



SIEM OFFSHORE

Pareto Oil & Offshore Conference

29 August 2007

**Chief Executive Officer
AHTS project/chartering**

**Terje Sørensen
Harald Arntsen**



SIEM OFFSHORE



Brief Summary



SIEM OFFSHORE

Brief Summary

- Siem Offshore Inc is an owner and operator of vessels for the global oil and gas service industry. The total fleet comprises 22 vessels in operation and 17 vessels under construction.
- Vessel categories:
 - 13 Platform Supply Vessels (3 under construction)
 - 4 Multipurpose ROV & Support Vessels (under construction)
 - 10 Anchor Handling Tug Supply Vessels (under construction)
 - 12 Other vessels
- Total number of employees August 2007: 600
- Subsidiary developing technology for managed pressure drilling, well intervention and increased oil recovery services
- Listed on the Oslo Stock Exchange (Ticker SIOFF)
- Market capitalization August 2007: NOK 3.6 billion (USD 610 million)



SIEM OFFSHORE

Background, Strategy, Visions and History



SIEM OFFSHORE

Background

- Established as a stand-alone company on 1 July 2005, following a transfer of all non-subsea construction and related activities from Subsea 7 Inc.

Strategy and Visions

- Grow the company within the offshore support vessels market
 - PSV / MRSV / OCV / AHTS
- Grow the Company organically and through combination with other operators 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 based on quality and reliability
- Provide cost efficient solutions by close cooperation with customers applying technology and experience



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History

- Established as a stand-alone company on 1 July 2005, following a transfer of all non-subsea construction and related activities from Subsea 7 Inc.
 - 6 PSVs under construction, Brazilian fleet of 10 vessels, Well Stimulation Vessel and Scientific Core Drilling Vessel
- Acquired vessel owning company with integrated organisation for vessel management and chartering
- Ordered an additional 19 vessels at a total cost of approx NOK 8 billion (including acquired shipbuilding contracts)
- Acquired modern PSV vessels at approx NOK 0.6 billion
- Secured long-term contracts for PSVs and MRSVs
- Increased equity base by approx NOK 700 million (1:3 rights issue)



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Shareholder Structure 23 August 2007

SHAREHOLDER	NO OF SHARES	%
SIEM INDUSTRIES INC.	85,504,538	38.19%
ROVDE INVEST AS	39,718,859	17.74%
MP PENSJON	6,383,798	2.85%
OJADA AS	3,818,000	1.71%
JØKUL AS	3,626,173	1.62%
STAVANGER OFFSHORE AS	3,532,000	1.58%
WELLIS AS	3,066,666	1.37%
GUNNAR HVAMMEN	2,890,000	1.29%
PUMPØS A/S	2,879,241	1.29%
REM OFFSHORE ASA	2,627,242	1.17%
TOTAL 10 LARGEST	154,046,517	68.80%
OTHERS	69,845,349	31.20%
TOTAL	223,891,866	100.00%

SHAREHOLDER	NO OF SHARES	%
CEO TERJE SØRENSEN	1,574,000	0.70%
OTHERS	3,253,981	1.45%
TOTAL	4,827,981	2.16%



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**Vessel fleet, Newbuild deliveries and
Contract backlog**

Fleet List per 29 August 2007

PSV fleet (Platform Supply Vessel)



PSV VS 470 mk II
M/V "Siddis Skipper"
Built: 2004
51% Owned



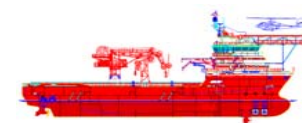
PSV VS 470 mk II
M/V "Siem Danis"
Built: 2006



PSV VS 470 mk II
M/V "Siem Hanne"
Delivery: October 2007



PSV VS 483
M/V "Siem Carrier"
Built: 1996



PSV MT 6000
M/V "Siem Mariner"
Built: 2006



PSV VS 470 mk II
M/V "Sasha"
Built: 2005



PSV VS 470 mk II
M/V "Siem Louisa"
Built: 2006



PSV MT 6009 Mk II
Hull no.: 84 M/V "Siem TBN"
Delivery: April 2008



PSV UT 745
M/V "Ocean Commander"
Built: 1999
35% Owned



PSV VS 485 CD
M/V "Siem Sailor"
Delivery: October 2007
51% Owned



PSV VS 470 mk II
M/V "Sophie Siem"
Built: 2006



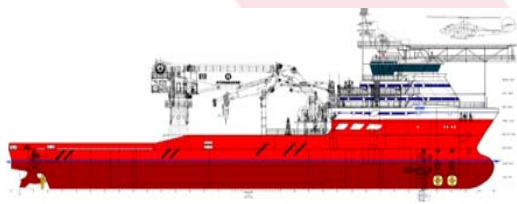
PSV VS 470 mk II
M/V "Siem Mollie"
Delivery: July 2007



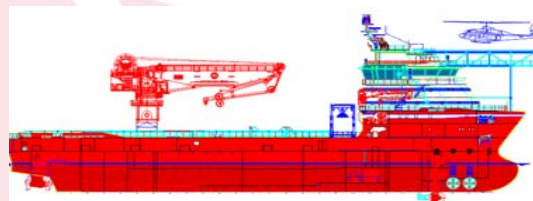
PSV MT 6000
M/V "Siem Supplier"
Built: 1999

Fleet List per 29 August 2007 (continue)

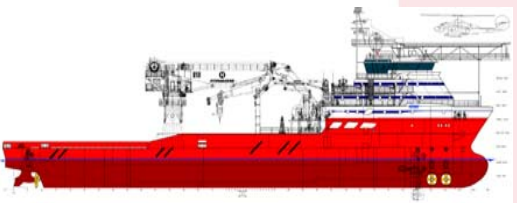
MRSV fleet (Multi Purpose ROV Support Vessel)



MRSV MT 6016L
Hull no.: 315 M/V "Siem Swordfish"
Delivery: August 2007



MRSV MT 6017
Hull no.: 323 M/V "Siem TBN"
Delivery: October 2008



MRSV MT 6016L
Hull no.: 319 M/V "Siem TBN"
Delivery: March 2008



MRSV MT 6017
Hull no.: 326 M/V "Siem TBN"
Delivery: March 2009

Fleet List per 29 August 2007 (continue)



Fleet List per 29 August 2007 (continue)

AHTS fleet (Anchor Handling Tug Supply)



AHTS VS 491 CD
Hull no.: 327 M/V "Siem TBN"
Delivery: May 2009



AHTS VS 491 CD
Hull no.: 329 M/V "Siem TBN"
Delivery: August 2009



AHTS VS 491 CD
Hull no.: 331 M/V "Siem TBN"
Delivery: December 2009



AHTS VS 491 CD
Hull no.: 333 M/V "Siem TBN"
Delivery: March 2010



AHTS VS 491 CD
Hull no.: 335 M/V "Siem TBN"
Delivery: July 2010



AHTS VS 491 CD
Hull no.: 328 M/V "Siem TBN"
Delivery: June 2009



AHTS VS 491 CD
Hull no.: 330 M/V "Siem TBN"
Delivery: September 2009



AHTS VS 491 CD
Hull no.: 332 M/V "Siem TBN"
Delivery: March 2010



AHTS VS 491 CD
Hull no.: 334 M/V "Siem TBN"
Delivery: June 2010



AHTS VS 491 CD
Hull no.: 336 M/V "Siem TBN"
Delivery: September 2010

Fleet List per 29 August 2007 (continue)

Other vessels



Scientific Core Drilling Vessel
M/V "Joides Resolution"
50% owned



EERV
M/V "Ocean Knarr"

