

SIEM OFFSHORE INC.

REPORT FOR THE THIRD QUARTER 2009

29 October 2009 – Siem Offshore Inc. (Oslo Stock Exchange: SIOFF) reports results for the third quarter and nine months ended 30 September 2009.

Selected Financial Information

<i>(Amounts in USD millions)</i>	3 rd Quarter Ended 30 September		9 Months Ended 30 September	
	2009	2008	2009	2008
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>
Operating revenue	46.5	54.7	134.4	145.1
Operating margin	15.6	26.3	47.6	63.8
Operating margin, %	33%	48%	35%	44%
Operating profit (loss)	27.3	(1.4)	77.1	34.2
Profit (loss) before taxes and minorities	35.5	(17.8)	90.3	26.1
Net profit (loss) attributable to shareholders	34.5	(19.9)	87.7	21.4

Highlights Third Quarter

- NOK 900 million raised in gross proceeds in a private placement;
- Siem Offshore and Marathon Petroleum Company (Norway) LLC entered into a contract with a duration for 6x1 wells (est. 333 days) for the large-size PSV *Siem Supplier* ;
- Siem Consub (Brazil) and Petrobras entered into 8+8 years contracts for two Oil Spill Recovery Vessels to be built in Brazil;
- Siem Offshore received delivery of the first anchor-handling tug and supply (“AHTS”) vessel *Siem Pearl* from the Norwegian shipyard;
- Siem Offshore and Petrobras Oil & Gas B.V. Turkey entered into a Letter of Intent for 2+1 year contracts for two of its mid-size PSVs;
- Siem WIS AS, the Company’s 60%-owned subsidiary, announced that a contract was entered into with StatoilHydro in connection with the development and qualification of Siem WIS’ Pressure Control Device;

Results for the Third Quarter 2009

The net profit (loss) attributable to shareholders was USD 34.5 million (2008: USD (19.9) million), or USD 0.12 per share (2008: USD (0.08)).

The operating revenue and expenses were USD 46.5 million and USD 30.9 million, respectively (2008: USD 54.7 million and USD 28.4 million). Depreciation and amortisation were USD 9.5 million (2008: USD 8.5 million). The operating profit in 2009 includes net currency exchange gains on forward contracts of USD 20.5 million, of which USD 21.2 million was realised.

Results for the Nine Months Ended 30 September 2009

The net profit attributable to shareholders was USD 87.7 million (2008: USD 21.4 million), or USD 0.32 per share (2008: USD 0.08 per share).

The operating revenue and expenses were USD 134.4 million and USD 86.8 million (2008: USD 145.1 million and USD 81.4 million). There were 28 vessels in operation at the end of third quarter compared to 25 vessels at the end of third quarter in 2008. The spot and term market has been at lower levels in 2009 compared to 2008. Siem Offshore operated four vessels in the North Sea spot market during the third quarter.

The first nine months include net currency exchange gains (losses) on forward contracts of USD 52.3 million (2008: USD (5.9) million), of which USD 21.2 million was realised gains, USD 0.3 million was unrealised gains and USD 30.8 million was a reversal of unrealised losses per 31 December 2008.

Net financial items were USD 13.1 million (2008: USD (8.1) million) and include a revaluation of non-USD currency items of USD 13.4 million (2008: USD (3.4) million) due to the weaker USD during the quarter. Non-USD currency items are held in order to match short- and long-term liabilities, including off-balance sheet liabilities, in similar currencies.

FINANCING AND CAPITAL STRUCTURE

Cash and Bank Deposits

Net cash flow from operations for the first nine month period was positive USD 47.1 million and the cash position at 30 September 2009 was USD 124.7 million.

Debt Financing

The balance sheet included gross interest-bearing debt of USD 375.6 million at 30 September 2009.

The Company had USD 57.4 million as an undrawn amount under a USD 112 million facility at the end of third quarter. The facility is for the financing of two MRSVs and the first AHTS vessel. The first AHTS vessel was delivered in September and the instalment at delivery was fully paid by equity from cash reserves. USD 42.5 million will be drawn under the facility in fourth quarter as debt financing for the AHTS vessel. Additional drawings of USD 17.7 million can be made in respect of the MRSVs and the AHTS vessel subject to certain vessel employment.

The 51% owned subsidiary Siem Meling Offshore DA has an undrawn amount of NOK 101 million under a NOK 583.6 million facility. The undrawn amount shall be used for the debt financing of one large-size PSV under construction.

