

# **Earnings Presentation**

**First Quarter 2012**

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**BD Director – Rune Juliussen**

**8 May 2012**

# Highlights First Quarter 2012

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- Concluded the sale of mid-size PSV, “Siem Danis”.
- Extended the bareboat charter for the PSV “Hugin Explorer” for a period of six years, with charterer’s option for an additional 1 + 1 year.
- Awarded contract for one additional AHTS vessel, the “Siem Ruby”, for a firm period of four years to Petrobras in Brazil.
- Awarded a contract with ENI Ghana for the PSV’s “Siem Louisa” and “Sophie Siem” for 100 days and 180 days, respectively, with options.
- Awarded the first contract for the Renewable Energy Market.

# Subsequent Events

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- Siem Offshore has entered into contracts with STX OSV in Norway for the design and construction of two offshore construction vessels (“OCVs”). The Company has also secured options for two additional vessels with STX of the same design at the same terms and conditions.
- The four vessels will be of STX OSCV 11 design with an overall length of 121 meters, a beam of 22 meters and will be equipped with 250t AHC crane.
- The firm vessels are scheduled for delivery from STX OSV in Norway in 3Q and 4Q 2013, respectively and the option vessels in 1Q 2014.

# Income Statement First Quarter

Amounts in USD million	First Quarter		Twelve Months Ended
	2012 Unaudited	2011 Unaudited	2011 Audited
Operating revenue	90.9	68.9	340.6
Operating expenses	( 51.1)	( 39.5)	( 182.5)
Administration expenses	( 10.5)	( 7.6)	( 35.2)
<b>Operating margin</b> [1]	<b>29.3</b>	<b>21.8</b>	<b>123.0</b>
Depreciation and amortisation	( 21.1)	( 18.7)	( 81.3)
Gain/(Loss) on sale of assets	15.5	0.1	0.1
Gain/(Loss) FX contracts [2]	3.9	1.3	1.8
Net financial items [3]	( 2.2)	( 2.1)	( 47.3)
Profit before tax	25.3	2.4	( 3.8)
Income tax provision	( 1.2)	( 1.5)	( 2.7)
<b>Net Profit</b>	<b>24.1</b>	<b>0.9</b>	<b>( 6.5)</b>
Attributable to non-controlling interest	( 1.1)	( 0.4)	0.8
Attributable to shareholders of the Company	25.2	1.3	( 7.3)
<b>Net Profit</b>	<b>24.1</b>	<b>0.9</b>	<b>( 6.5)</b>
Earnings per share [4]	0.06	0.003	( 0.02)
Average number of shares outstanding [5]	395,952	395,752	395,886

[1] Operating revenue less operating expenses

[2] Revaluation of off-balance sheet currency contracts entered into in order to hedge operating expenditures in foreign currencies.

[3] Including revaluation of non-USD currency balance sheet items

[4] Net profit / Average number of shares outstanding (diluted)

[5] Weighted average number of shares outstanding (diluted) ('000)

# Comments to First Quarter Income Statement

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- 100% utilization in the MRSV segment.
- 95% utilization in the PSV segment.
  - Two have sailed to West Africa for work offshore Ghana.
- 79% utilization in the AHTS segment.
  - Sequentially weaker utilization for the vessels in North Sea spot market.
  - Siem Ruby now mobilizing for long-term charter in Brazil.
- Brazilian vessels with 81% utilization, up from previous quarters.
  - Positive impact from new vessels and sale of older vessels.
- Cable Installation segment (SOC) with low utilization of around 25% on “Siem Carrier”.
- ODL performed in line with expectations and satisfactory.
- Siem WIS completed the enhanced qualification program for the Siem WIS PCD system in Q4 2011, and two new PCDs MKII were completed during 1Q12.



**Operating Margin**

# Operating Margin First Quarter

Amounts in USD million	Q1 2012				Q1 2011			
	Operating revenue	Operating expenses	Operating margin	Operating margin %	Operating revenue	Operating expenses	Operating margin	Operating margin %
PSVs	24.2	( 13.2)	11.1	45 %	23.4	( 11.8)	11.7	50 %
MRSVs	14.3	( 6.4)	7.9	55 %	14.2	( 6.4)	7.8	55 %
AHTS vessels	30.9	( 16.6)	14.3	46 %	22.0	( 14.8)	7.2	33 %
Brazilian built vessels	7.7	( 5.3)	2.4	31 %	6.4	( 4.3)	2.1	33 %
Cable installation	1.7	( 3.5)	( 1.7)		0.0	0.0	0.0	
Scientific core drilling	10.1	( 5.1)	5.0	50 %	0.0	0.0	0.0	
CMS	1.4	( 1.2)	0.2	14 %	2.6	( 2.3)	0.3	11 %
Siem WIS	0.0	0.1	0.1		0.0	0.0	0.0	
Other	0.6		0.6		0.4	0.0	0.4	
G&A	0.0	( 10.5)	( 10.5)		0.0	( 7.6)	( 7.6)	
<b>Total</b>	<b>90.9</b>	<b>( 61.7)</b>	<b>29.3</b>	<b>32 %</b>	<b>68.9</b>	<b>( 47.1)</b>	<b>21.8</b>	<b>32 %</b>

# Siem Offshore Contractors and Siem WIS

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## Major Breakthrough in Renewables

- Siem Offshore Contractors (SOC) awarded USD 60 million contract for E.ON Germany. Installation of inter-array grid cables for the Amrumbank Offshore Windfarm, with installation phase in 2014.
- Strong Market Outlook for offshore Renewables – SOC is bidding for more contracts. Germany and UK the biggest markets.
- Competitive advantage in combining installation expertise in SOC and asset base of SIOFF.
- SOC Middle East (Oil & Gas) still quite slow.