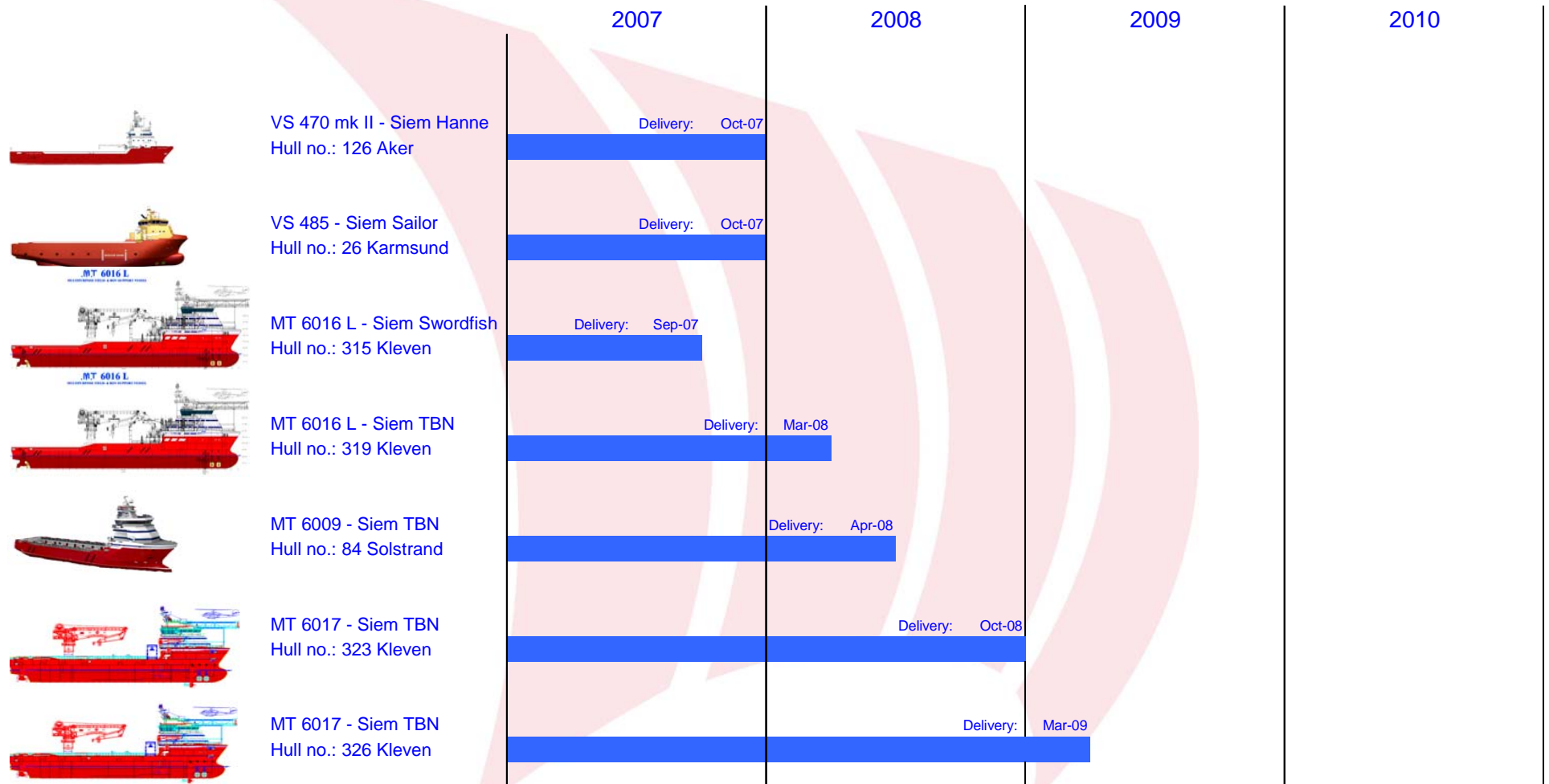


Well Stimulation Vessel
M/V "Big Orange XVIII"
41,33% Owned

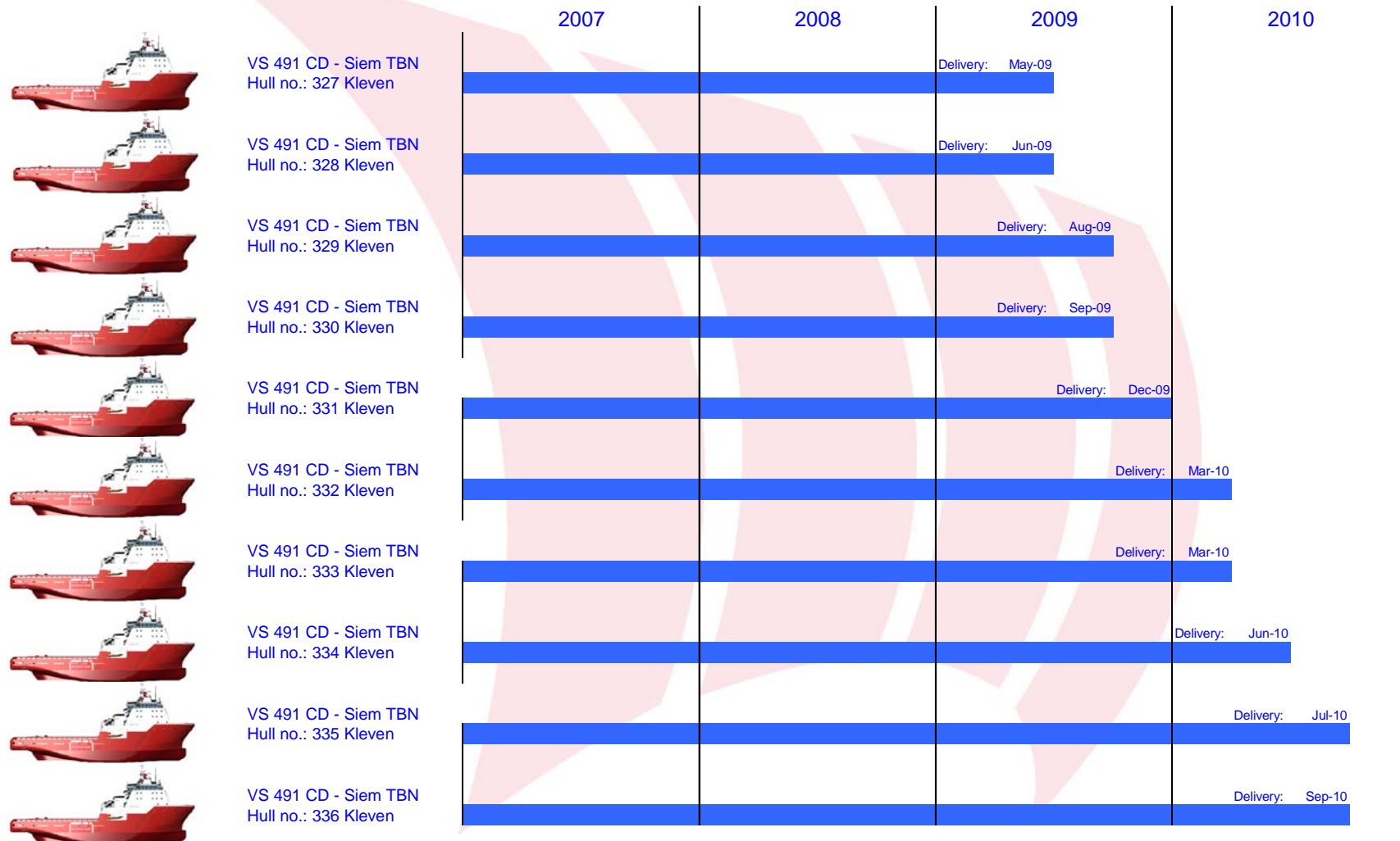


EERV / PSV / CREW
Brazil - fleet of 9 vessels

Newbuild deliveries per 29 August 2007



Newbuild deliveries per 29 August 2007 (continue)