The Company has agreed debt facilities for the financing of the remaining seven AHTS vessels under construction in way of a NOK 1,764 million facility for six vessels, and a NOK 427 million facility for one vessel.

The subsidiary Siem Consub (Brazil) has agreed debt facilities in the total of USD 24 million for the two fast supply boats and the two fast crew boats under construction in Brazil.

The subsidiary Siem Consub (Brazil) is provided up to 90% debt financing of the two OSRVs to be built in Brazil under the Merchant Maritime Brazilian Government Fund program.

Future yard instalments for vessels under construction totalled USD 624 million at end of the quarter. Such yard instalment falls due in 2009 with USD 101.5 million and with USD 522.6 million in 2010.

Equity

The shareholders' equity was USD 670.5 million at 30 September 2009, equivalent to USD 1.86 per share.

During the third quarter, the Company raised gross proceeds of NOK 900 million in a private placement of 105,882,353 shares at a price of NOK 8.50 per share. Following the issuance of the new shares, the total number of issued and outstanding shares are 359,774,219, each with a nominal value of USD 0.01.

OPERATIONS

QHSE

The Company recorded satisfactory QHSE performance for the quarter, with no serious injuries to personnel, damage to property or spill to the environment. The management system is under continuous development by improvement of working methods and standards, which shall ensure the quality of the products and services to our clients.

Fleet, Performance and Employment

The Company had ownership in 28 vessels in operation at the end of September 2009, and 12 vessels under construction.

The operational performance of the fleet during the quarter was acceptable. A total of 34 days of off-hire were recorded, of which 20 days related to scheduled dry-docking of two vessels.

The 11 PSVs obtained 93% utilisation during the third quarter. The contract backlog was 78% of remaining available days in 2009 and 76% for 2010.

The five MRSVs obtained 97% utilisation during the third quarter. The contract backlog was 100% of remaining available days in 2009 and 50% for 2010.

The Company took delivery of the first AHTS vessel *Siem Pearl* on 21 September 2009. The vessel commenced operations in the North Sea spot market and has operationally performed well.

The fleet of nine owned vessels in Brazil obtained 84% utilisation during the third quarter. The contract backlog was 89% for the remaining available days in 2009 and 48% in 2010.

NEWBUILDING PROGRAM

Vessels Under Construction

The second of the eight AHTS vessels is scheduled for delivery in December 2009. A competent crew is employed and will be familiarized and trained through the Company's comprehensive training program. Significant investments are allocated for special training and vessel familiarization.

All of the AHTS vessels shall be equipped with the Triplex MDH gantry crane for safe anchor handling and cargo operations. Two of the AHTS vessels are prepared to be outfitted with 250 tons active heave compensated A-frame that are under construction. Three of the AHTS vessels will be equipped with FiFiII and Standby notation.

The remaining AHTS vessels have contractual delivery dates within 2009 and 2010. Actual delivery dates may be delayed.

The 51%-owned subsidiary, Siem Meling Offshore DA, has one large-size PSV under construction. The vessel is scheduled for delivery in first quarter 2010.

The two fast supply boats and the two fast crew boats under construction in Brazil are scheduled to be delivered within the delivery window given by Petrobras. The Company has firm offers for the construction of the two OSRVs in Brazil. Selection of yard is expected within 2009.

TECHNOLOGY INVESTMENTS

Siem WIS is currently working under contract with StatoilHydro to develop the Pressure Control Device ("PCD"). The contract covers a trial of the PCD technology on the Ullrigg test site in Stavanger during fourth quarter 2009. The PCD will enable managed pressure drilling operations and is targeted for fixed offshore platforms and onshore rigs. StatoilHydro has an option to support

further development of the Riser Pressure Control Device (“RPCD”), which will enable managed pressure drilling operations from semi-submersible drilling rigs.

MARKET AND OUTLOOK

The North Sea supply market remains oversupplied and more new vessels continue to enter the market, the rates and utilization are expected to be at a low level for the remaining of 2009.

It is expected that the spot market for large AHTS vessels will remain volatile. Large AHTS vessels have showed better utilization than small and medium AHTS vessels. Several large and medium AHTS vessels are expected to leave the North Sea spot market over the next six month.

The long term outlook for activity within the offshore service industry is considered to be good, while the short term is challenging. The short term uncertainty in our sector of the offshore service industry is exacerbated by the high number of new buildings being delivered over the next two years.

On behalf of the Board of Directors of Siem Offshore Inc.

29 October 2009

Kristian Siem, Chairman

www.siemoffshore.com

Siem Offshore Inc.