## Siem WIS

- All technical tests completed for PCD, including enhanced Shell test, per 4Q11.
  - Results well beyond API standards and competitors' qualifications/standards.
- Completed the construction of two more PCD system (2<sup>nd</sup> generation) during first quarter 2012.
- Increasingly strong interest for the product from Oil Companies.
- Target 2-3 PCDs in operation by YE 2012.







# Financial Position and Cash Flow

# Statement of Financial Position

Amounts in USD million	31 March 2012 Unaudited	31 March 2011 Unaudited	31 December 2011 Audited
Intangible assets	36.8	15.1	35.7
Vessels under construction	83.3	107.8	105.2
Vessels, equipment and other	1,436.3	1,357.0	1,428.1
CIRR loan deposits	59.4	69.0	56.5
Investment in associates and other long-term receivables	13.3	26.2	11.9
Debtors, prepayments and other current assets	100.7	95.7	85.4
Cash and cash equivalents	124.6	65.8	136.6
<b>Total Assets</b>	<b>1,854.4</b>	<b>1,736.6</b>	<b>1,859.4</b>
<b>Total Equity</b>	<b>796.7</b>	<b>783.0</b>	<b>769.8</b>
Borrowings falling due after 1 year	807.1	745.6	839.0
CIRR loan	59.4	69.0	56.5
Other non-current liabilities	32.1	13.0	34.3
Borrowings falling due within 1 year	82.1	75.7	95.5
Trade creditors and other current liabilities	77.0	50.3	64.4
<b>Total Liabilities</b>	<b>1,057.8</b>	<b>953.6</b>	<b>1,089.6</b>
<b>Total Equity and Liabilities</b>	<b>1,854.4</b>	<b>1,736.6</b>	<b>1,859.4</b>

\* Current cost of debt < 4%

# Consolidated Statements of Cash Flows

Amounts in USD million	31.03.2012	31.03.2011	31.12.2011
Cash flow from operations	Unaudited	Unaudited	Audited
Profit before taxes, excluding interest	34.5	6.5	34.8
Interest paid	-5.9	-0.4	-29.1
Depreciation and amortization	21.1	18.7	81.3
Effect of unreal. currency exchange forward contracts	-1.6	-0.2	1.4
Change in short-term receivable and payables	-2.8	-19.5	5.5
Other changes	-22.1	-1.7	-7.7
<b>Net cash flow from operations</b>	<b>23.2</b>	<b>3.4</b>	<b>86.3</b>
<b>Cash flow from investment activities</b>			
Investments in fixed assets	-13.1	-78.9	-208.0
Proceeds from sale of fixed assets	34.2	0.1	1.2
Investment in subsidiaries	0.0	0.0	-22.5
Other investment activities	-0.1	12.8	10.0
<b>Cash flow from investments</b>	<b>21.1</b>	<b>-66.0</b>	<b>-219.4</b>
<b>Cash flow from financing activities</b>			
Proceeds from raising of new equity	1.4	8.9	12.3
Proceeds from raising of new long-term borrowing	3.1	72.5	327.4
Repayment of long-term borrowing	-56.6	-67.2	-190.8
<b>Cash flow from financing activities</b>	<b>-52.2</b>	<b>14.2</b>	<b>148.9</b>
Effect of exchange rate differences	-4.1	-1.0	5.6
<b>Net change in cash</b>	<b>-12.0</b>	<b>-49.4</b>	<b>21.5</b>
Cash at bank start of period	136.6	115.2	115.2
Cash at bank end of period	124.6	65.8	136.6

# Future Yard Instalments 1Q

Amounts in USD  
million

Future Yard Instalments	Q2-2012	Q3-2012	Q4-2012	2013	Total
OSRVs	9.4	9.0	3.7	0.0	22.2
PSVs	0.0	64.6	0.0	67.4	132.0
<b>Total</b>	<b>9.4</b>	<b>73.7</b>	<b>3.7</b>	<b>67.4</b>	<b>154.2</b>

Debt financing	Q2-2012	Q3-2012	Q4-2012	2013	Total
OSRVs	5.9	8.2	4.3	0.0	18.5
PSVs	0.0	62.6	0.0	62.6	125.1
<b>Total</b>	<b>5.9</b>	<b>70.8</b>	<b>4.3</b>	<b>62.6</b>	<b>143.6</b>

\* Newbuildings are fully financed through debt facilities



# Employment and Deliveries

Vessels in Operation and Shipbuilding Contracts

# PSV Employment

Vessel	Owner-ship	2012			2013				2014				2015				2016			
		2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Siem Sasha	100 %	Contract	Contract	Contract	Contract	Contract														
Siem Sophie	100 %	Contract																		
Siem Louisa	100 %	Contract																		
Siem Hanne	100 %	Contract	Contract	Contract	Contract	Contract														
Siddis Skipper	51 %	Contract	Contract	Contract	Contract option	Contract option	Contract option	Contract option												
Siem Supplier	100 %	Contract	Contract	Contract	Contract	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option				
Hugin Explorer	100 %	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract
Siem Sailor	51 %	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option				
Siem Pilot	51 %	Contract	Contract	Contract	Contract	Contract	Contract													
Siddis Mariner	51%	Contract option	Contract option	Contract option	Contract option	Contract option														
<b>Total order backlog in % and USD mill.</b>		79%	51		59%	40			14%	8			13%	8			13%	8		