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Contract backlog

SIEM OFFSHORE 2007 ONWARDS - 2012 TIME LINE UPDATED 28.08.2007

YEAR	2007				2008				2009				2010				2011				2012			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
OCV																								
Ocean Commander		Adams 18 mos firm																						
Siem Swordfish (MT6016L)					Veolia 5 years firm + purchase option to be declared 30 mos prior expire																			
Seven Sisters (MT 6016L)					SS7 5 years firm + 5x1 yr options, IDC yard																			
TBN 323 (MT6017 MKII)																								
TBN 326 (MT6017 MKII)																								
Large PSV																								
Siem Mariner (MT6000 MKII)					BB chartered to SBX for 5yr + 3 x 1 yr + purchase option																			
Siem Carrier (VS483)		ASCO			5 Oceans 3 years firm Cablelay/ROV/Dive																			
Siem Sailor (VS485CD)					LSP/PEMEX 5yr firm + 3x1yr opt																			
Siem Supplier (MT6000)																								
Mis size PSV																								
Sasha					EMGS 3 years firm + 3 x 6 mos opt																			
Sophie Siem					Peterson																			
Siem Danis					Technip Reps																			
Siem Louisa					Tideway Trenching																			
Siddis Skipper					M/S																			
Siem Mollie					EMGS 3 years firm + 3 x 6 mos opt																			
Siem Hanne																								
Siem TBN 84 (MT6009MKII)																								
AHTS																								
Siem TBN 327 (VS491CD)																								
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Siem TBN 335 (VS491CD)																								
Siem TBN 336 (VS491CD)																								
Other																								
Ocean Knarr					Statoll																			
Big Orange XVIII					Schlumberger to Aug - 2010																			
Joides Resolution					Conversion																			
Siem Consub fleet					Texas A & M Research Foundation Firm to 16.02.2014																			
Parintins (Crew boat)					Petrobras firm to 21.02.2008																			
Marati (OSRV)					Petrobras firm to 19.03.2008																			
Marabà (PSV)					Petrobras firm to 17.01.2009																			
Paracuru (Crewboat)					Petrobras firm to 06.02.2008																			
Atalaia (Crewboat)																								
Capela (Crewboat)					Substitute Parintins																			
Parnaiba (Utility Boat)					Petrobras firm to 31.05.2008																			
Proprià (utility boat)					Petrobras firm to 21.01.2008																			
Parati					Petrobras firm to 20.12.2007																			
Piracicaba (LH)					Transpetro firm to 14.07.2008																			



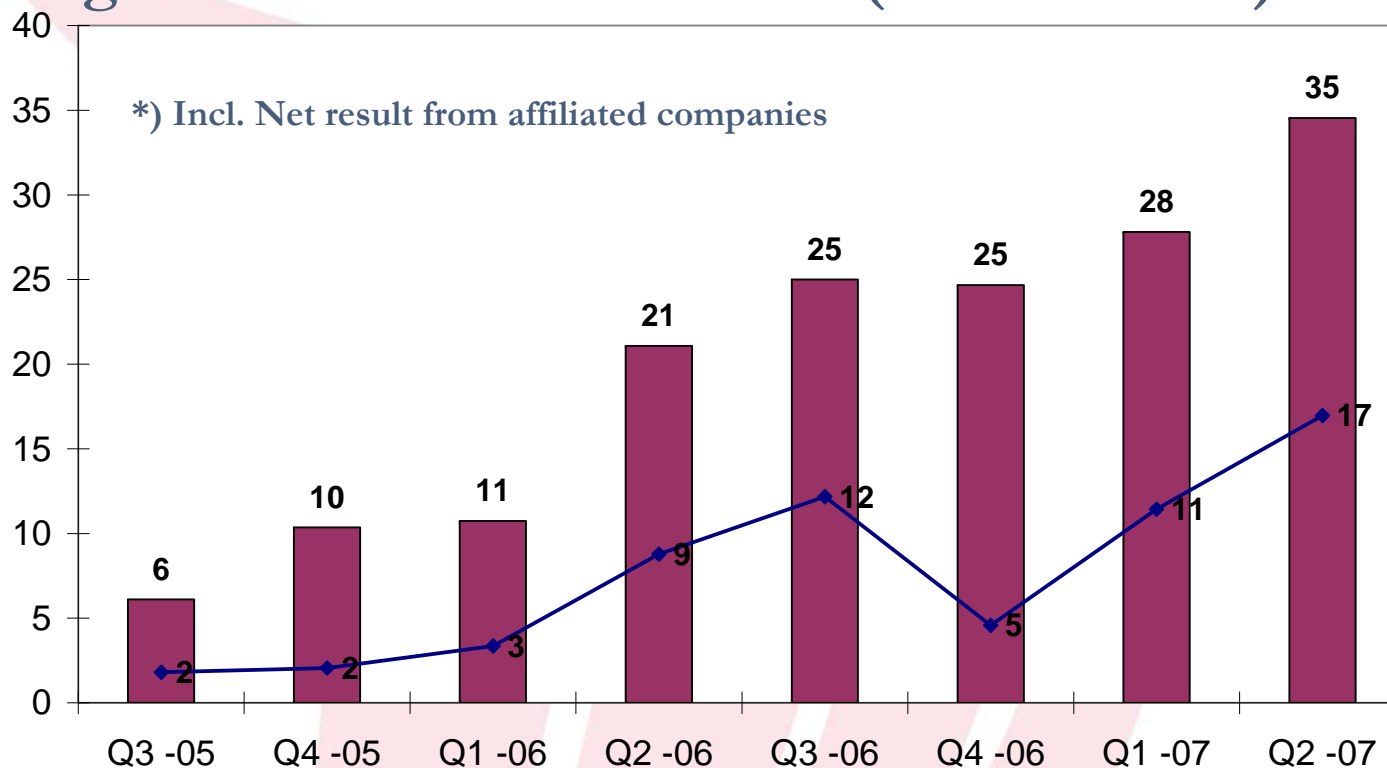
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Financials



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Operating Revenue* and EBITDA (USD million)



■ Operating revenue *) ◆ EBITDA

No of vessels:

PSVs	0	1	3	4	7	7	8	8
Brazilian fleet, Standby, Other	12	12	16	16	16	13	13	13
Total in operation	12	13	19	20	23	20	21	21
Total under construction	6	5	6	9	7	14	13	16
Total	18	18	25	29	30	34	34	37



