



**SIEM OFFSHORE**

**Pareto Oil & Offshore  
Conference**

**6 September 2006**

**CEO Terje Sørensen**



# SIEM OFFSHORE

## Strategy

- To grow the company within offshore support vessels
- Seek to combine with other operators in the same field, in order to achieve economies of scale and stronger presence in the market
- Become a preferred supplier of marine services to the oil & gas industry
- Provide cost efficient solutions for our customers by understanding their operation and applying technology and expertise

## Shareholder Structure 31 August 2006

<u>SHAREHOLDER</u>	<u>NO OF SHARES</u>	
SIEM INDUSTRIES INC.	64,128,403	38.7%
ROVDE INVEST AS	31,759,576	19.1%
HVAMMEN, GUNNAR	5,000,000	3.0%
MP PENSJON	4,600,000	2.8%
PACTUM AS	3,000,000	1.8%
NORDEA BANK DENMARK AS	1,818,467	1.1%
JØKUL AS	2,719,630	1.6%
STAVANGER OFFSHORE AS	2,649,000	1.6%
WELLIS AS	2,300,000	1.4%
OJADA AS	2,000,000	1.2%
<b>TOTAL 10 LARGEST</b>	<b>119,975,076</b>	<b>72.3%</b>
<b>OTHERS</b>	<b>45,873,824</b>	<b>27.7%</b>
<b>TOTAL</b>	<b>165,848,900</b>	<b>100.0%</b>

- Authorised share capital: 300,000,000 shares of USD 0.01
- Issued share capital: 165,848,900 shares of USD 0.01
- One class of shares – Each share carries one vote



## SIEM OFFSHORE

### Total fleet of 30 vessels

Seven mid-size PSVs of VS 470 Mk II design



Siem Sasha, 10/2005, EMGS AS 12/2006 + options



Siem Sophie, 01/2006, Peterson BV 07/2007 + options



Siem Danis, 07/2006, Spot / Technip 10/06 + options



Siem Louisa, 09/2006, Spot / Tideway 160 days + options



Siem TBN, 05/2007, Uncommitted



Siem TBN, 06/2007, Uncommitted



Siddis Skipper, 01/2004 (51% owned), MLS 01/2007 + options



# SIEM OFFSHORE

## Total fleet of 30 vessels (cont.)

### Three Construction/ROV/large-size PSVs



Siem Mariner, MT6000 mk II, 12/2006

Acc. for 56 persons, 70 tons crane, helideck

Uncommitted



Siem TBN, MT 6017 mk II, 11/2008

Acc. for 68 persons, moonpool, prep. for 100 tons crane and helideck

Uncommitted



Ocean Commander, UT 745, 1999, 35% owned, BB to SIOFF

Acc. for 50 persons, 50 tons crane, helideck

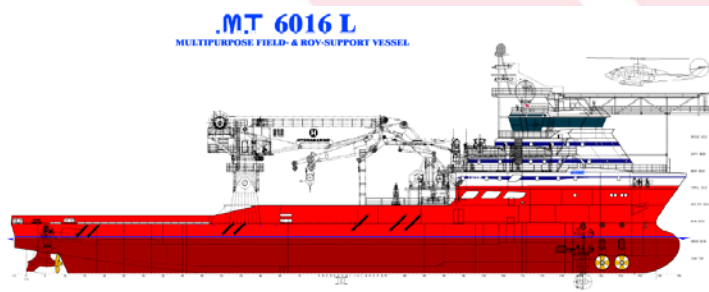
Adams 02/08 + options



# SIEM OFFSHORE

## Total fleet of 30 vessels (cont.)

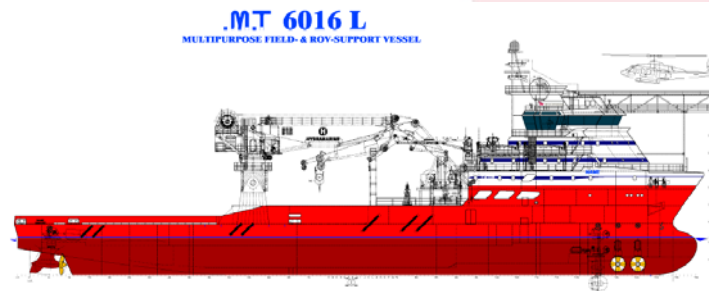
Two Field /Light Construction vessels



Siem TBN, MT6016L mk II, 06/2007

Acc. For 100 persons, 150 tons crane, helideck, moonpool

Uncommitted



Siem TBN, MT6016L mk II, 03/2008

Acc. For 100 persons, 150 tons crane, helideck, moonpool

Uncommitted

## Total fleet of 30 vessels (cont.)

Two large-size PSVs



Siem Carrier, VS 483, 1996

Saipem 09/2006, Uncommitted



TBN, VS 485, 06/2007 (51% owned)

