



SIEM INDUSTRIES

PRESS RELEASE

For Immediate Release

SIEM INDUSTRIES INC.

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SIEM INDUSTRIES INC. REPORTS 4TH QUARTER AND FISCAL 2010 RESULTS

GEORGE TOWN, GRAND CAYMAN, 20 April 2011 – SIEM INDUSTRIES INC. announces its results for the quarter and fiscal year ended 31 December 2010 as prepared in accordance with the International Financial Reporting Standards (“IFRS”), as discussed below.

COMPARATIVE CONSOLIDATED FINANCIAL PERFORMANCE

Quarter Ended 31 December 2010. Net income for the quarter was \$7.9 million, or \$0.51 per share (4Q2009: \$8.1 million, or \$0.53 per share).

Operating revenues and operating expenses for the quarter ended 31 December 2010 were \$45.5 million and \$38.7 million, respectively (2009: \$50.7 million and \$40.5 million). The share of profits of associates for the quarter was \$10.7 million (2009: \$27.8 million).

Net gains (losses) on investments for the quarter were \$0.6 million (2009: \$0.2 million).

General and administrative expenses for the quarter were \$8.1 million (2009: \$5.1 million). Currency exchange gains for the quarter were \$1.7 million (2009: \$1.6 million).

Year Ended 31 December 2010. Net income for the year was \$65.7 million, or \$4.28 per share (2009: \$131.0 million, or \$8.53 per share).

Operating revenues and operating expenses for the year ended 31 December 2010 were \$194.4 million and \$154.2 million, respectively (2009: \$221.6 million and \$157.0 million). The share of profits of associates for the year was \$71.6 million (2009: \$156.3 million).

Net gains on investments for the year were \$1.3 million (2009: \$3.0 million). Net losses on the re-valuation of financial derivatives for the year were \$-0- million (2009: \$31.8 million). The financial derivatives were initially valued at issuance of the Exchangeable Bond 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 the redemption date in July 2010. 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 year were \$21.0 million (2009: \$26.8 million). Currency exchange gains (losses) for the year were \$(6.5) million (2009: \$17.2 million).

CONSOLIDATED FINANCIAL POSITION

The Company held \$41.3 million of cash and cash equivalents at 31 December 2010, which includes restricted cash of \$3.0 million.

Shareholders' equity was \$1.31 billion at 31 December 2010 as compared to \$1.24 billion at 31 December 2009. There were 15,359,927 Common Shares issued and outstanding at the close of both periods.

OPERATIONS AND INVESTMENTS IN ASSOCIATES

The Company reports its investments in Subsea 7 S.A. (OSE Symbol: SUBC), 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 Inc. and Acergy S.A. completed their previously-announced combination in January 2011 when shareholders of Subsea 7 Inc. received 1.065 new shares of Subsea 7 S.A. (formerly, Acergy S.A.) in exchange for each share of Subsea 7 Inc. previously held. The combination brought together two of the world's leading subsea construction contractors with 12,000 employees, a diversified high-specification fleet of 42 vessels, more than 150 remotely-operated vehicles ("ROVs") and a number of fabrication facilities. The Company owns a beneficial interest of 69,681,932 Subsea 7 S.A. shares, or 20.5%. For more information, please visit Subsea 7's website at www.subsea7.com.

Siem Offshore owns interests in 44 vessels working in the oil and gas industry, which includes 7 vessels under-construction in Brazil. The Company owns a beneficial interest of 133,279,421 Siem Offshore shares, or 33.7%. For more information on Siem Offshore, please visit www.siemoffshore.com.

STAR controls a modern fleet of approximately 46 owned and chartered-in reefer vessels that is engaged in the refrigerated transportation of fruit and other perishable products. 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 end of 2012 and the other firm contract expires in August 2011 with a 6-month option period. The Company owns 100% of Siem Car Carriers. In January 2011, the Company acquired the remaining 50% interest in Siem Car Carriers AS (formerly, Partner Shipping AS) which is engaged in car and RO-RO (roll-on/roll-off) transportation solutions for car manufacturers, shipping lines and logistics companies.

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.

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 S.A. 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 S.A. 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 S.A. and Siem Offshore.

ANNUAL MEETING

The Company scheduled the Annual General Meeting of Shareholders for Monday, 9 May 2011, at 10:30am Cayman Islands local time, at its registered office at Uglund House, South Church Street, George Town, Grand Cayman, Cayman Islands. The 2010 Annual Report, Notice, Proxy Statement and Proxy Card have been mailed. The date of record was set for 13 April 2011.

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.