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Profit and Loss Accounts

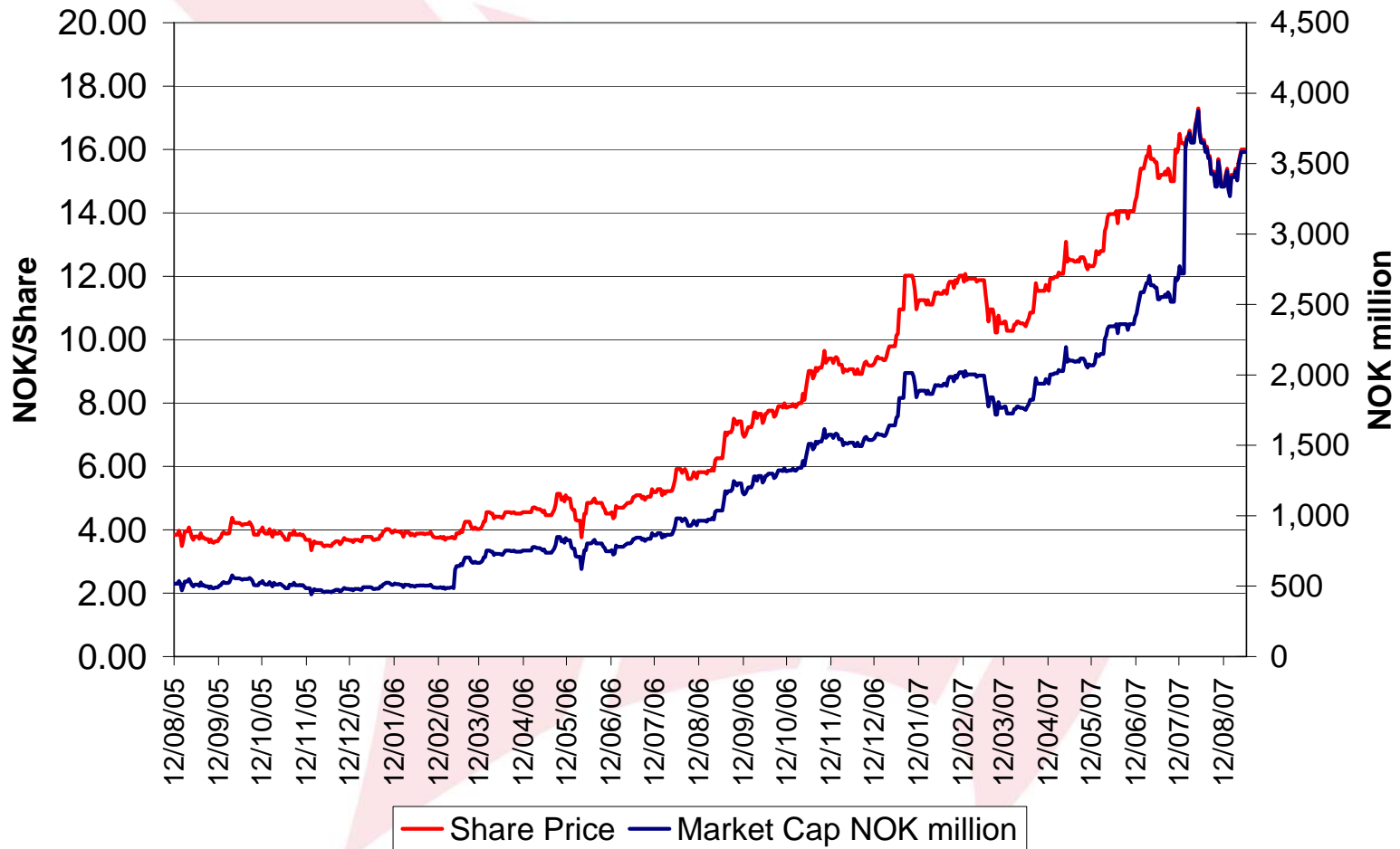
(Unaudited figures in USD 1,000)

	2Q 2007	2Q 2006	YTD 2007	YTD 2006	2006
Operating revenue	34,434	16,789	62,581	27,516	73,554
Operating expenses	-17,572	-12,359	-33,955	-19,738	-53,074
Depreciation and amortisation	-3,910	-2,651	-7,728	-4,213	-10,895
Other gains /(losses) Sale of assets	0	375	0	4,292	11,160
Gain on sale of interest rate derivatives	20,588	0	20,588	0	0
Other gains /(losses) Currency exchange forward contracts	10,187	6,437	19,454	9,159	20,789
Operating profit	43,727	8,591	60,940	17,015	41,533
Result from associated companies	100	4,315	-229	4,327	8,151
Other financial items	-2,100	405	-4,686	183	-3,938
Net financial items	-2,000	4,720	-4,915	4,510	4,214
Net profit before taxes and minorities	41,727	13,311	56,025	21,525	45,747
Tax expense	-68	-243	-90	-389	-1,219
Net Profit	41,660	13,068	55,936	21,136	44,527
Attributable to minorities	237	32	434	32	485
Attributable to equity holders	41,897	13,100	56,370	21,168	45,012
Average number of issued shares ('000)	167,919	165,539	167,898	155,122	158,791
Earnings per share, USD per share	0.25	0.08	0.34	0.14	0.28



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Market capitalization and share price





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Siem WIS (Well Intervention Solutions)



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Siem WIS AS (Well Intervention Solutions)

- Siem WIS are developing technology and solutions for managed pressure drilling, well intervention and increased oil recovery services
- Siem WIS has obtained patent award for the main products under development
- The core team consists of highly skilled personnel, with real-time experience, from both riserless light well intervention and riserless drilling
- See further info at: www.siemwis.com



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**AHTS investment
Market trends and vessel characteristics**

Overall picture AHTS fleet

- There is a general demand for new and modern AHTS vessels to substitute the ageing fleet
- New laws, regulations and requirements favours large and modern AHTS vessels
- Signs of global chartering strategy are seen based on North Sea vessel specifications – setting new performance standards

Workroles for AHTS

- Anchorhandling
- Rig moves
- Towage
- Trenching
- FPSO support (mooring, inspection, chain work, maintenance)
- Subsea installation
- ROV surveys
- General supply service
- ERRV services, Oil Recovery, FiFi

10 + 2 Large Superior AHTS Vessels of VS491 Clean Design

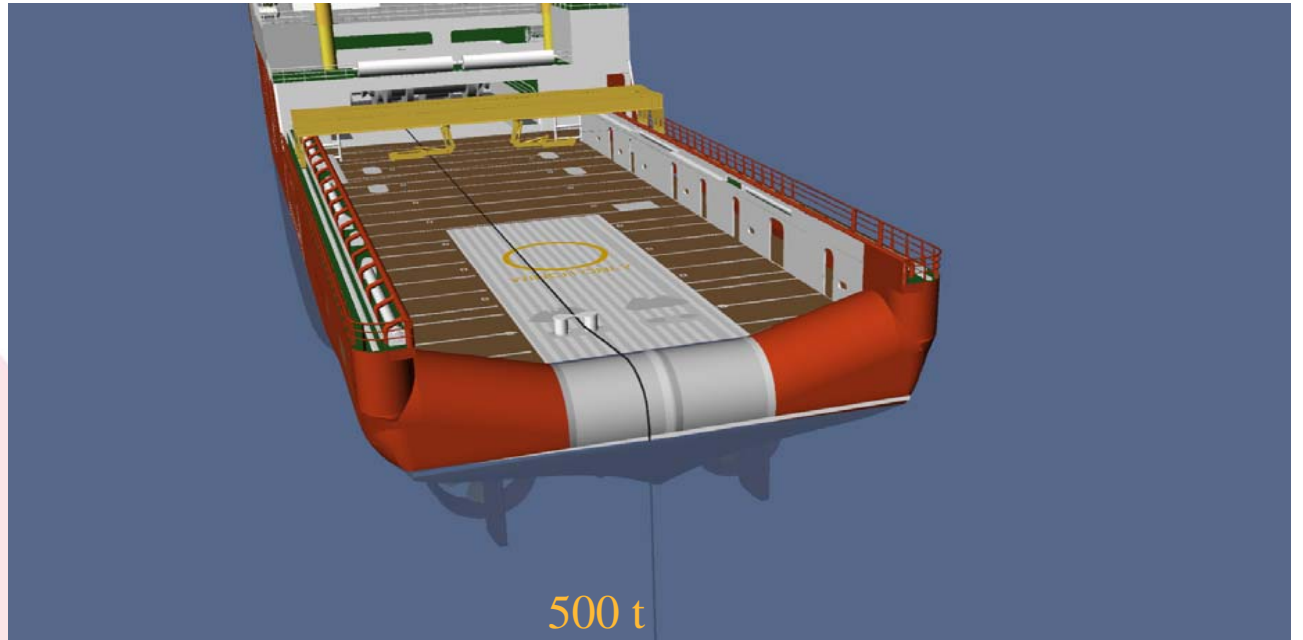
- Focus on HSEQ, Stability, Large All Round Capacities, Clean Design
- 91 x 22 meters
- 28,000 BHP / 300 ts Bollard Pull
- 500 ts Winch – Large Wire & Fiber Rope Capacities
- Deck of 800 Sqm & full PSV under deck capacities
- Accomodation for 60 persons
- Diesel Mechanical & Diesel Electric Propulsion – Hybrid Solution
- Low Fuel Consumption - Low Emissions – Optimal Hull Lines
- Prepared for A-Frame and AHC Offshore Crane
- Prepared for ROV-, FPSO support and Deep Water installation operations



