58,200,000- Exchangeable Bonds that had been previously acquired by the Company were cancelled. Following the redemptions and cancellation, a total of \$2,300,000- Exchangeable Bonds remains outstanding.

Also in July 2010, the Company participated in the private placement of approximately 35,980,000 new common shares conducted by Siem Offshore. The Company acquired 12,116,310 common shares at NOK9.70 per share, or approximately an equivalent \$18,487,000-, to increase its ownership of Siem Offshore common shares to 133,279,421 shares and maintain its ownership interest at 33.7%.

In late-July 2010, the Company entered into a \$65,000,000- short-term revolving credit facility with options to extend for up to a total of 3 years.

At the end of July 2010, the Company amended a short-term revolving credit facility that had been made available to Siem Offshore in April 2010 to increase the available amounts under the facility from \$50,000,000- to \$90,000,000-. At 30 June 2010, the Company recorded the \$50,000,000- balance outstanding under this facility as notes, loans and other financial assets. The provisions reflect market terms and the maturity of the facility is January 2011. In July 2010, Siem Offshore delivered a drawdown request and increased the outstanding amount under the facility to approximately \$77,000,000-.

Also at the end of July 2010, the Company provided a short-term loan to STAR of \$3,000,000- to increase the total amount of loans outstanding to STAR to \$6,000,000-. The other \$3,000,000- represents the remaining balance from a \$50,000,000- term loan provided to STAR in November 2007 to assist in the financing of the purchase of two vessels. The provisions of both loans reflect market terms and mature at the end of December 2010.

SIEM INDUSTRIES INC. is a diversified industrial holding company that operates through autonomous affiliates. The Company currently holds interests in the offshore oil and gas services industries, ocean transportation industries and potash-mining and financial investments. For further information relating to the Company, please visit www.siemindustries.com .

RESPONSIBILITY STATEMENT

We confirm, to the best of our knowledge, that the summary consolidated financial information for the six month period ended 30 June 2010 that is presented in this report has been prepared in accordance with IAS 34 “Interim Financial Reporting” and gives a true and fair view of the Company’s consolidated financial position at 30 June 2010 and the results of its operations and cash flows for the period then ended as a whole. We also confirm, to the best of our knowledge, that this report includes a fair review of important events that have occurred during the six month period and their impact on the summary financial statements and a description of the principal risks and uncertainties for the remaining six months of fiscal 2010.

For and on behalf of the Board of Directors of

SIEM INDUSTRIES INC.

/s/ Kristian Siem
Kristian Siem, Chairman

/s/ Michael Delouche
Michael Delouche, President

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
 PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

STATEMENTS OF INCOME		2nd Quarter Ended 30 June		6 Months Ended 30 June		Fiscal Year
<i>(Dollars in thousands, except per share amounts)</i>		2010	2009	2010	2009	2009
REVENUES						
Operating revenues	\$	51,786	\$ 55,621	\$ 105,174	\$ 118,474	\$ 221,584
Share of profits (losses) of associates		16,389	44,886	29,445	78,439	156,282
Interest income		2,854	2,298	4,577	4,756	8,124
Gains (losses) on investments, net		(2,005)	1,242	(2,183)	1,425	2,994
Gains (losses) on re-valuation of financial derivatives, net		—	(19,327)	—	(20,050)	(31,833)
Gains (losses) on repurchase of Exchangeable Bonds		—	—	—	(871)	(871)
Other		1,733	259	2,008	260	1,224
Total revenues		70,757	84,979	139,021	182,433	357,504
OTHER INCOME (EXPENSES)						
Operating expenses		(39,469)	(40,018)	(78,239)	(76,852)	(157,025)
Depreciation and amortization		(6,563)	(6,740)	(13,157)	(13,216)	(26,622)
Interest expense		(898)	(933)	(1,820)	(2,009)	(4,107)
Interest expense - accretion of Exchangeable Bonds		(538)	(530)	(1,074)	(1,054)	(22,913)
General and administrative expenses		(372)	(6,969)	(4,912)	(11,938)	(26,830)
Currency exchange gains (losses), net		(10,460)	8,389	(16,295)	7,790	17,229
Other		15	(3)	(1)	(21)	(445)
Total other income (expenses)		(58,285)	(46,804)	(115,498)	(97,300)	(220,713)
Income before income tax expense and minority interest		12,472	38,175	23,523	85,133	136,791
Income tax expense		(47)	(83)	(48)	(96)	(88)
Net income before minority interest		12,425	38,092	23,475	85,037	136,703
Minority interest expense		(1,187)	(1,510)	(2,441)	(6,095)	(5,682)
Net income attributed to Common Shares	\$	11,238	\$ 36,582	\$ 21,034	\$ 78,942	\$ 131,021
Earnings per Common Share – Basic and Diluted	\$	0.73	\$ 2.38	\$ 1.37	\$ 5.14	\$ 8.53
Weighted avg. no. of Common Shares outstanding for period		15,359,927	15,359,927	15,359,927	15,359,927	15,359,927
STATEMENTS OF FINANCIAL POSITION						
<i>(Dollars in thousands)</i>				30 June	31 December	
				2010	2009	
ASSETS						
Cash and cash equivalents, excluding restricted cash				\$ 92,526	\$ 149,487	
Trading securities, and notes, loans and other financial assets				195,712	145,732	
Other current assets				42,356	37,224	
Total current assets				330,594	332,443	
Notes, loans and other financial assets				63,477	76,697	
Investments in associates				824,530	797,348	
Vessels, property and equipment, net				414,980	429,051	
Other assets, including restricted cash				25,262	16,967	
Total Assets				\$ 1,658,843	\$ 1,652,506	
LIABILITIES						
Accounts payable and other current liabilities				\$ 47,485	\$ 52,657	
Current maturities and short-term notes				294,992	308,106	
Total current liabilities				342,477	360,763	
Long-term debt				21,644	24,654	
Other				31,263	28,523	
Total Liabilities				395,384	413,940	
EQUITY						
Common Shares, \$0.25 par value, 15,359,927 shares issued and outstanding				\$ 3,840	\$ 3,840	
Paid-in capital				130,640	130,875	
Retained earnings				1,042,954	1,021,919	
Other reserves				2,165	1,979	
Total Shareholders' Equity				1,179,599	1,158,613	
Minority, or noncontrolling, interests				83,860	79,953	
Total Equity				1,263,459	1,238,566	
Total Liabilities and Equity	\$			1,658,843	\$ 1,652,506	

