



SIEM INDUSTRIES

PRESS RELEASE

For Immediate Release

SIEM INDUSTRIES INC.

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SIEM INDUSTRIES INC. ANNOUNCES RESULTS FOR THE 1ST HALF ENDED 30 JUNE 2017

GEORGE TOWN, GRAND CAYMAN, 25 September 2017 – SIEM INDUSTRIES INC. (the “Company”) announces its unaudited results for the first half year ended 30 June 2017 that have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as discussed below.

COMPARATIVE CONSOLIDATED FINANCIAL PERFORMANCE

Six Months Ended 30 June 2017. Net income attributable to Common Shares for the six months ended 30 June 2017 was \$3.6 million, or \$0.24 per share (1H2016: \$73.3 million, or \$4.84 per share).

Operating revenues and operating expenses for the six months were \$339.9 million and \$234.6 million, respectively (2016: \$297.3 million and \$208.2 million, respectively). The increases are primarily attributed to the operations of Siem Offshore Inc. that are consolidated within the Company’s financial statements.

The share of profits of associates for the six months was \$58.6 million (2016: \$66.3 million).

Net gains (losses) on investments and other assets during the six months were \$0.9 million (2016: \$9.0 million). A net gain on bargain purchase of \$18.3 million was recorded in May 2016 when Siem Offshore purchased the remaining 50% interest in Secunda Holdings LP from its previous owner, a private equity partnership.

Net re-valuation gains of \$35.6 million were recorded for the six months on the re-valuation of the financial derivatives related to the Company’s EUR-denominated exchangeable bond which was issued in June 2016. Such re-valuations adjustments are made at the end of each reporting period.

Depreciation expense for the six months was \$77.6 million (2016: \$65.5 million). Impairment of vessels and equipment was \$87.1 million for the six months (2016: \$1.2 million). The impairment costs were incurred by Siem Offshore for \$70.8 million and Siem Shipping for \$16.3 million.

Interest expense for the six months increased to \$34.3 million (2016: \$24.2 million). The increase is attributed to a full 6 months of interest expense on the EUR-denominated exchangeable bond and to predelivery-financing that was obtained for the construction of the 4 roll-on/roll-off vessels. General and administrative expenses decreased to \$23.1 million (2016: \$29.5 million). The net currency exchange gains (losses) for the six months were \$(13.7) million (2016: \$0.5 million).

CONSOLIDATED FINANCIAL POSITION

The Company held \$240.8 million of cash and cash equivalents at 30 June 2017, which included \$80.2 million of restricted cash.

Shareholders' equity was \$1.9 billion at 30 June 2017. There were 15,107,681 Common Shares issued and outstanding at 30 June 2017.

In April 2017, the Company redeemed the last remaining \$2 million of the original \$445 million Exchangeable Bonds that had been issued in September 2012.

Also in April 2017, Subsea 7 SA distributed a NOK5 per share dividend to its shareholders of which the Company holds 69,731,931 shares.

At the end of April 2017, the Company completed its offer to bondholders of two separate bond issues made by Siem Offshore and acquired NOK98 million at 72% of par related to the issue maturing at the end 2020 and NOK197 million at 69% of par related to the issue maturing at the end of 2021.

In June 2017, the Company's wholly-owned subsidiary, Siem Europe S.a r.l., subscribed for its pro rata share of a Rights Issue conducted by Siem Offshore for 100 million shares at NOK1.90 per share.

SUBSEQUENT EVENTS

In July 2017, Venn Partners, a 44.15%-owned subsidiary of the Company, helped to successfully securitize a Dutch residential mortgage loan portfolio for approximately EUR335 million. This is the second portfolio to be securitized for the Company with the first completed in March 2014.

In August 2017, the charterer of a roll-on/roll-off vessel owned by Siem RoRo Carriers Ltd., a 51%-owned subsidiary of the Company, exercised its purchase option and acquired the vessel. The vessel was the first of four RoRo vessels ordered by Siem RoRo Carriers to be delivered by Flensburger Schiffbau-Gesellschaft, the Company's wholly-owned German shipyard, at the time of its April 2017 delivery. Each of the remaining RoRo vessels under construction will embark on a 5-year charter at the time of delivery.

At the end of August 2017, Deusa International completed a merger with a neighboring facility of its potash operations in Germany. As a result of the merger, the Deusa owners received a 60% interest in the merged company. Expected benefits from the merger include expanded operations, cost reductions and access to a disposal facility for Deusa's waste residue from its production process.