Working stability of mid-size vs large AHTS vessel - An important safety issue

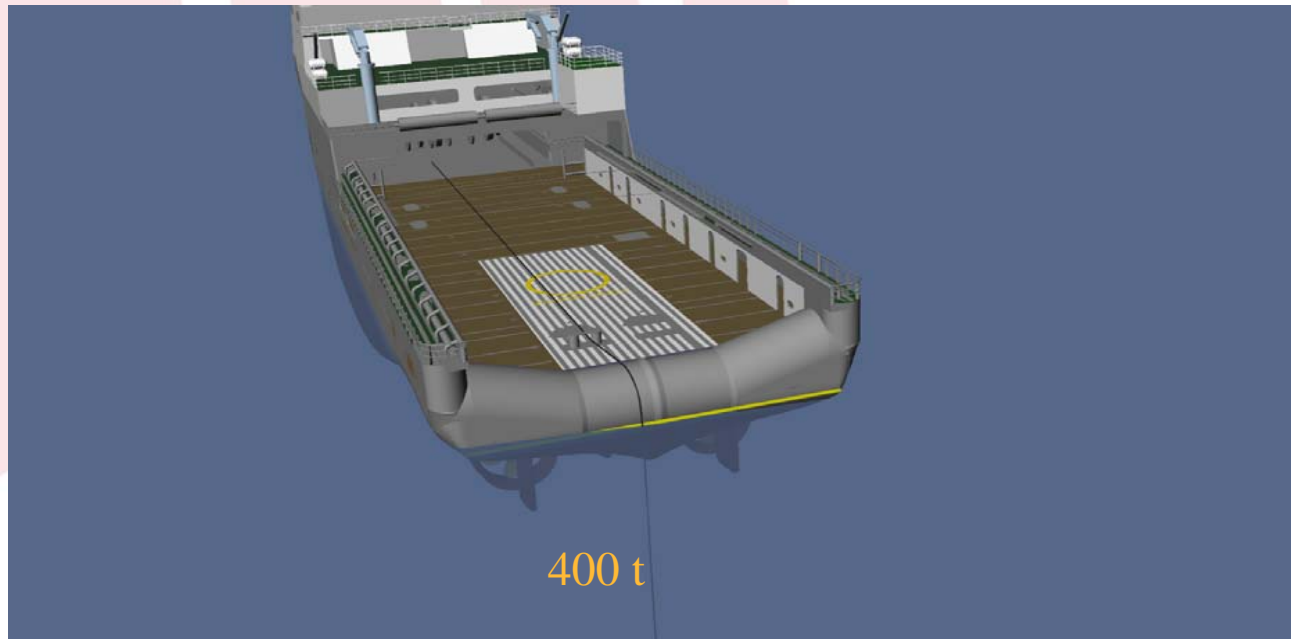
- Upper picture of the following slides shows a large AHTS of Siem Offshore's VS491CD design of 22.0 meters beam and 500 tonnes winch
- Lower picture shows a typical mid-size AHTS of 17.0 meters beam and 400 tonnes winch (NOT the actual design of the capsized vessel)
- Constants; 500 metric tons fuel and 500 metric tons water and necessary ballast water both vessels (normal condition)
- Vertical forces 500 tonnes on the VS491 CD – and 400 tonnes on the mid-size AHTS, which is work load of wire/rig chain
- Purpose is to illustrate and compare the list and the stability between these mid-size and large AHTS vessels when rig wire/chain moves from centre of stern during anchor handling operations