Contract
  Contract option
  Spot work



# MRSV Employment

Vessel	Owner-ship	2012			2013				2014				2015				2016					
		2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Siem Swordfish	100 %	Contract	Contract																			
Seven Sisters	100 %	Contract	Contract	Contract	Contract	Contract	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	
Siem Marlin	100 %	Contract	Contract	Contract	Contract	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	
Adams Vision	100 %	Contract	Contract	Contract	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	
Total order backlog in % and USD mill.		100 %	35		29%	13			0%	0				0%	0				0%	0		



Contract



Contract option



Spot work



# AHTS Employment

Vessel	Owner-ship	2012			2013				2014				2015				2016				
		2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Siem Pearl	100 %	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract
Siem Emerald	100 %	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract
Siem Sapphire	100 %	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract
Siem Aquamarine	100 %	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work
Siem Ruby	100 %	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract
Siem Topaz	100 %	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work
Siem Diamond	100 %	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract
Siem Amethyst	100 %	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work
Siem Garnet	0 %	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work
Siem Opal	0 %	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work	Spot work
Total order backlog in % and USD mill.		48%	69		50%	97			45%	89			10%	25			4%	10			



Contract



Contract option



Spot work





## Vessels in Operation

# Other Employment

Vessel	Type	Ownership	2012			2013				2014				2015				2016				
			2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Big Orange XVIII	WSV	41 %																				
Joides Resolution	SPV	100 %																				
Total order backlog in % and USD mill.			100 %	21		87%	21			4%	0.3			0%	0			0%	0			
Marati	OSRV	100 %																				
Marabá	OSRV	100 %																				
Parnaíba	FSV	100 %																				
Paropriá	FSV	100 %																				
Paracaru	FSV	100 %																				
Capela	FSV	100 %																				
Parati	FSV	100 %																				
Siem Piatã	FCV	100 %																				
Siem Pendotiba	FCV	100%																				
Siem Caetes	FSP	100%																				
Siem Carajas	FSP	100%																				
Total order backlog in % and USD mill.			91%	26		76%	22			55%	15			36%	10			36%	10			

 Contract

 Contract option

 Spot work

# Vessel Deliveries

Vessel	Type	Owner-ship	2012			2013				2014				2015				2016				
			2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q					
Brazil, Siem Maragogi	OSRV	100 %	Under Construction	Contract	Contract	Contract	Contract	Contract	Contract	Contract USD 94 million				Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	
Brazil, Siem Marataizes	OSRV	100 %	Under Construction	Contract	Contract	Contract	Contract	Contract	Contract	Contract USD 94 million				Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract
Brazil "TBN"	PSV	100 %	Under Construction	Under Construction																		
Brazil "TBN"	PSV	100 %	Under Construction	Under Construction	Under Construction	Under Construction	Under Construction	Under Construction														
Norway, "TBN"	OCV	100%	Under Construction	Under Construction	Under Construction	Under Construction	Under Construction	Under Construction														
Norway, TBN"	OCV	100%	Under Construction	Under Construction	Under Construction	Under Construction	Under Construction	Under Construction														