Consolidated Income Statement

<i>(Amounts in USD 1 000)</i>	Note	Three Months Ended		Nine Months Ended		Year
		30.09.09	30.09.08	30.09.09	30.09.08	31.12.2008
		<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
Operating revenue	4	46 485	54 746	134 388	145 125	192 773
Operating expenses		-30 913	-28 409	-86 821	-81 350	-105 035
Operating margin		15 571	26 337	47 566	63 775	87 738
Depreciation and amortisation	4	-9 455	-8 543	-26 858	-23 949	-32 080
Gain (loss) on sale of assets		-13	0	-1 868	19	-8 011
Gain on sale of interest rate derivatives (CIRR)		731	92	6 005	276	342
Gain (loss) on currency exchange forward contracts		20 458	-19 312	52 268	-5 883	-47 308
Operating profit (loss)	4	27 292	-1 426	77 113	34 238	680
Financial income		1 029	2 086	4 816	7 442	10 588
Financial expenses		-3 203	-4 467	-9 150	-12 462	-17 283
Result from associated companies		1 731	-106	4 041	241	483
Net currency items		8 673	-13 895	13 438	-3 354	-18 283
Net financial items		8 230	-16 382	13 145	-8 130	-24 496
Profit (loss) before taxes and minorities		35 522	-17 808	90 258	26 108	-23 816
Tax expense		-476	-906	-1 170	-3 200	-1 950
Net profit (loss) before minorities		35 046	-18 714	89 088	22 908	-25 766
Attributable to minorities		510	1 185	1 431	1 476	1 801
Net profit (loss) attributable to shareholders		34 536	-19 899	87 657	21 432	-27 568
Average number of shares outstanding ('000)		299 928	253 892	269 794	253 892	253 892
Earnings / (loss) per share (basic and diluted), (in USD)		0,12	-0,08	0,32	0,08	-0.11

Consolidated Statement of Comprehensive Income

<i>(Amounts in USD 1 000)</i>	Three Months Ended		Nine Months Ended		Year
	30.09.09	30.09.08	30.09.09	30.09.08	31.12.2008
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
Net profit (loss) before minorities	35 046	-18 714	89 088	22 908	-25 766
Other comprehensive income (expense):					
Currency translation differences	25 625	-12 312	30 999	-6 468	-20 037
Total comprehensive income (expense) for the period	60 671	-31 026	120 087	16 440	-45 803
Attributable to minorities	2 283	-1 041	4 464	-96	-2 388
Comprehensive income (expense) attributable to shareholders	58 387	-29 985	115 623	16 536	-43 415

Siem Offshore Inc.

Consolidated Balance Sheet

<i>(Amounts in USD 1 000)</i>	Note	30.09.09	30.09.08	31.12.2008
		<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
Non-current assets				
Intangible assets		12 662	12 560	12 662
Vessel under construction	5	178 640	137 884	161 596
Vessels and equipment	5	667 848	476 113	452 402
Capitalised project cost	5	797	1 716	1 206
CIRR loan deposit 1)		76 876	83 495	66 482
Investment in associates and other long-term receivables		29 361	22 215	18 719
Total non-current assets		966 184	733 983	713 067
Debtors, prepayments and other current assets	8	100 935	84 536	77 412
Cash and cash equivalents	8	124 733	119 925	73 371
Total current assets		225 668	204 461	150 783
Total assets		1 191 852	938 443	863 850
Shareholders' equity				
Paid-in capital		482 706	335 598	335 598
Other reserves		-3 234	-20 202	-31 200
Retained earnings		191 072	152 370	103 415
Shareholders' equity		670 543	467 766	407 813
Minorities		22 906	20 305	18 131
Total equity	6	693 450	488 071	425 944
Liabilities				
Borrowings falling due after 1 year	7,8	311 819	265 209	250 410
CIRR borrowings 1)	7	76 876	83 495	66 482
Other non-current liabilities	7,8,10	11 099	32 524	27 069
Total non-current liabilities		399 794	381 228	343 961
Borrowings falling due within 1 year	7,8	63 820	29 341	28 286
Accounts payable and other current liabilities	10	34 789	39 804	65 659
Total current liabilities		98 608	69 145	93 945
Total liabilities		498 402	450 373	437 906
Total equity and liabilities		1 191 852	938 443	863 850

1) Commercial Interest Reference Rate

Siem Offshore Inc.