1.5 degrees

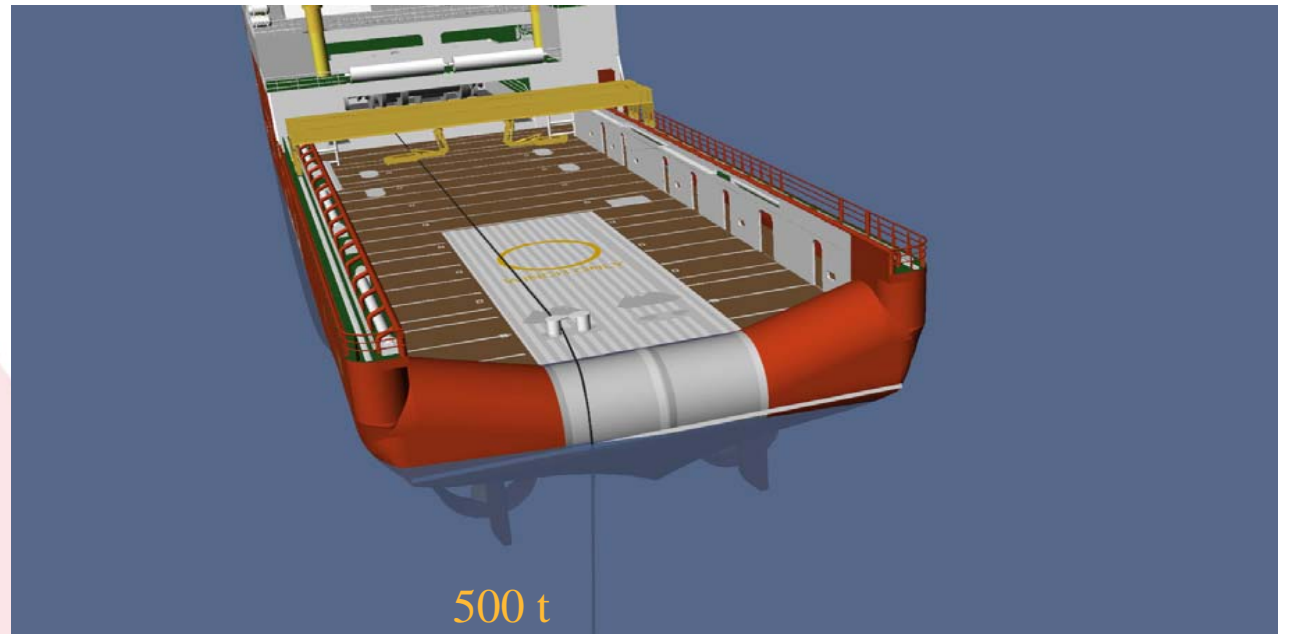


1 meter

3 degrees

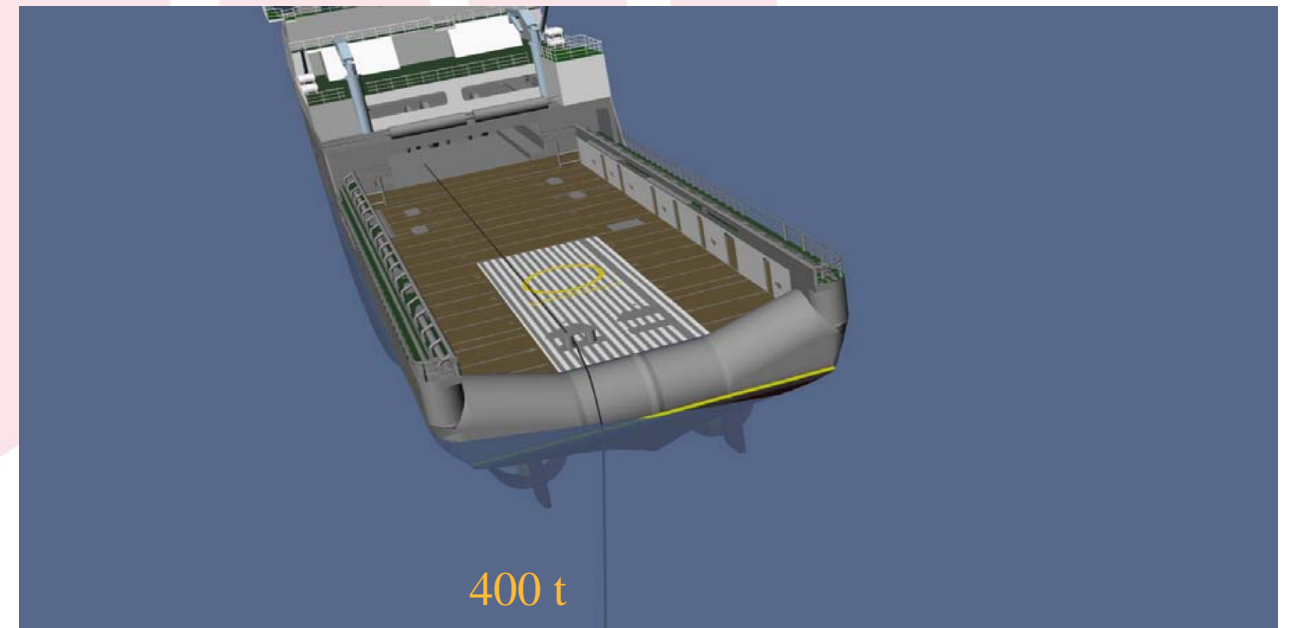


4 degrees



3 meters

9 degrees

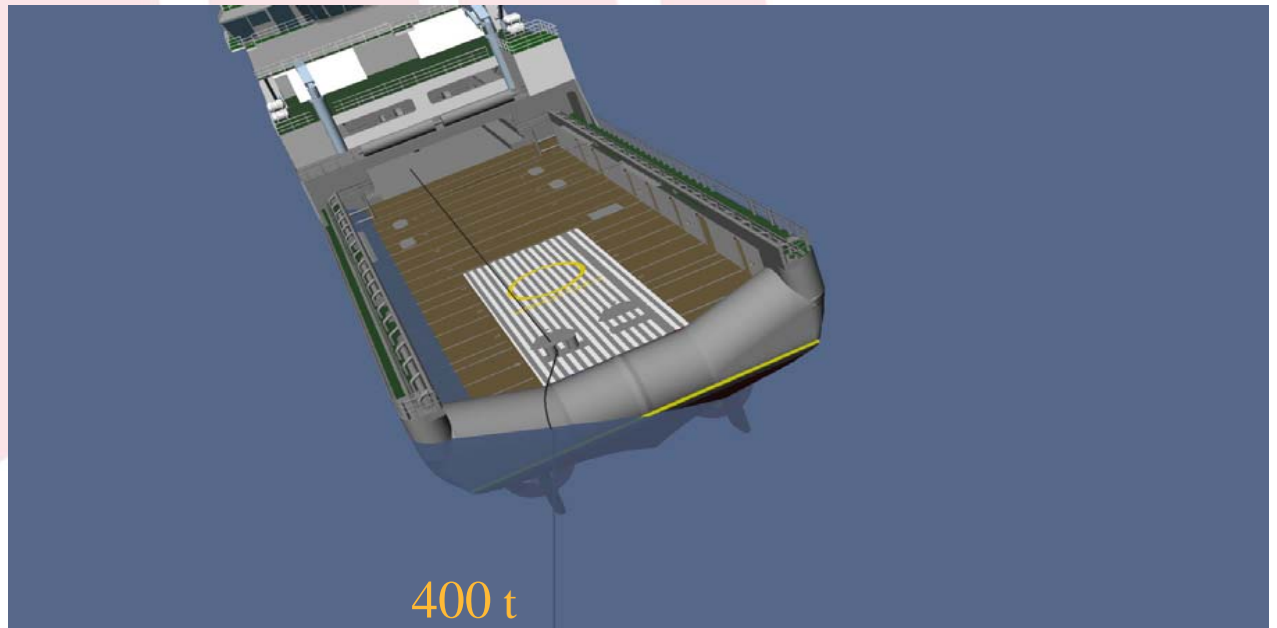
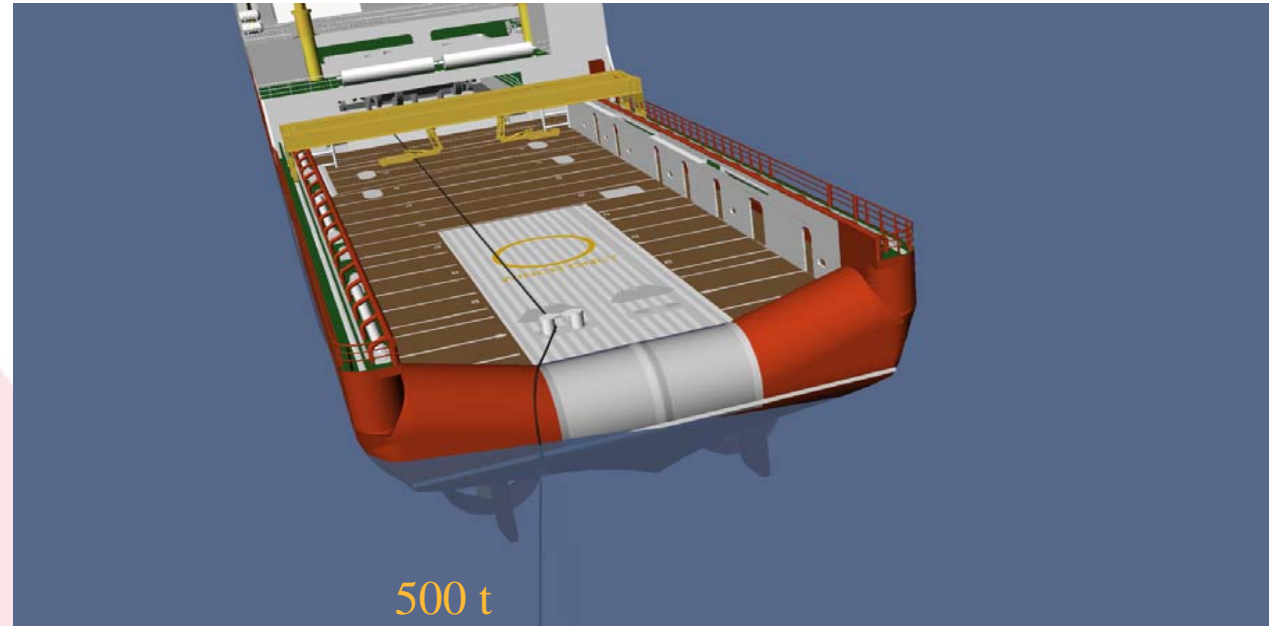