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

STATEMENTS OF INCOME <i>(Dollars in thousands, except per share amounts)</i>	<i>4th Quarter Ended 31 December</i>		<i>Year Ended 31 December</i>	
	2010	2009	2010	2009
REVENUES				
Operating revenues	\$ 45,537	\$ 50,660	\$ 194,432	\$ 221,584
Share of profits (losses) of associates	10,742	27,832	71,617	156,282
Interest income	1,794	1,600	8,025	8,124
Gains (losses) on investments, net	600	183	1,333	2,994
Gains (losses) on re-valuation of financial derivatives, net	—	(1)	—	(31,833)
Gains (losses) on repurchase of Exchangeable Bonds	—	—	—	(871)
Other	1,144	964	3,688	1,224
Total revenues	59,817	81,238	279,095	357,504
EXPENSES				
Operating expenses	(38,718)	(40,460)	(154,226)	(157,025)
Depreciation and amortization	(6,626)	(6,719)	(26,317)	(26,622)
Interest expense	(579)	(1,356)	(3,345)	(4,107)
Interest expense - accretion of Exchangeable Bonds	(10)	(21,327)	(1,166)	(22,913)
General and administrative expenses	(8,083)	(5,089)	(20,953)	(26,830)
Currency exchange gains (losses), net	1,702	1,564	(6,482)	17,229
Other	(348)	—	(349)	(445)
Total other income (expenses)	(52,662)	(73,387)	(212,838)	(220,713)
Income before income tax expense and minority interest	7,155	7,851	66,257	136,791
Income tax expense	(7)	3	(62)	(88)
Net income before minority interest	7,148	7,854	66,195	136,703
Minority interest expense	713	249	(531)	(5,682)
Net income attributed to Common Shares	\$ 7,861	\$ 8,103	\$ 65,664	\$ 131,021
Earnings per Common Share – Basic and Diluted	\$ 0.51	\$ 0.53	\$ 4.28	\$ 8.53
Weighted avg. no. of Common Shares outstanding for period	15,359,927	15,359,927	15,359,927	15,359,927
STATEMENTS OF FINANCIAL POSITION				
<i>(Dollars in thousands)</i>			<i>31 December</i>	<i>31 December</i>
			2010	2009
ASSETS				
Cash and cash equivalents, excluding restricted cash			\$ 38,264	\$ 149,487
Trading securities, and notes, loans and other financial assets			15,132	145,732
Other current assets			48,349	37,224
Total current assets			101,745	332,443
Notes, loans and other financial assets			122,714	76,697
Investments in associates			891,087	797,348
Vessels, property and equipment, net			403,880	429,051
Other assets, including restricted cash			5,457	16,967
Total Assets			\$ 1,524,883	\$ 1,652,506
LIABILITIES				
Accounts payable and other current liabilities			\$ 45,927	\$ 52,657
Current maturities and short-term notes			81,076	308,106
Total current liabilities			127,003	360,763
Long-term debt			55,338	24,654
Other			37,558	28,523
Total Liabilities			219,899	413,940
EQUITY				
Common Shares, \$0.25 par value, 15,359,927 shares issued and outstanding			\$ 3,840	\$ 3,840
Paid-in capital			130,598	130,875
Retained earnings			1,087,583	1,021,919
Other reserves			1,010	1,979
Total Shareholders' Equity			1,223,031	1,158,613
Minority, or noncontrolling, interests			81,953	79,953
Total Equity			1,304,984	1,238,566
Total Liabilities and Equity			\$ 1,524,883	\$ 1,652,506

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STATEMENTS OF COMPREHENSIVE INCOME <i>(Dollars in thousands)</i>	<i>Fiscal Year</i> 2010	<i>Fiscal Year</i> 2009
Net income before minority interest	\$ 66,195	\$ 136,703
Other comprehensive income (expense):		
Currency translation differences	(969)	688
Total comprehensive income (expense), net	65,226	137,391
Less total comprehensive income attributed to minority interest	531	5,682
Total comprehensive income attributed to Common Shares	\$ 64,695	\$ 131,709

STATEMENTS OF CHANGES IN EQUITY <i>(Dollars in thousands)</i>	<i>Fiscal Year</i> 2010	<i>Fiscal Year</i> 2009
Equity at beginning of period	\$ 1,238,566	\$ 1,102,738
Net income attributed to Common Shares during period	65,664	131,021
Currency translation differences	(969)	(797)
Adjustments for issuances of shares by associates to minority interests	(277)	(78)
Minority interest expense	531	5,682
Issuance of shares by subsidiaries to minority interests	1,469	—
Equity at end of period	\$ 1,304,984	\$ 1,238,566

STATEMENTS OF CASH FLOWS <i>(Dollars in thousands)</i>	<i>Fiscal Year</i> 2010	<i>Fiscal Year</i> 2009
Cash flows from operating activities:		
Net income attributed to Common Shares	\$ 65,664	\$ 131,021
Adjustments to reconcile net income		
to net cash provided by (used in) operating activities:		
Depreciation and amortization, including drydock	31,848	32,054
Undistributed share of losses (profits) of associates	(71,617)	(156,282)
Losses (gains) on investments and revaluation of financial derivatives	(1,333)	28,839
Losses (gains) on repurchases of Exchangeable Bonds	—	871
Accretion of Exchangeable Bonds	1,166	22,913
Minority interests in net income	531	5,682
Currency exchange losses (gains)	6,482	(17,229)
Other	7,739	7,739
Net changes in assets and liabilities	(19,285)	(168)
Net cash provided by (used in) operating activities	21,195	55,440
Net cash provided by (used in) investing activities	56,675	(67,361)
Net cash provided by (used in) financing activities	(188,403)	(15,038)
Effect of exchange rate on cash	(690)	12,530
Net increase (decrease) in cash and cash equivalents	(111,223)	(14,429)
Cash and cash equivalents at beginning of period	149,487	163,916
Cash and cash equivalents at end of period	\$ 38,264	\$ 149,487