Uncommitted



## SIEM OFFSHORE

### Total fleet of 30 vessels (cont.)

#### Four Emergency Rescue Recovery Vessels



Ocean Knarr, Statoil, 08/2007 + options



Ocean Star, Spot / Shell Egypt 160 days + options



Ocean Flower, Statoil 12/2006 + options



Sølvbas, Hydro, 05/2007 + options





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## Activities in Brazil

- 10 owned supply / crew vessels
- All vessels on contracts with Petrobras, 1 – 3 years





## SIEM OFFSHORE

### JOIDES Resolution

- Scientific core drilling vessel
- Owned 50/50 with Transocean Inc.
- On contract with DGH India for work offshore India for approx. 4 months
- Awarded a 7 years contract by Texas A&M Research Foundation for the Integrated Ocean Drilling Program phase II, with 10 yearly options. Contract value first seven years approx USD 140 million





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## Big Orange XVIII

- The vessel Big Orange XVIII, owned 41% by Siem Offshore, is on a time charter contract with Schlumberger for well stimulation work in the North Sea Basin until August 2010.





# SIEM OFFSHORE

## Financials – Profit and Loss Statement

	2Q 2006	2Q 2005	YTD 2006	YTD 2005	01.07 - 31.12 2005
<i>(Unaudited figures in USD 1,000)</i>					
Operating revenue	16,789	0	27,516	0	13,233
Result from affiliated companies	4,285	0	4,297	0	3,242
Total operating costs	-12,297	0	-19,676	0	-12,617
<b>EBITDA</b>	<b>8,777</b>	<b>0</b>	<b>12,136</b>	<b>0</b>	<b>3,859</b>
Depreciation and amortisation	-2,651	0	-4,213	0	-1,972
Impairment	0	0	0	0	0
Gain on sale	375	0	4,292	0	0
<b>EBIT</b>	<b>6,501</b>	<b>0</b>	<b>12,215</b>	<b>0</b>	<b>1,887</b>
Net currency items	7,405	0	10,413	0	-3,085
Financial income	141	0	226	0	542
Financial costs	-704	0	-1,297	0	-503
<b>Net financial items</b>	<b>6,842</b>	<b>0</b>	<b>9,342</b>	<b>0</b>	<b>-3,046</b>
<b>Result before taxes</b>	<b>13,343</b>	<b>0</b>	<b>21,557</b>	<b>0</b>	<b>-1,160</b>
Taxes	-243	0	-389	0	-898
<b>Result for the period</b>	<b>13,100</b>	<b>0</b>	<b>21,168</b>	<b>0</b>	<b>-2,057</b>
Average number of issued shares ('000)	165,539		155,122		132,821
Earnings per share, USD per share	0.08		0.14		-0.02



# SIEM OFFSHORE

## Financials – Balance Sheets

(Unaudited figures in USD 1,000)

	30.06.2006	30.06.2005	31.12.2005
<b>Fixed assets</b>			
Intangible fixed assets	518	0	0
Tangible fixed assets	104,277	0	39,813
Investment in affiliates and other financial fixed assets	26,308	0	8,278
<b>Total long-term assets</b>	<b>131,103</b>	<b>0</b>	<b>48,091</b>
Debtors, prepayments and other current assets	32,247	0	23,151
Bank deposits	27,714	0	21,709
<b>Total current assets</b>	<b>59,961</b>	<b>0</b>	<b>44,860</b>
<b>Total assets</b>	<b>191,065</b>	<b>0</b>	<b>92,951</b>
<b>Shareholders' equity</b>			
Paid-in capital	111,863	0	85,320
Other equity	-26,838	0	-28,783
Result for the period	21,168	0	-2,057
<b>Shareholders' equity</b>	<b>106,193</b>	<b>0</b>	<b>54,480</b>
<b>Minorities</b>	<b>51</b>	<b>0</b>	<b>0</b>
<b>Minorities and shareholders' equity</b>	<b>106,244</b>	<b>0</b>	<b>54,480</b>
<b>Liabilities</b>			
Deferred taxes	7,914	0	0
Other provisions	673	0	401
<b>Total provisions</b>	<b>8,587</b>	<b>0</b>	<b>401</b>
Finance debt falling due after 1 year	40,077	0	19,116
Other long-term liabilities	3	0	3
<b>Total other long-term liabilities</b>	<b>40,079</b>	<b>0</b>	<b>19,119</b>
Finance debt falling due within 1 year	19,636	0	1,226
Trade creditors and other short-term liabilities	16,519	0	17,724
<b>Total current liabilities</b>	<b>36,154</b>	<b>0</b>	<b>18,951</b>
<b>Total liabilities</b>	<b>84,821</b>	<b>0</b>	<b>38,471</b>
<b>Total shareholders' equity and liabilities</b>	<b>191,065</b>	<b>0</b>	<b>92,951</b>