7 degrees

4.7 meters

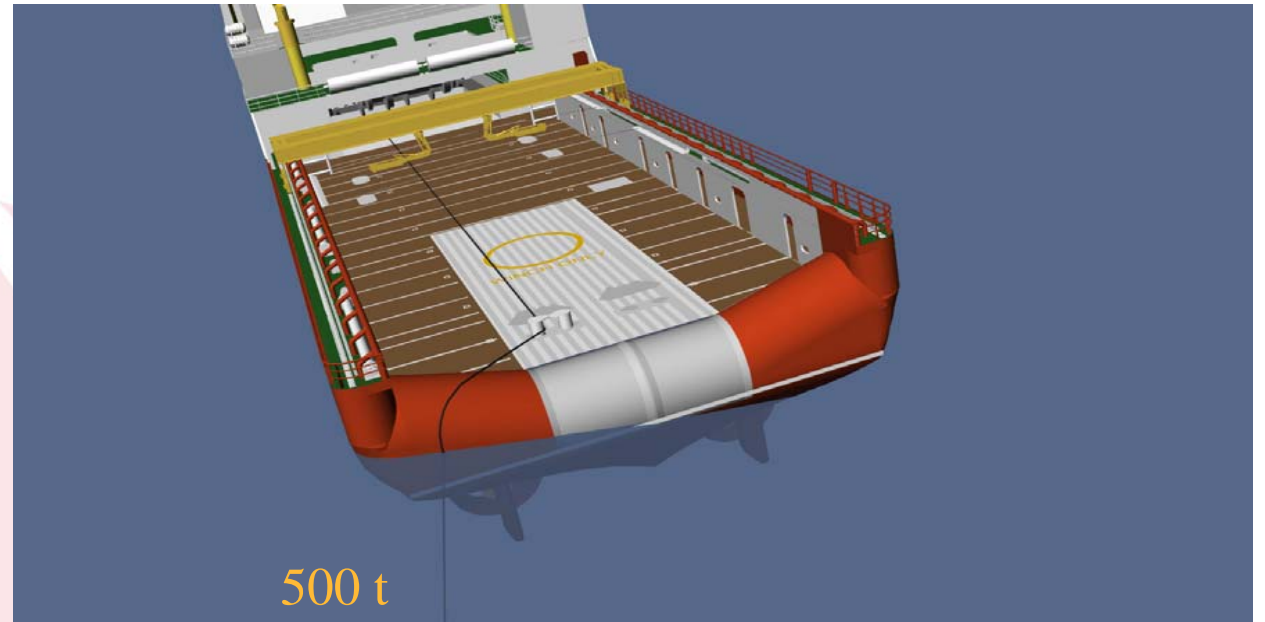
19 degrees

This vessel is unsafe and is
losing its stability



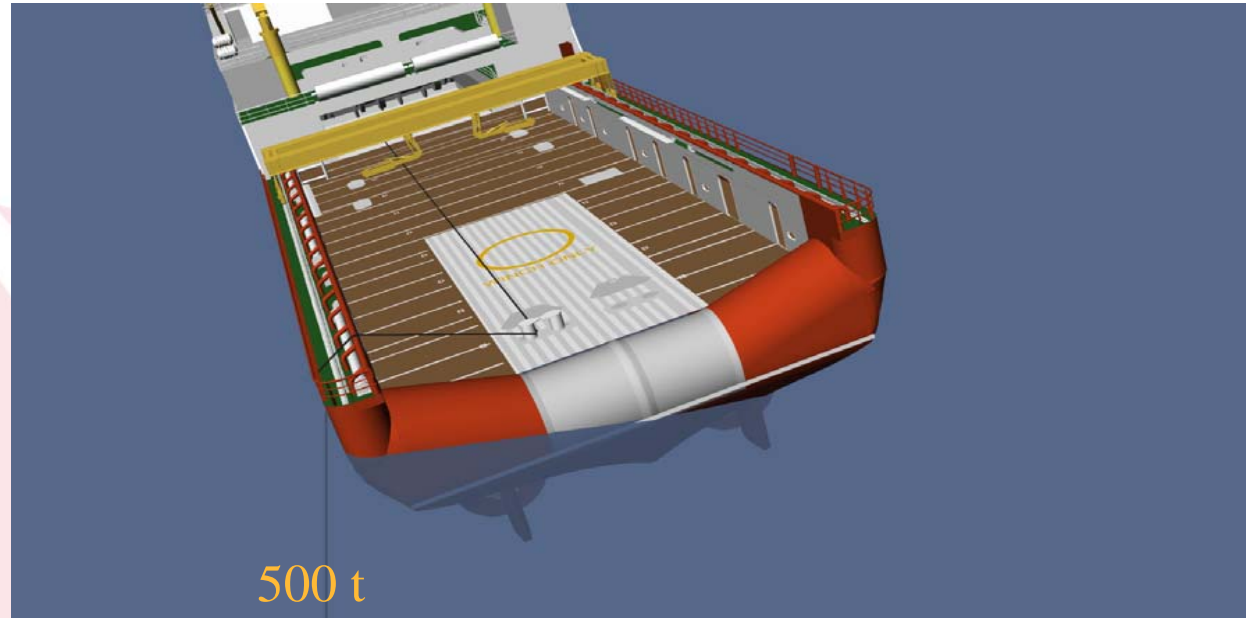
11 degrees

8 meters



15 degrees

11 meters



Summary of fleet statistics - per August 2007

	In service	Newbuilds/ Conversion	Total
Jackups	358	84	442
Semis	136	50	186
Semis Deepwater	41	38	79
Drillships	30	20	50
Drillships Deepwater	22	18	40
FPSO	115	57	172
AHTS 16,000 - 20,000 BHP	68	50	118
AHTS > 20,000 BHP	25	38	63