Under Construction
  Contract
  Contract option



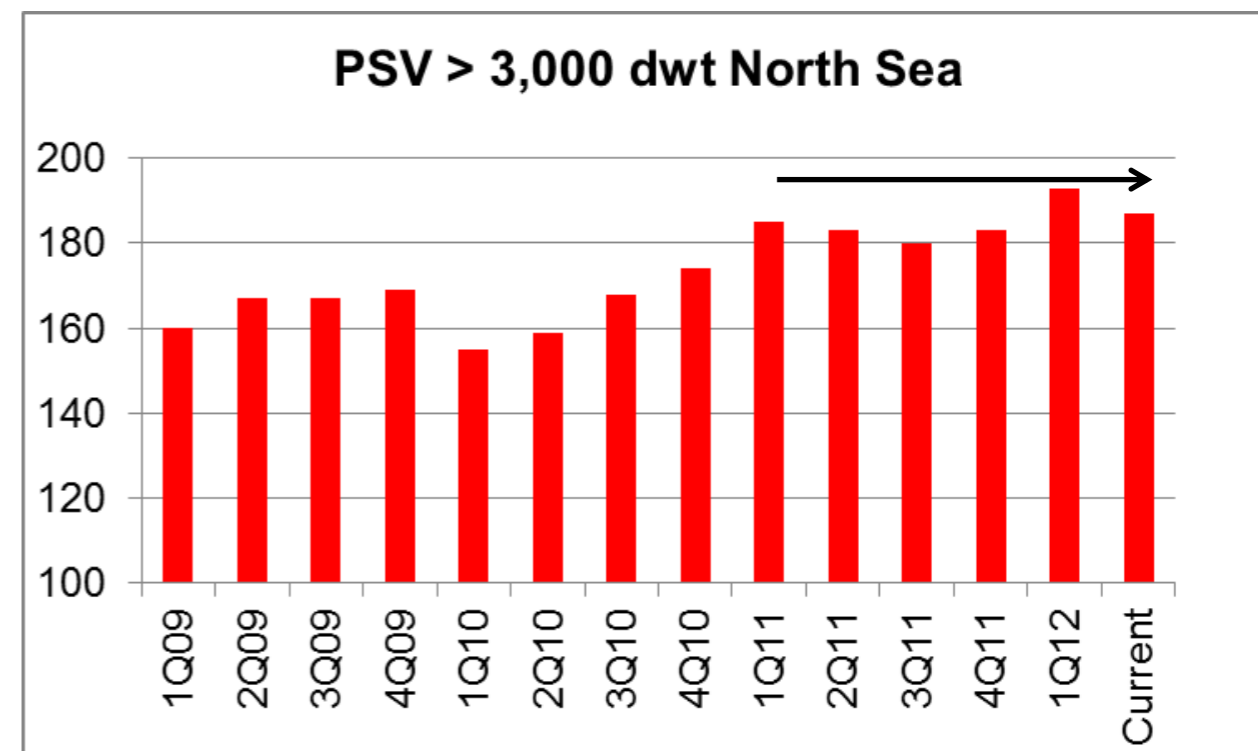
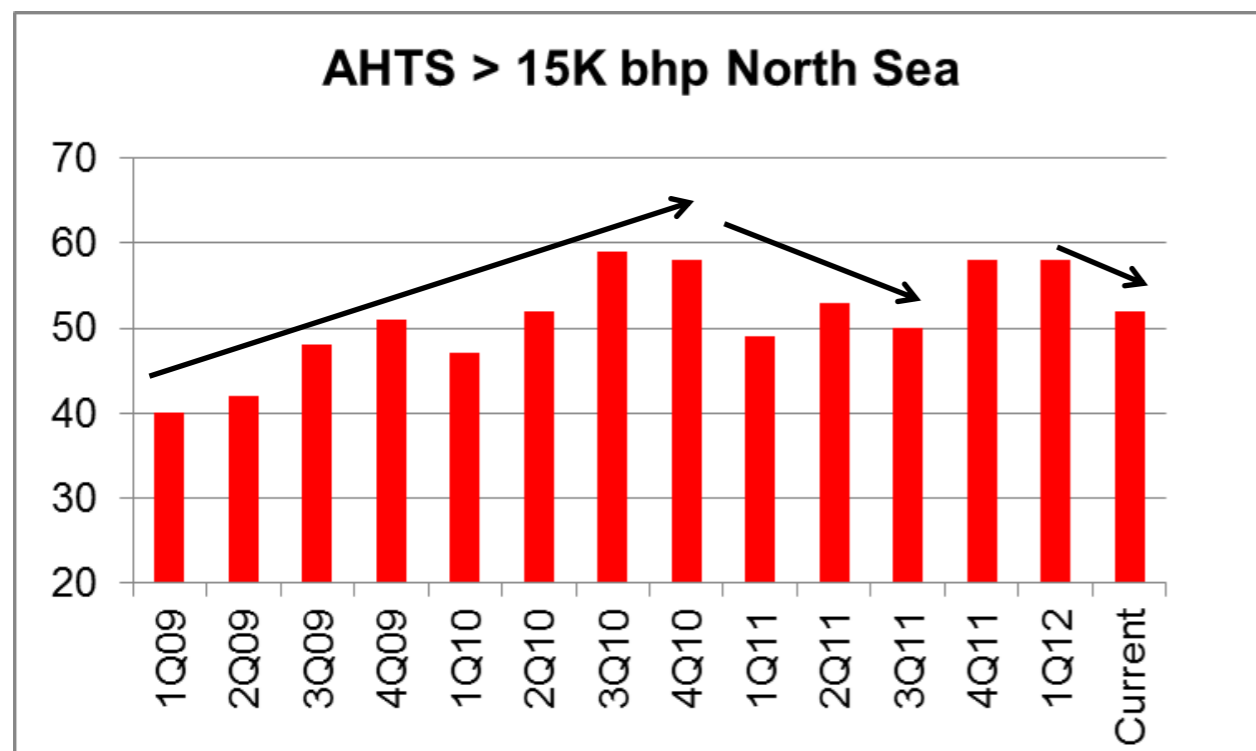
**Market outlook**

# Market Outlook Summary

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- North Sea summer season looks promising:
  - Stable/decreasing AHTS fleet.
  - Increased rig activity: UK up seasonally from late Q1, and several rigs entering Norway during 2012.
  - PSV segment somewhat more uncertain - 30 vessels to be delivered from yards in the region in 2012.
- North Sea demand looks strong in coming years.
- Global Demand continue to increase:
  - Brazil continues to be strong based on firm contracts for Rigs, FPSO and Subsea.
  - US GoM and West Africa turning up, especially on PSVs.
  - Prospects for remote and harsh areas (Barents Sea, Greenland, Canada, US Alaska, Santos Basin Brazil).
- Increased confidence in market being able to absorb the relatively large number of OSV newbuilds to be delivered in certain segments, especially PSVs.
  - Newbuilding orderbook more limited for AHTS and Subsea Vessels (MRSV).