## Vessel commitments per 5 September 2006

Figures in million	USD	NOK
Vessel commitment 30.06.2006	243	1 509
Investments after 30.06.2006	73	453
<b>Total</b>	<b>315</b>	<b>1 962</b>
<b>Payment schedule</b>		
2006	120	747
2007	111	692
2008	84	524
<b>Total payments</b>	<b>315</b>	<b>1 962</b>
Short-term loan due 1 November 2006	17	106
<b>Financing requirement</b>	<b>332</b>	<b>2 068</b>
<b>Sources</b>		
Cash per 30.06.2006	28	172
Undrawn USD 175 million facility	138	859
New loan GBP 12 million	23	146
Sale Hull 121	11	70
<b>Sum</b>	<b>200</b>	<b>1 247</b>
<b>Additional sources</b>		
Loan J/V Siem Meling	?	?
Loan Siem Mariner	?	?
Loan MT 6017 mk II	?	?



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## Siem WIS AS - Introduction

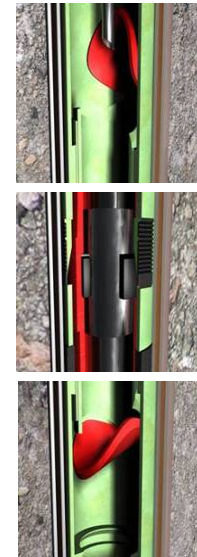
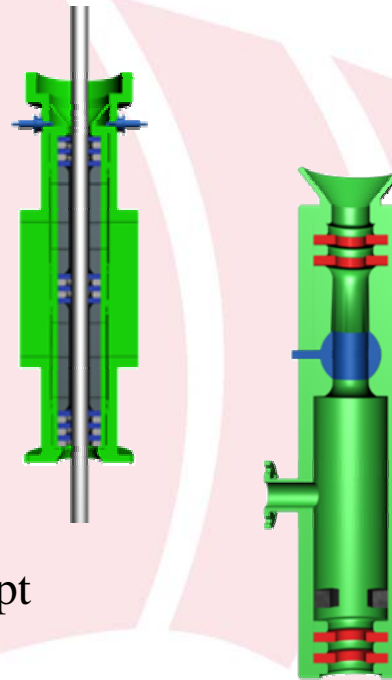
- Siem WIS AS was established in February 2005
- The Company Coreteam have extensive experience from the oil service industry
- Siem WIS are developing technology and products with the objective to enable safer and more efficient Drilling and well Maintenance services, including Riserless Subsea Intervention services from vessels