Source: RSPO – ODS Petrodata



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Market

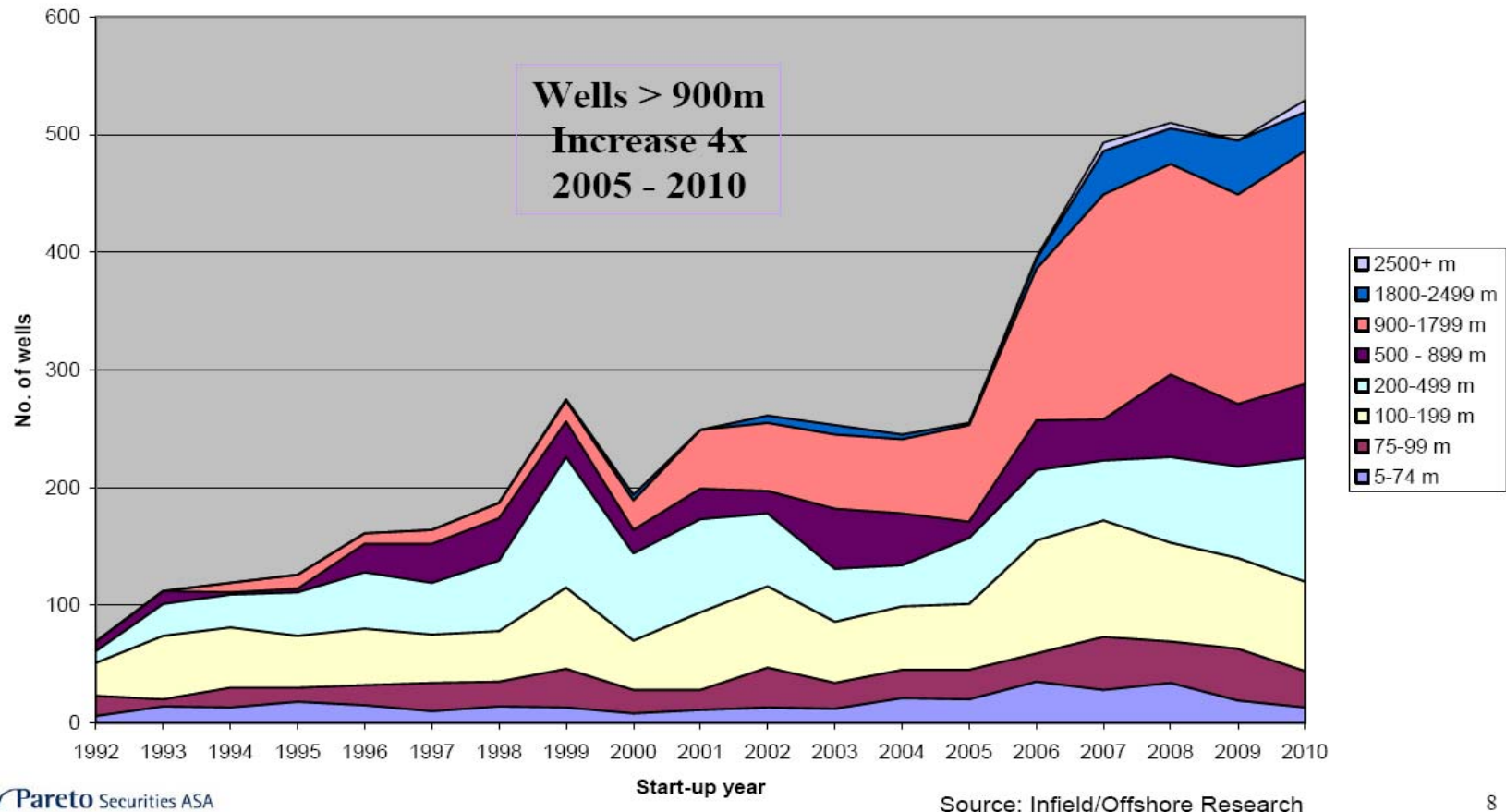
Market

- The market for PSVs and MRSVs is still at high levels. The long-term market seems robust world wide. Extra premium is being paid for innovative solutions/special workroles
- The market for AHTS vessels in the North Sea has experienced lower utilisation than expected. However, vessel with high specifications have obtained good rates/utilisation. Visibility of vessels with high specifications leaving North Sea are for F/E, Australia, etc as long-term rates in such regions have increased. General tight market for the largest vessels.

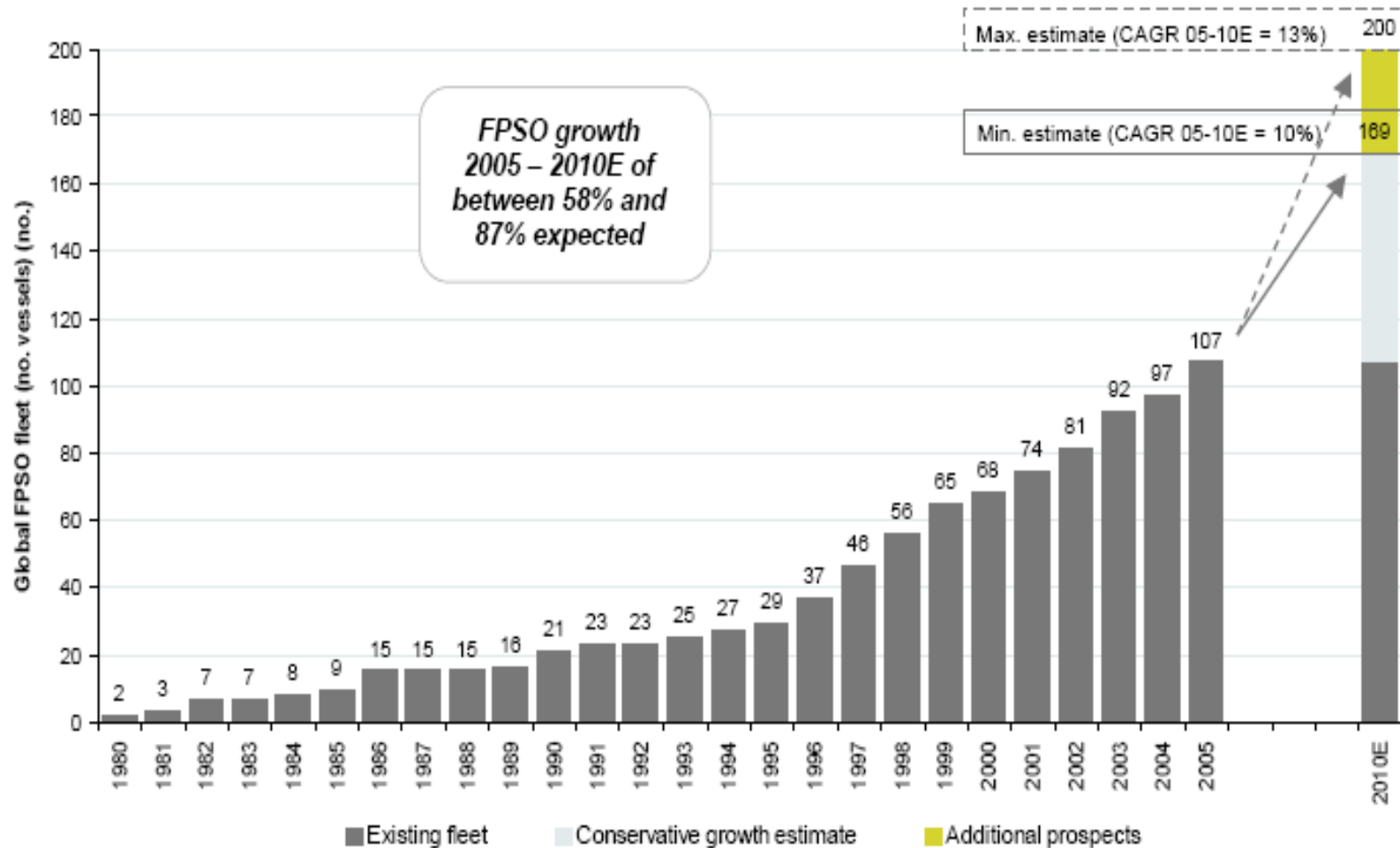


Strong growth in deepwater activity

WORLD-WIDE SUBSEA DEVELOPMENT WELLS BY WATER DEPTH



Market Estimated Growth in FPSO Fleet



Source: ODS-Petrodata, Infield Systems Ltd., First Securities



Market - Summary of key drivers

- Increasing demand for oil and gas
- Security for energy supply – political issues
- Robust oil and gas prices
- Increase in Oil companies capex/opex
- Strong rig market with increasing activity volume
- Increase in subsea activity, construction and pipelaying activity
- Increase in deep water areas
- Increased maintenance activity on ageing offshore oil and gas fields
- Increasing demand for modern support vessels
- HSEQ – International rules & regulations