OPERATIONS AND INVESTMENTS IN ASSOCIATES

The Company reports its investments in Subsea 7 S.A. (OSE Symbol: SUBC), Electromagnetic Geoservices ASA (OSE Symbol: EMGS), Venn Partners LLP and BSR Group Holdings LLC (formerly, Sustainable Power Generation Limited) under the equity method of accounting. The detail financial statements of the Company's investments in Siem Offshore Inc. (OSE: SIOFF), Siem Shipping Inc., Siem Car Carriers AS, Deusa International GmbH (Deusa), Siem Europe S.a r.l., VSK Holdings Ltd., Flensburger Schiffbau-Gesellschaft mbH & Co. KG and Deep Seas Insurance Limited are incorporated within the Company's consolidated financial statements.

Subsea 7 is a seabed-to-surface engineering, construction and services contractor for the offshore energy industry. At 30 June 2017, the Company owned a beneficial interest in 69,731,931 Subsea 7 S.A. shares, or approximately 21.3% of Subsea 7 S.A.'s issued and outstanding shares. For more information on Subsea 7, please visit www.subsea7.com.

Siem Offshore owns interests in 44 vessels that are operating in the offshore industry at the end of the period. In addition, Siem Offshore has a wholly-owned subsidiary, Siem Offshore Contractors GmbH, that performs operations for the installation of inner-array and export cables for the offshore renewable energy market and the related inspection, repair and maintenance business. At 30 June 2017, the Company owned a beneficial interest of 925,048,963 Siem Offshore shares, or 83.0%. For more information on Siem Offshore, please visit www.siemoffshore.com.

Siem Shipping operates under the STAR Reefers brand name and controls a modern fleet of approximately 32 owned and chartered reefer vessels engaged in the transportation of refrigerated fruit and other perishable products. Siem Shipping has expanded its operations into the car carrier industry which is very complementary to its existing activities. Siem Shipping had construction contracts for 5 car carrier vessels from a shipyard in Croatia and received delivery of the first vessel at the end of June 2017. The vessel is currently under a 5-year charter to Siem Car Carriers. The delivery of the remaining 4 vessels is uncertain at this time. At 30 June 2017, the Company owned an interest of 7,409,948 Siem Shipping shares, or 82.3%, of Siem Shipping. For more information, please visit www.star-reefers.com.

Siem Car Carriers owns two vessels which it utilizes in its trade or charters-out to others. In addition, Siem Car Carriers arranges for the transportation of cars, trucks and heavy equipment and other products using owned and chartered-in vessel capacity. As previously announced, Siem Car Carriers has received long-term charter contracts for 5 car carrier vessels from a European car manufacturer. The Company owns 100% of Siem Car Carriers.

Venn Partners provides specialist credit and advisory services and focuses on private asset-based financing in European markets. Its activities extend to commercial real estate and residential mortgage finance, asset-backed securities and other specialist asset finance markets. Venn Partners has been awarded an exclusive mandate by the UK government to arrange and manage all aspects of the Private-Rented Sector Guarantee Scheme which will offer government guarantees to raise in excess of GBP3.5 billion of competitive 10 to 30 years financing in the capital markets with the proceeds to be used for eligible rental housing after construction has been completed. The Company owns 44.15% of Venn Partners.

VSK Holding is the sole owner of a company that builds portfolios of Dutch residential mortgages. A portfolio was acquired in 2013 and securitized in March 2014. A new portfolio was built in-house and securitized in July 2017.

Siem Europe is, in addition to its ownership in Siem Offshore, the owner of Venn Capital S.a r.l., BSR Group Holdings LLC (“BSR”), Flensburger Schiffbau-Gesellschaft mbH & Co. KG (“FSG”) and a 24.9% interest in Deusa International GmbH (“Deusa”) shares at 30 June 2017 (Siem Investments, a wholly-owned subsidiary of the Company, owns 49% of Deusa). Venn Capital provides loans for commercial real estate activity, primarily within the United Kingdom. BSR is one of the largest developers of large-scale solar projects in the United Kingdom and performs engineering, procurement and construction of solar parks ranging in size from approximately 5MW to 70MW which it may retain

or sell to third parties. FSG is a German shipyard that has operated for many years and is well-respected for the quality of its vessel construction.

EMGS is the owner of proprietary electromagnetic technology which supports the offshore exploration for oil and gas and provides services for survey, design, data acquisition, processing and interpretation. At 30 June 2017, the Company owned a beneficial interest of 32,794,139 EMGS shares, or 23.9%, of EMGS. For more information, please visit www.emgs.com

Prior to Deusa's August merger, the Company owned a 73.9% interest in this German subsidiary which is engaged in the mining of potash and has potash reserves of greater than 60 years at current production levels.