Consolidated Statement of Cash Flows

<i>(Amounts in USD 1 000)</i>	Nine Months Ended		Year
	30.09.2009	30.09.2008	2008
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
Cash flow from operations			
Profit before taxes and excluding interest	94 420	30 772	-17 614
Interest paid	-7 726	-9 107	-16 535
Paid taxes in the period	-2 083	-870	-7 263
Result from associated companies	-4 041	-241	-483
Gain (loss) on sale of assets	1 868	-19	8 011
Depreciation and amortization	26 858	23 949	32 080
Effect of unreal. currency exchange forward contracts	-31 057	24 648	45 382
Change in short-term receivable and payables	-22 581	14 690	15 373
Other changes	-8 593	-1 531	-4 636
Net cash flow from operations	47 066	82 291	54 315
Cash flow from investment activities			
Interest received	3 760	4 927	9 699
Investments in vessels and related equipment	-223 446	-140 913	-176 023
Loan to shipyard	0	-32 267	-32 267
Received from sale of fixed assets	8	23	6 981
Dividend from associated companies	629	863	1 218
Investment in associated companies	-972	-4 477	-2 940
Cash flow from investments	-220 021	-171 844	-193 332
Cash flow from financing activities			
Settlement for buy back of CIRR	-12 554	0	-809
Received from raising of new equity	147 419	6 506	6 624
Received from raising of new debt	105 994	42 260	46 546
Repayment of long-term borrowing	-22 490	-9 878	-16 479
Cash flow from financing activities	218 369	38 888	35 882
Effect of exchange rate differences	5 947	-17 719	-11 803
Net change in cash	51 362	-68 383	-114 937
Cash at bank start of period	73 371	188 308	188 308
Cash at bank end of period	124 733	119 925	73 371
Net change in cash	51 362	-68 383	-114 937

Notes to the Financial Information

Note 1 - Basis of Preparation

The consolidated financial information for the period 1 January to 30 September 2009 has been prepared in accordance with IAS 34, 'Interim financial reporting'. The consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2008, which have been prepared in accordance with IFRSs.

Note 2 - Accounting Policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2008. With effect from 1 January 2009, new standards, amendment to standards and interpretations have become effective. The adoption of these amendments, except for presentation changes as per IAS 1 'Presentation of financial statements', have had no impact on the reported income or net assets of the Company.

Note 3 - Financial Risks

3.1 - Interest risk

The Company is exposed to changes in interest rates as approximately 83% of the long-term interest bearing debt was subject to floating interest rates at the end of first quarter. The remaining part of the debt is subject to fixed interest rates.

3.2 - Currency Risk

The Company is exposed to currency risk as revenue and costs are denominated in various currencies. The Company is also exposed to currency risk due to future yard instalments in relation to shipbuilding contracts and long-term debt in various currencies. Forward exchange contracts are entered into in order to reduce the currency risk related to future cash flows.

3.3 - Liquidity Risk

The Company is financed by debt and equity. If the Company fails to repay or refinance its credit facilities, additional equity financing may be required. There can be no assurance that the Company will be able to repay its debts or extend the debt repayment schedule through re-financing of credit facilities. There is no assurance that the Company will not experience cash flow shortfalls exceeding the Company's available funding sources or to remain in compliance with minimum cash requirements. Further, there is no assurance that the Company will be able to raise new equity or arrange new credit facilities on favourable terms and in amounts necessary to conduct its ongoing and future operations should this be required.

3.4 - Yard Risk

The process for construction of new vessels is associated with numerous risks. Among the most critical risk factors in relations to such construction is the risk of not receiving the vessels on time, at budget and with agreed specifications. In addition, there is the risk of yards experiencing financial or operational difficulties resulting in bankruptcy or otherwise adversely affecting the construction process. The Company has obtained certain guarantees of financial compensation including refund guarantees in case of delays and non-delivery. Further, the Company has the right to cancel contracts if delivery of vessels is significantly delayed. However, no assurance can be given that all risks have been fully covered.

Delays and non-delivery of the vessels under construction is likely to result in a loss of income for the Company and could also possibly lead to breach of contract in respect of contracts entered into between the Company and third parties concerning employment of vessels.