# SIEM OFFSHORE

## Siem WIS -Products

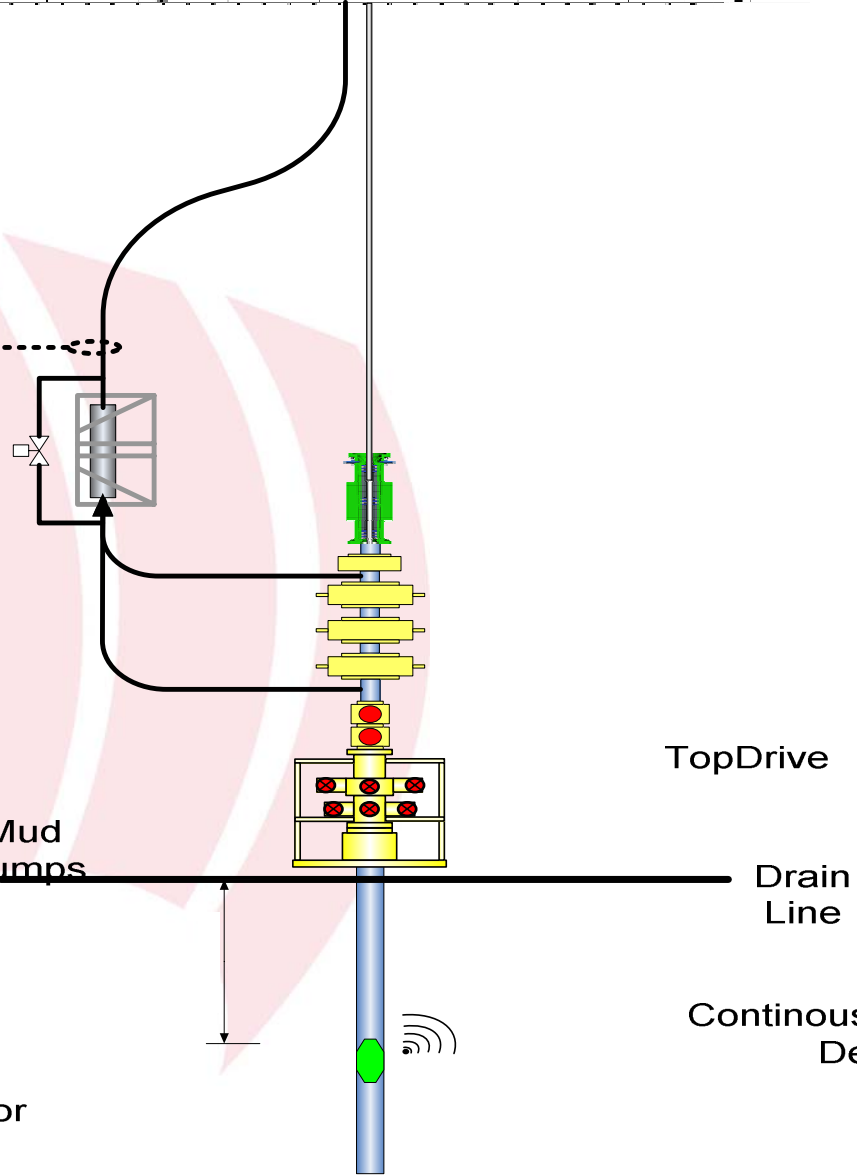
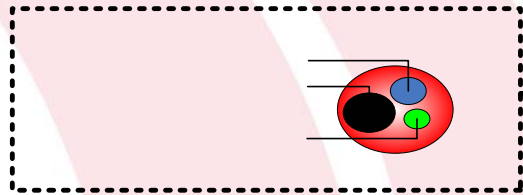
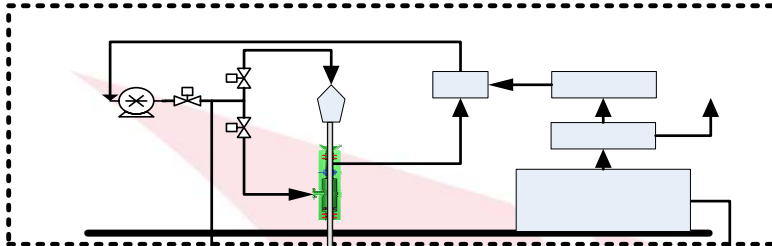
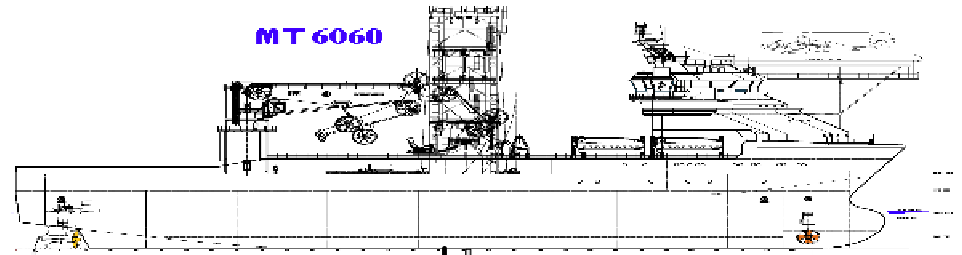
- Main products under development are:
  - Siem WIS' patented sealing technology products
    - WIS Seal™
    - WIS CircSub™
  - Siem WIS' patented remote controlled intervention valve concept
    - WIS Valve™







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# Siem WIS' patented Riserless TTRD concept



## SIEM OFFSHORE

### Siem WIS AS

## – Oil Industry Challenges and Siem WIS' Solutions

Example of challenges for the upstream oil industry, and their solutions through the use of SiemWIS' patented technology:

- Challenge:** Reduce variation of dynamic behavior in the mud column during drilling operations

**Solution:** WIS CircSub™ - Constant Circulation Device
- Challenge:** Seal around drillpipe to control well pressure

**Solution:** WIS Seal™
- Challenge:** Complete and simple Managed Pressure Drilling (MPD) solution

**Solution:** By combining existing MPD configuration with WIS CircSub™ and WIS Seal™ , a complete and efficient service can be established



## SIEM OFFSHORE

### Siem WIS AS

## – Oil Industry Challenges and Siem WIS' Solutions

4. **Challenge:** Enable long tool strings to enter a pressurized well, by enabling the tubing to be used as lubricator  
**Solution:** WIS Valve™
5. **Challenge:** Enable economic, complete subsea well Plug and Abandonment (P&A) services to be performed from vessels  
**Solution:** The WIS Seal™ will enable entering the well from a Vessel to plug and cement the well, without involving Jack-up or Rigs
6. **Challenge:** Enable economic, complete, riserless subsea well intervention services to be performed from vessels  
**Solution:** By combining existing configuration with the WIS CircSub™, the WIS Seal™ and the WIS Valve™, a complete and economic service can be established