# North Sea Vessels

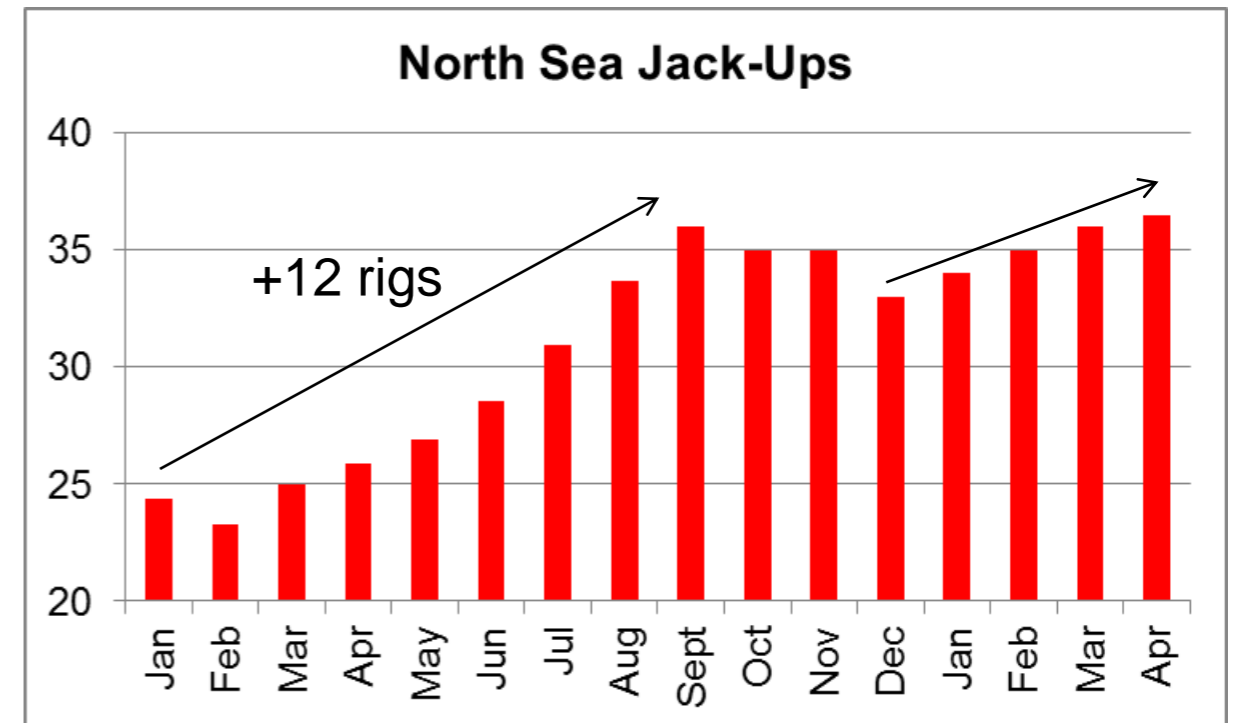
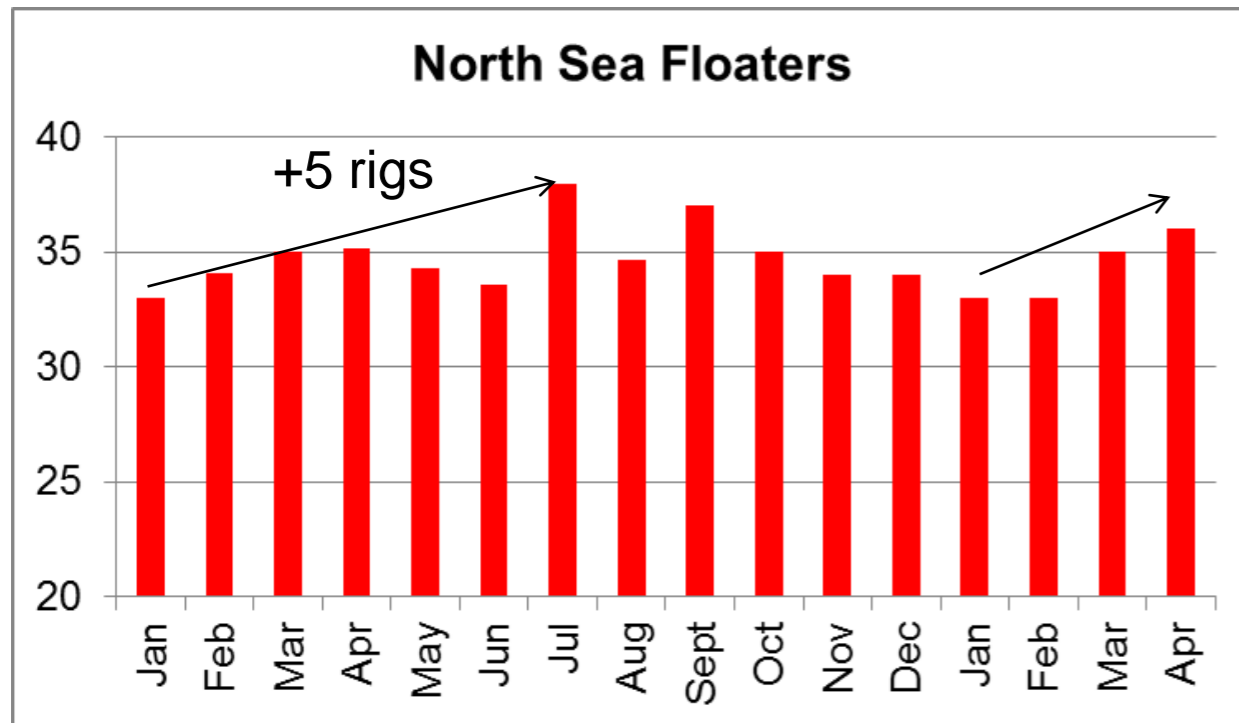


- Number of AHTS > 15k bhp in the North Sea recently reduced.
- Increase in AHTS fleet in late 4Q11 mainly due to vessels coming off Greenland campaign.
- No Newbuild deliveries from yards in the region until 2013.
- Summer season 2012 looks promising.

