

First Quarter Report 2010



This is Siem Offshore

The Company's vision is to be a preferred supplier of marine services to the oil and gas industry based on quality and reliability, and by providing cost efficient solutions by close cooperation with customers.

The Company was founded as a stand-alone entity in 2005 and has become a significant operator of modern support vessels for the global oil and gas industry. The Group had 30 vessels in operation and 14 vessels under construction at the end of March 2010. The total fleet of 44 in operation and under construction, includes, among others, 14 platform supply vessels ("PSVs"), five multipurpose, ROV support vessels ("MRSVs") and eight anchor handling, tug, supply vessels ("AHTS vessels"). The Company will become one of the world's largest owner and operator of large AHTS vessels following the delivery of the new building program.

Siem Offshore has one of the world's most modern fleet of offshore support vessels and is as such capable to meet the increased requirements from clients and new geographical areas. The Group provides a wide range of services from its vessels, equipment and experienced onshore and offshore personnel with high focus on Health, Safety, Environment and Quality.

The Group's headquarters is located in Kristiansand, Norway. The Group has also offices in Brazil, Turkey and India and is represented in Nigeria.

The Company's shares are listed on the Oslo Stock Exchange.

Report for the First Quarter 2010

11 May 2010 – Siem Offshore Inc. (the “Company”; Oslo Stock Exchange: SIOFF) reports the first quarter results for the period ended 31 March 2010.

Selected Financial Information

<i>(Amounts in USD million)</i>	1Q 2010 Unaudited	1Q 2009 Unaudited
Operating revenue	49.8	43.8
Operating margin	12.0	18.9
Operating margin, %	24 %	43 %
Operating profit	(5.7)	35.1
Profit (loss) before taxes and minorities	(9.6)	34.4
Net profit (loss) attributable to shareholders	(10.2)	33.9

Highlights First Quarter 2010

- The MRSV “Siem Dorado” was contracted for three years commencing January 2010.
- The M/V “Ocean Commander” charter was extended with six months until October 2010.
- The MRSV “Siem Marlin” charter was extended by one year until April 2011.
- The mid-size PSV “Sophie Siem” charter was extended by one year until March 2011.
- The “Siddis Skipper” was extended by one year until January 2012.
- The Company took delivery of the AHTS vessel “Siem Sapphire” at the end of the quarter. The vessel is the third in a series of eight to be delivered to the Company from the Norwegian yard.
- The subsidiary Siem WIS AS entered into its first commercial contract for Siem WIS’ Pressure Control Device (“PCD”) with Statoil ASA.

Results for the First Quarter 2010

The net profit (loss) attributable to shareholders was USD (10.2) million (2009: USD 33.9 million), or USD (0.03) per share (2009: USD 0.13). There were 30 vessels in operation at the end of first quarter compared to 26 vessels at the end of first quarter 2009. The spot and term market have been at lower levels in first quarter 2010 compared to the same period in 2009. Two AHTS vessels operated in the North Sea spot market during the quarter and the third AHTS vessel was delivered at end of March.

The operating revenue and operating and administration expenses were USD 49.8 million and USD 37.8 million, respectively (2009: USD 43.8 million and USD 24.9 million). A total of 71 off-hire days were recorded in first quarter, of which 26 days related to scheduled dry-dockings of three vessels and 45 days related to mobilisation of one vessel for its term contract.

Operating profit (loss) was USD (5.7) million (2009: USD 35.1 million). The operating profit includes net currency exchange losses on forward contracts of USD 7.0 million, due to stronger USD during the quarter. USD 3.3 million of such losses is unrealised. Depreciation and amortisation were USD 10.9 million (2009: USD 8.4 million).

Net financial items were USD (3.9) million (2009: USD (0.7) million) and includes a revaluation loss of non-USD currency items of USD (3.5) million (2009: USD 0.9 million) due to the stronger USD during the quarter. Non-USD currency items are held to match short- and long term liabilities, including off-balance sheet liabilities, in similar currency.

Financing and Capital Structure

Cash and Bank Deposits

Net cash flow from operations during first quarter was positive USD 3.4 million

and the cash position at 31 March 2010 was USD 49.2 million.

During first quarter, the Company took delivery of the third AHTS vessel. The Company paid USD 28.6 million and used its bank credit facility to finance the remainder of the purchase price.

Debt Financing

The balance sheet included gross interest-bearing debt of USD 493 million at 31 March 2010.

The Company has secured debt-financing for all vessels under construction in Norway and Brazil.

The Company has five AHTS vessels under construction at a Norwegian yard. Four of these vessels are financed under the NOK 1,764 million debt facility at 50% debt leverage. The fifth vessel is financed by a NOK 427 million debt facility at 70% debt leverage. The Company has pre-paid 20% of the cost price for all of the five remaining AHTS vessels under construction.

The large-size PSV that was delivered on 8 April 2010 is financed under a NOK 256 million facility.

The Company has eight vessels under construction in Brazil. Committed finance at between 82 and 90% of building cost is provided by Brazilian finance institutions for all eight vessels.

Future yard instalments for vessels under construction totalled the equivalent of USD 619.3 million at 31 March 2010. Such yard instalment falls due with USD 362.2 million in 2010, USD 115.6 million in 2011, and USD 141.5 million in 2012 and thereafter.

Equity

The shareholders' equity was USD 640.3 million at 31 March 2010, equivalent to

USD 1.78 per share. The total number of issued shares is 359,774,219, each with a nominal value of USD 0.01.

The Annual General Meeting resolved on 10 May 2010 to increase the authorized number of common shares by 50,000,000 shares, from 500,000,000 shares to 550,000,000 shares.