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
 PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

STATEMENTS OF COMPREHENSIVE INCOME (Dollars in thousands)	2nd Quarter Ended 30 June		6 Months Ended 30 June		Fiscal Year
	2010	2009	2010	2009	2009
Net income attributed to Common Shares for the period	\$ 11,238	\$ 36,582	\$ 21,034	\$ 78,942	\$ 131,021
Other comprehensive income (expense):					
Currency translation differences	186	(841)	186	(195)	(797)
Total Comprehensive Income for the period	\$ 11,424	\$ 35,741	\$ 21,220	\$ 78,747	\$ 130,224

STATEMENTS OF CHANGES IN EQUITY (Dollars in thousands)	2nd Quarter Ended 30 June		6 Months Ended 30 June		Fiscal Year
	2010	2009	2010	2009	2009
Equity at beginning of period	\$ 1,250,880	\$ 1,150,327	\$ 1,238,566	\$ 1,102,738	\$ 1,102,738
Net income attributed to Common Shares during period	11,238	36,582	21,034	78,942	131,021
Currency translation differences	186	(841)	186	(195)	(797)
Adjustments for issuances of shares by associates to minority interests	(32)	—	1,232	(2)	(78)
Minority interest expense	1,187	1,510	2,441	6,095	5,682
Equity at end of period	\$ 1,263,459	\$ 1,187,578	\$ 1,263,459	\$ 1,187,578	\$ 1,238,566

STATEMENTS OF CASH FLOWS (Dollars in thousands)	2nd Quarter Ended 30 June		6 Months Ended 30 June		Fiscal Year
	2010	2009	2010	2009	2009
Cash flows from operating activities:					
Net income attributed to Common Shares	\$ 11,238	\$ 36,582	\$ 21,034	\$ 78,942	\$ 131,021
Adjustments to reconcile net income to net cash provided by (used in) operating activities:					
Depreciation and amortization, including drydock	8,017	7,925	15,975	15,702	32,054
Undistributed share of losses (profits) of associates	(16,388)	(44,886)	(29,445)	(78,439)	(156,282)
Losses (gains) on investments and revaluation of financial derivatives	2,005	18,085	2,183	18,625	28,839
Losses (gains) on repurchases of Exchangeable Bonds	—	—	—	871	871
Accretion of Exchangeable Bonds	537	—	1,073	—	22,913
Minority interests in net income	1,187	1,510	2,441	6,095	5,682
Currency exchange losses (gains)	10,460	(8,389)	16,295	(7,790)	(17,229)
Other	(1,073)	3,052	82	3,317	7,739
Net changes in assets and liabilities	(8,272)	28,144	(13,800)	966	(168)
Net cash provided by (used in) operating activities	7,711	42,023	15,838	38,289	55,440
Net cash provided by (used in) investing activities	(49,082)	(17,962)	(44,835)	(46,348)	(67,361)
Net cash provided by (used in) financing activities	(14,949)	(15,646)	(22,756)	8,062	(15,038)
Effect of exchange rate on cash	(4,024)	3,365	(5,208)	5,861	12,530
Net increase (decrease) in cash and cash equivalents	(60,344)	11,780	(56,961)	5,864	(14,429)
Cash and cash equivalents at beginning of period	152,870	158,000	149,487	163,916	163,916
Cash and cash equivalents at end of period	\$ 92,526	\$ 169,780	\$ 92,526	\$ 169,780	\$ 149,487