- Number of PSV > 3,000 dwt working in the North Sea has stabilized around 185 vessels.
- Strong international markets has absorbed vessels.
- Same North Sea demand drivers as for AHTS segment.
- Around 50 PSVs currently on order from Norwegian yards cause some uncertainty.
  - Around 30 to be delivered during 2012.

# Demand: North Sea Rigs working (2011 & 2012e)

## - Usually picks up in the summer

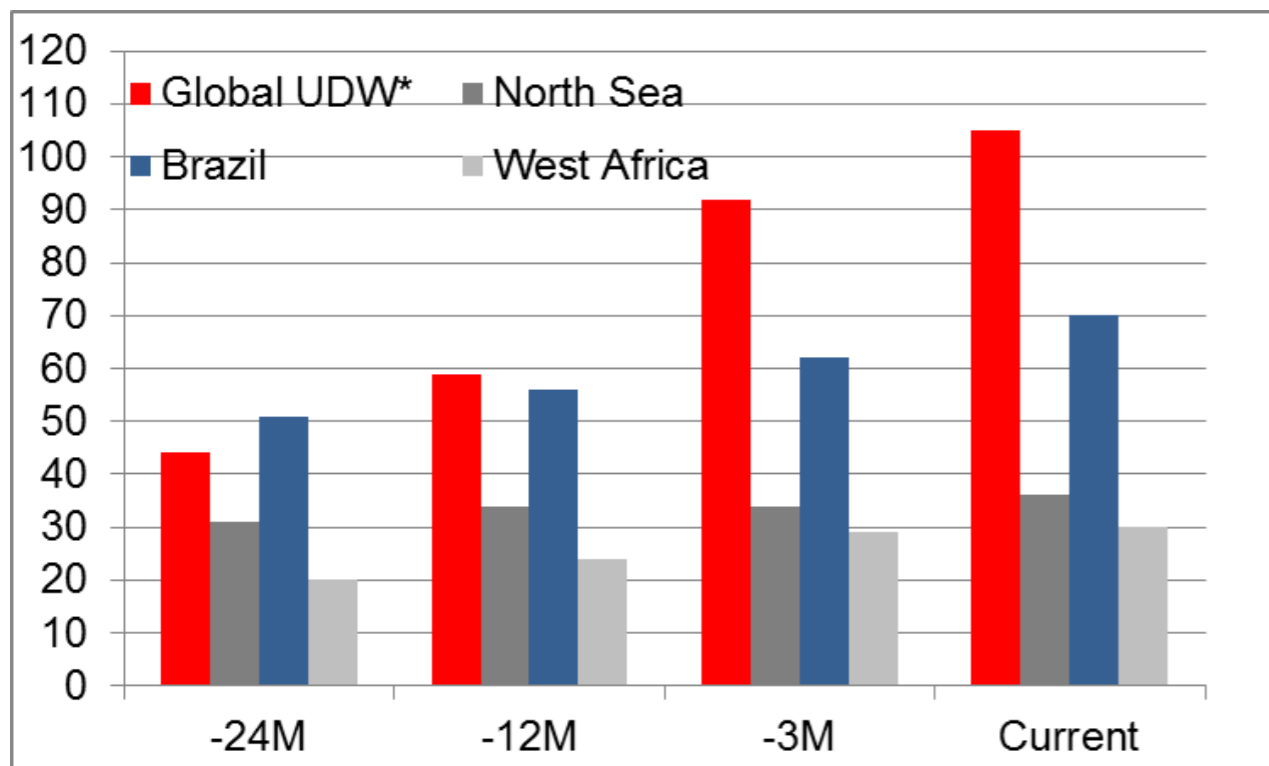


- Number of semis and drillships working in the North Sea up from 33 to 38 during summer season 2011 (Jan -> July/August).
- 2012 season in the UK looks promising.
- Number of floaters North Sea expected > 40 during summer 2012.
- Norwegian market expected to increase in coming years as new rigs enter the Market: More than 10 rigs 2012-16.