Note 4 - Segment Reporting by Business Area

<i>(Amounts in USD 1 000)</i>	Three Months Ended		Nine Months Ended		Year
	30 September		30 September		
	2009	2008	2009	2008	31.12.2008
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
Revenue by business area					
Platform supply/crew vessels	26 644	39 601	85 360	108 992	143 878
Multipurpose ROV Support Vessels	17 652	11 779	44 941	26 916	38 517
Anchor Handling Tug Supply Vessels	-149	0	-149	0	0
Combat Management Systems	1 343	2 924	2 849	7 468	8 691
Other	995	442	1 387	1 749	1 687
Total Operating revenue	46 485	54 746	134 388	145 125	192 773
Depreciation and amortisation by business area					
Platform supply/crew vessels	6 251	6 575	18 971	19 679	25 808
Multipurpose ROV Support Vessels	3 032	1 794	7 425	3 714	5 591
Other	172	174	462	556	681
Total Depreciation and amortisation	9 455	8 543	26 858	23 949	32 080
Operating profit by business area					
Platform supply/crew vessels	6 063	18 178	22 802	46 827	61 011
Multipurpose ROV Support Vessels	5 753	3 444	11 170	5 303	10 292
Anchor Handling Tug Supply Vessels	-1 045	0	-1 520	0	0
Combat Management Systems	-52	599	-337	-452	59
Other	16 573	-23 647	44 998	-17 440	-70 682
Total operating profit	27 292	-1 426	77 113	34 238	680

Note 5 - Property, Plant & Equipment

<i>(Amounts in USD 1 000)</i>	Vessels under construction	Vessels and equipment	Total
Balance at 1 January 2009	161 597	498 329	659 926
Investments	220 307	3 139	223 446
Delivery of vessels	-213 290	213 290	0
The year's disposal at cost	0	-1 944	-1 944
Effect of exchange rate differences	10 026	27 093	37 119
Balance at 30 September 2009	178 640	739 907	918 547
Accumulated depreciation at 1 January 2009	0	-45 927	-45 927
The year's ordinary depreciation	0	-26 191	-26 191
The year's disposal of accumulated depreciation	0	60	60
Accumulated depreciation at 30 September 2009	0	-72 058	-72 058
Net book value at 30 September 2009	178 640	667 849	846 489

Economic life
2.5-50 years

The balance of capitalised project costs was USD 797 per 30 September 2009. Such expenditures relates to specific contracts for the Brazilian crew/supply fleet. The costs are amortised over the term of the specific charter contracts.

Total amortisation in 2009 was USD 668.

Interest paid on loans for construction financing are capitalized.

Note 6 - Consolidated Statement of Changes in Equity

	Total number of shares	Share Capital	Share prem. reserves	Other reserves	Retained earnings	Shareholders' equity	Minority interest	Total equity
<i>(Amounts in USD 1 000)</i>								
Equity as of 01.01.2009	253 891 866	2 539	333 059	-31 200	103 415	407 813	18 131	425 944
Effect of exchange rate differences				27 966		27 966	3 033	30 999
Share issue August 2009	105 882 353	1 059	146 049			147 108		147 108
The year's net profit					87 657	87 657	1 431	89 088
Share issues in partially owned subsidiaries							311	311
Equity as of 30.09.09	359 774 219	3 598	479 108	-3 234	191 072	670 543	22 906	693 450
Equity as of 01.01.2008								
Equity as of 01.01.2008	253 891 866	2 539	333 068	-15 306	130 983	451 284	13 895	465 179
Effect of exchange rate differences				-4 896		-4 896	-1 572	-6 468
The year's net profit					21 432	21 432	1 476	22 908
Share issues in partially owned subsidiaries						0	6 506	6 506
Other items			-9		-45	-54	0	-54
Equity as of 30.09.08	253 891 866	2 539	333 059	-20 202	152 370	467 766	20 305	488 071

Note 7 - Long-term debt

Creditor / Guarantor	Currency	Facility	Drawn	Drawn	Interest rate	Maturity Instalments
		Amount	Amount	Amount		
HSH Nordbank AG	USD	191 875	191 875	191 875 (Libor + 1.75 %)		2015 13 Quarterly instalments of USD 5 625 12 Quarterly instalments of USD 4 062
HSH Nordbank AG - Working Capital Facility	USD	30 000	30 000	30 000 (Libor + 1.15 %)		2009 End November
Eksportfinans /GIEK / HSH Nordbank AG	USD	112 000	54 580	54 580 (Libor +1.75%)		2021 24 Semi annual instalments of USD 2 326
DvB Bank N.V. Nordic Branch	GBP	9 130	9 130	14 703 (Libor + 1.00 %)		2013 14 Semi annual instalments of GBP 520
SpareBank1 SR-Bank	NOK	583 566	482 567	83 525 (Nibor + 0.90 %)		2013 14 Semi annual instalments of NOK 11 766
Banco Nacional Development Social	USD	2 298	2 298	2 298 (6,8125% fixed)		2012 Semi annual instalments of USD 460
Banco do Brasil	USD	24 037	0	0 (3,3% fixed)		2027 186 Monthly instalments of USD 129
Eksportfinans /GIEK / HSH Nordbank AG	NOK	1 764 000	0	0 (Nibor + 2.25 %)		2014 Semi annual instalments of NOK 12 125
SpareBank1 SR-Bank	NOK	427 000	0	0 (Nibor + 2.25 %)		2022 48 Quarterly instalments of NOK 8 895
Total Borrowings				376 981		
Eksportfinans (CIRR loan)	NOK	444 150	444 150	76 876		