RISKS AND UNCERTAINTIES AND MARKET OUTLOOK

The principal risks and uncertainties confronting the Company reflect primarily the risks and uncertainties confronting its subsidiary, Siem Shipping, 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.

SIEM INDUSTRIES INC. is a diversified industrial holding company that operates through autonomous affiliates. The Company currently holds interests in the oil and gas services industry and renewable energy sector, ocean transportation of refrigerated cargoes and automobiles, shipyard engineering and construction, potash-mining and finance, which includes loans and guarantees, specialist credit advisory services and 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 fiscal year ended 30 June 2017 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 2017 and the results of its operations 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 fiscal year and their impact on the summary financial statements.

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 <i>(Dollars in thousands, except per share amounts)</i>	Six Months Ended 30 June		Fiscal Year
	2017	2016	2016
INCOME:	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(audited)</i>
Operating revenues	\$ 339,894	\$ 297,320	\$ 772,406
Share of profits (losses) of associates	58,624	66,278	100,512
Interest income	7,874	23,005	40,294
Gains (losses) on investments and other assets, net	(934)	9,048	(1,107)
Gains on exceptional items - bargain purchase	—	18,269	18,312
Gains (losses) on revaluation of financial derivatives, net	35,595	—	(55,447)
Other	564	2,364	9,765
Total income	441,617	416,284	884,735
EXPENSES AND OTHER:			
Operating expenses	(234,564)	(208,203)	(558,231)
Depreciation and amortization	(77,645)	(65,451)	(139,186)
Impairment of vessels and investments	(87,139)	(1,209)	(95,780)
Interest expense	(34,258)	(24,168)	(56,234)
General and administrative expenses	(23,102)	(29,468)	(53,447)
Currency exchange gains (losses), net	(13,648)	452	(87,092)
Other expenses	(328)	(20,015)	(5,469)
Total expenses and other	(470,684)	(348,062)	(995,439)
Income (loss) before income tax expense	(29,067)	68,222	(110,704)
Income tax benefit (expense)	(4,591)	2,789	1,004
Net income (loss)	\$ (33,658)	\$ 71,011	\$ (109,700)
Net income (loss) attributable to:			
Holders of Common Shares	\$ 3,560	\$ 73,274	\$ (73,632)
Non-controlling interests	\$ (37,218)	\$ (2,263)	\$ (36,068)
Earnings (loss) per Common Share – Basic and Diluted	\$ 0.24	\$ 4.84	\$ (4.86)
Weighted avg. no. of Common Shares outstanding for period	15,117,626	15,139,681	15,135,200
STATEMENTS OF FINANCIAL POSITION <i>(Dollars in thousands)</i>		30 June 2017	31 December 2016
ASSETS		<i>(unaudited)</i>	<i>(audited)</i>
Cash and cash equivalents, excluding restricted cash		\$ 160,646	\$ 233,394
Trading securities, and notes, loans and other financial assets		119,122	110,600
Work-in-process for vessels under construction		185,398	120,398
Other current assets		233,900	246,125
Total current assets		699,066	710,517
Notes, loans and other financial assets		129,775	72,030
Investments in associates		1,176,626	1,130,400
Vessels, property and equipment, net		2,177,592	2,324,239
Other assets, including restricted cash		129,626	128,686
Total Assets		\$ 4,312,685	\$ 4,365,872
LIABILITIES			
Accounts payable and other current liabilities		\$ 297,062	\$ 271,890
Current maturities and short-term notes		174,991	165,486
Total current liabilities		472,053	437,376
Long-term debt		1,534,323	1,583,698
Financial derivatives		98,627	122,019
Other liabilities and deferred credits		95,777	94,479
Total Liabilities		2,200,780	2,237,572
EQUITY			
Common Shares, \$0.25 par, 15,107,681 and 15,119,681 shares issued and outstanding		\$ 3,777	\$ 3,780
Additional paid-in capital		105,405	105,405
Retained earnings		1,865,961	1,863,118
Cumulative translation and other reserves		(47,160)	(61,410)
Total Shareholders' Equity		1,927,983	1,910,893
Non-controlling interests		183,922	217,407
Total Equity		2,111,905	2,128,300
Total Liabilities and Equity		\$ 4,312,685	\$ 4,365,872