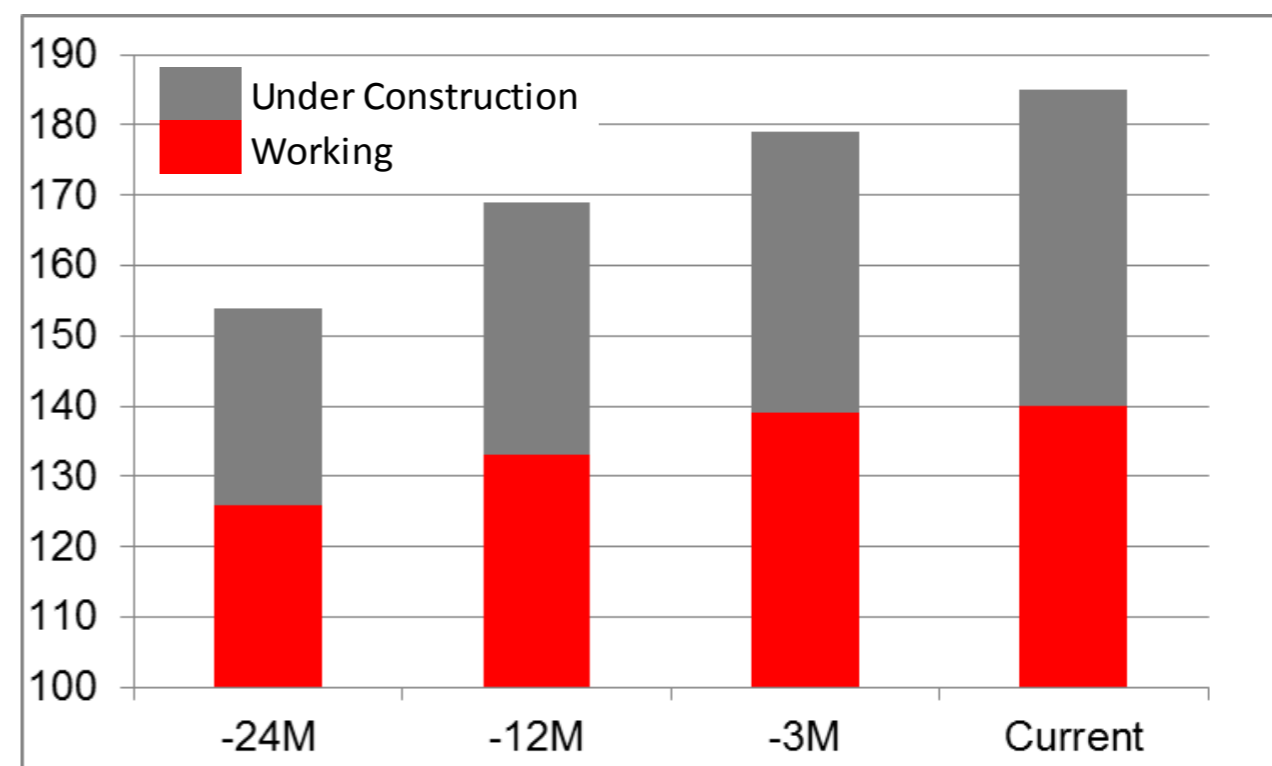
- Number of Jack-Ups working in the North Sea up from 24 to 36 during summer season 2011 (Jan -> Sept).
- Number of Jack-Ups North Sea expected > 40 during summer 2012.
- North Sea Jack-Up market expected to increase in coming years as new rigs enter the market – not as significant as floaters.

# Global Rig and FPSO Market

## Global Drilling Market



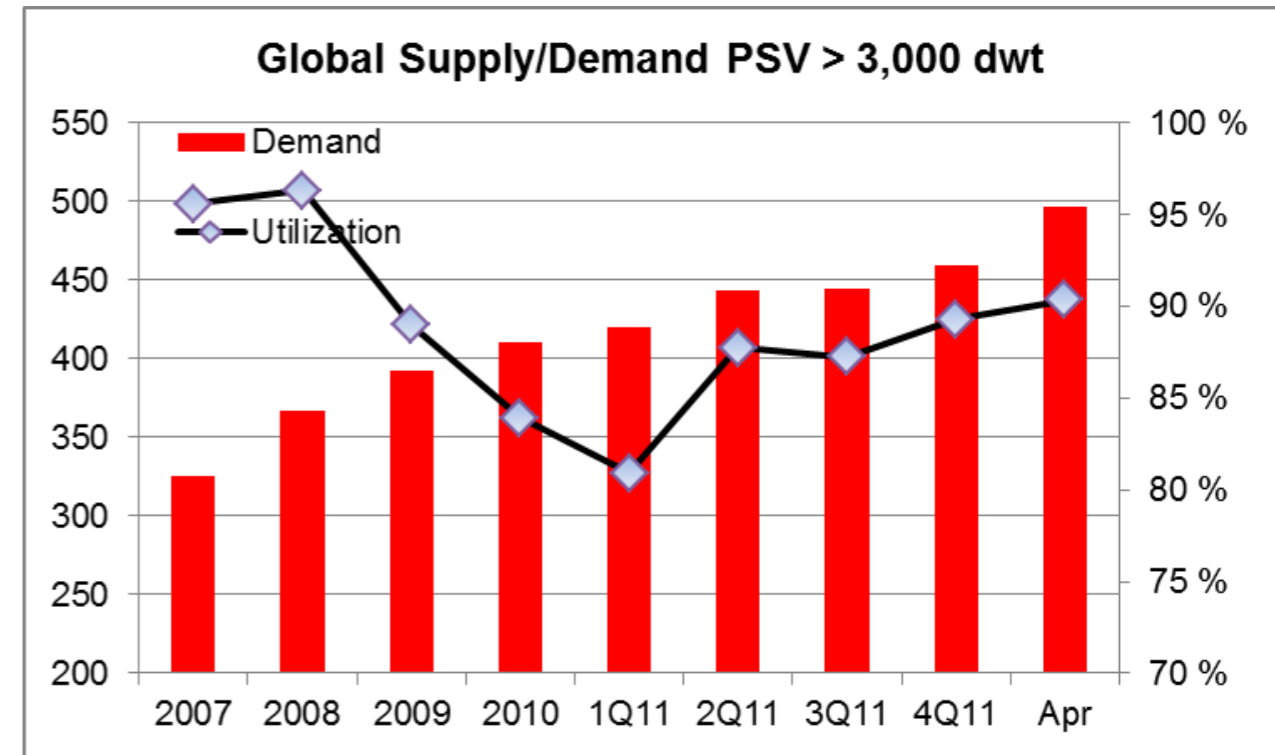
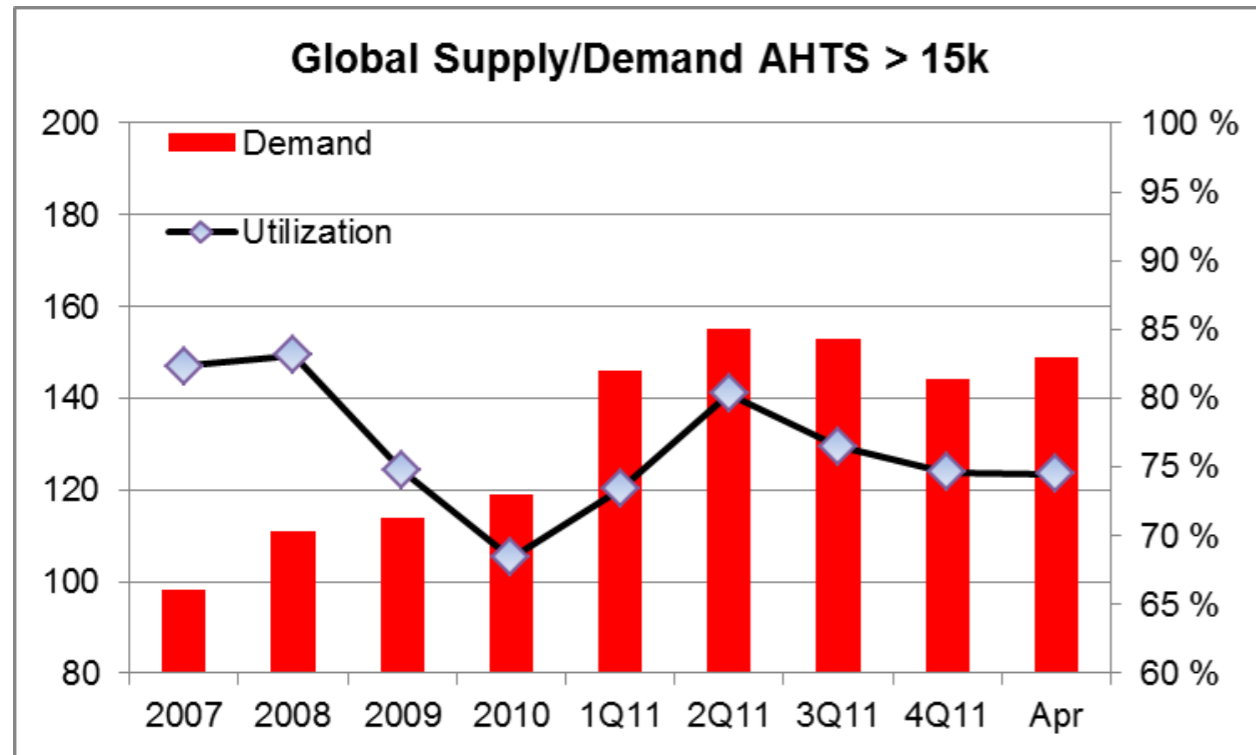
## Global FPSO market