The Company has drawn USD 56 million from the USD 112 million facility with Eksportfinans and drawn USD 30 million from HSH Nordbank under the Working Capital Facility and drawn NOK 155 million from NOK 583 SpareBank1 SR-Bank Facility

Unearned CIRR	30.09.2009	30.09.2008	31.12.2008
Beginning of year	22 278	23 429	23 429
Recognized in the profit and loss account	-6 005	-276	-342
Paid for buy back of CIRR options	-12 554	0	-809
End of period	3 719	23 153	22 278

Prior to ordering vessels from Norwegian yards, the Company applied for fixed 12-year interest rate options related to the long-term financing of such vessels. The Company was granted such options for each of the relevant vessel by the Norwegian Export Credit Agency. During 2007, the Company sold the right to exercise such options to a first class international bank (the "Bank") in consideration for an up-front payment of USD 23.5 million. Any long-term loans drawn from the Norwegian Export Credit Agency will be placed as corresponding deposits in the Bank as financial security for any loans drawn. Recognition of the gain, related to each option, shall be recorded over the term of any drawn loans, or in whole if the relevant option is not exercised. As of 30 September 2009, the Bank has exercised options for loans of an equivalent USD 77 million, and USD 0.7 million of the total up-front payment is recorded in the income statement for 2007, 2008 and 2009, respectively.

Note 8 - Net interest bearing debt

<i>(Amounts in USD 1 000)</i>	30.09.2009	30.09.2008	31.12.2008
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
Bank deposit	124 733	119 925	73 371
Short-term interest bearing receivable	27 694	27 463	22 861
Total receivable / cash	152 427	147 388	96 232
Short-term interest bearing debt	-63 820	-29 341	-28 286
Long-term interest bearing debt	-313 744	-265 544	-250 694
Total debt	-377 564	-294 885	-278 980
Net interest bearing debt	-225 137	-147 497	-182 748

Note 9 - Commitments

Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

<i>(Amounts in USD 1 000)</i>	30.09.09	31.12.2008
Combined contract value end of period for the vessels	802 775	1 026 223
Instalments paid	178 640	161 596
Unpaid instalments (to be paid in 2009 or later)	624 135	864 627

Instalments falling due over the next 2 years

<i>(Amounts in USD 1 000)</i>	USD
2009	101 480
2010	522 655
Total	624 135

The Company has entered into contracts with Norwegian yard for the construction of eight large AHTS vessels. The Company has also, through the 51% owned partnership Siem Meling Offshore DA, entered into a contract with a Norwegian yard for the outfitting of a PSV. The Company's subsidiary, Siem Consub SA, has entered into contracts for the building of two fast supply vessels and two fast crew boats.

The Company and the yard agreed in March 2009 to cancel shipbuilding contracts for two AHTS vessels. Accordingly, the number of AHTS vessels under construction was reduced from ten to eight vessels. Siem Offshore has taken delivery of the first AHTS vessel "Siem Pearl" from the Norwegian yard in September.

Note 10 - Taxes

(Amounts in USD 1 000)

Long term tax liability 1 January 2009 (due to the new Norwegian tonnage tax legislation)	5 140
Tax expense	1
Paid	-907
Effect of exchange rate differences	1 085
Tax liability, new tonnage tax legislation as of 30 September 2009	5 319

<i>(Amounts in USD 1 000)</i>	Tonnage tax regime	Other tax regime	Total tax liabilities
Long term tax liabilities falling due after 1 year	4 699	148	4 846
Payable taxes falling due within 1 year	620	12 090	12 710
Tax liabilities as of 30 September 2009	5 319	12 238	17 556

<i>(Amounts in USD 1 000)</i>	Tonnage tax regime	Other tax regime	Total tax expense
Taxes	-1	-1 169	-1 170
Total tax expense as of 30 September 2009	-1	-1 169	-1 170