\* = Ultra Deep Water (UDW)

- Total # UDW Drilling rigs currently working at 105, up from 59 twelve months ago (-12M).
- Total # North Sea Floater Rigs currently working at 36, up from 34 twelve months ago (-12M).
- Total # Floater Rigs currently working in Brazil at 70, up from 56 twelve months ago (-12M).
- Total # FPSOs currently working/under construction at 185, up from around 170 twelve months ago (-12M).
  - New demand added from FSRU/FLNG units.
- Continue to see increased activity going forward for both Drilling, FPSO and Subsea.

# Global AHTS and PSV Market: Utilization ex North Sea > 90% = limited immigration risk to North Sea



- Global Term Demand utilization AHTS > 15k bhp currently around 75%.
  - Above 90% excluding North Sea.
- Strong demand growth in Brazil, but some growth also seen in other regions.
- No newbuild deliveries in North Sea region in 2012, and relatively few newbuilds to be delivered from yards outside the North Sea are well suited for the region.

- Global Term Demand utilization PSV > 3,000 dwt currently at around 90%.
- In addition to Brazil, demand growth also in West Africa, East Africa, North Sea and US GoM.
- Strong growth in Drill Support for DP rigs to continue:
  - Another >60 DP Rigs 2012-2015 (excl Sete Brazil).
- Some uncertainty in high PSV newbuilding activity.



# Appendix

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# Summary Employment

Figures in USD mill.	2012	2013	2014	2015	2016	2017=>	Total
PSVs	75%, 51	59%, 40	14%, 8	13%, 8	13%, 8	2	116.1
MRSVs	100%, 35	29%, 13	0%, 0	0%, 0	0%, 0	0	47.9
AHTS vessels	48%, 69	50%, 97	45%, 89	10%, 25	4%, 10	0	289.9
Brazilian built vessels	71%, 26	76%, 22	55%, 15	36%, 10	36%, 10	28.7	111.3
Other	100%, 21	87%, 21	4%, 0.3	0%, 0	0%, 0	0	42.7
<b>Total order backlog vessels in operation</b>	<b>76%, 201</b>	<b>57%, 194</b>	<b>33%, 112</b>	<b>17%, 42</b>	<b>15%, 28</b>	<b>31</b>	<b>607.9</b>
<b>Order backlog vessels under construction</b>	<b>12</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>82</b>	<b>188</b>
<b>Total order backlog</b>	<b>213</b>	<b>217</b>	<b>136</b>	<b>66</b>	<b>51</b>	<b>113</b>	<b>795.9</b>