Operations

QHSE

The Company recorded satisfactory QHSE performance for the quarter, with no high potential injuries to personnel, damage to property or spill to the environment.

Fleet and Employment

The Company had ownership in 30 vessels and 14 shipbuilding contracts at the end of March 2010.

The 11 PSVs obtained 91% utilisation during the first quarter. The contract backlog for 2010 and 2011 is 94% and 74%, respectively.

The five MRSVs obtained 93% utilisation during the first quarter. The contract backlog for 2010 and 2011 is 93% and 66%, respectively.

The two AHTS vessels operated in the spot market obtained 80% utilization in first quarter 2010. The third AHTS vessel delivered 25 March and has commenced operation in the spot market.

The fleet of nine owned vessels in Brazil obtained 88% utilisation during the first quarter, of which one vessel was idle. The contract backlog for 2010 and 2011 is 70% and 55%, respectively.



Newbuilding Program

Vessels Under Construction in Norway

The fourth of the eight AHTS vessels is scheduled for delivery in mid-May 2010. A competent crew has been employed, and familiarized and trained through the Company's comprehensive training program.

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 shall be equipped with a 250-ton active-heave compensated A-frame. Three of the AHTS vessels will be equipped in accordance with Fi-Fi and Standby DnV class notations.

Five of the remaining AHTS vessels under construction shall be delivered in 2010 and one shall be delivered in 2011.

A large-size PSV was delivered 8 April 2010 and commenced its firm contract until year-end 2011.

Vessels Under Construction in Brazil

The two fast supply vessels and the two fast crew vessels are scheduled for delivery throughout the years 2010 - 2013.

All of these four vessels shall commence 8+8 years contracts for Petrobras.

The two OSRVs are scheduled for delivery in 2012. Both vessels shall commence 8+8 years contracts for Petrobras from delivery.

The two large-size PSVs are scheduled for delivery in 2012 and 2013. These vessels do not have contracts at this time.

Technology Investments

Siem subsidiary WIS AS has entered into its first commercial contract for Siem WIS' Pressure Control Device (PCD) with Statoil ASA. The PCD was recently qualified for managed pressure drilling operations at Ullrigg test facilities in Stavanger. The operation is ongoing and being performed on Statoil's Gullfaks field.

Market and Outlook

Market conditions in the North Sea spot market have continued to be soft during first quarter 2010. The market has shown

signs of improvements due to improved supply and demand balance partly driven by vessels leaving the area and partly due to increased activity.

The tender activity for large AHTS vessels is increasing and we believe the spot market for large AHTS vessels has passed the bottom. A recent Petrobras tender for several AHTS vessels is expected to set the level for the long term market for large-size AHTS vessels in 2010. Petrobras has announced the list of qualified vessels in respect of the tender and several of the Company's vessels are placed favorably.

The long-term outlook for activity within the offshore service industry is considered to be good. The strong oil price and the projected offshore activity level may absorb the supply of vessels which continue to be delivered from shipyards over the coming couple of years.

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

11 May 2010

Kristian Siem, Chairman
www.siemoffshore.com

Consolidated Income Statement

	Note	Three Months Ended		Year Ended
		31.03.2010	31.03.2009	31.12.2009
<i>(Amounts in USD 1,000)</i>				
		<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
Operating revenue	4	49 806	43 791	183 558
Operating expenses		-31 767	-20 596	-106 004
Administration expenses		-6 021	-4 327	-19 620
Operating margin		12 018	18 868	57 934
Depreciation and amortisation	4	-10 863	-8 363	-37 191
Gain (loss) on sale of assets		-	7	1 047
Gain on sale of interest rate derivatives (CIRR)		92	5 182	6 097
Gain (loss) on currency exchange forward contracts		-6 971	19 403	52 805
Operating profit (loss)	4	-5 725	35 097	80 691
Financial income		1 469	801	7 760
Financial expenses		-3 857	-2 632	-13 238
Results from associated companies		2 016	282	7 660
Net currency gain (losses)		-3 543	895	19 124
Net financial items		-3 915	-653	21 306
Profit (loss) before taxes and minorities		-9 640	34 443	101 997
Tax benefit (expense)		-525	-20	1 831
Net profit (loss)		-10 165	34 423	103 829
Minorities interest		-8	488	1 439
Net profit (loss) attributable to shareholders		-10 157	33 935	102 390
Average number of shares outstanding ('000)		359 774	253 892	292 474
Earnings / (loss) per share (basic and diluted), (in USD)		-0.03	0.13	0.35

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>(Amounts in USD 1,000)</i>				
	Note	31.03.2010	31.03.2009	31.12.2009
		<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
Net profit (loss) before minorities		-10 165	34 423	103 829
Other comprehensive income (expense):				
Currency translation differences		-30 017	-476	25 545
Total comprehensive income (expense) for the period		-40 182	33 947	129 374
Attributable to minorities		-639	1 142	4 430
Comprehensive income (expense) attributable to shareholders		-39 543	32 805	124 944

Consolidated Statement of Financial Position

(Amounts in USD 1,000)

	Note	31.03.2010	31.03.2009	31.12.2009
		Unaudited	Unaudited	Audited
NON-CURRENT ASSETS				
Vessels and equipment	5	821 891	503 335	761 921
Vessel under construction	5	207 390	196 719	208 511
Capitalised project cost	5	272	1 016	546
Investment in associates and other long-term receivables		36 805	20 098	33 365
CIRR loan deposit 1)		70 705	69 654	73 225
Intangible assets		14 120	12 662	14 120
Total non-current assets		1 151 183	803 484	1 091 688
Debtors, prepayments and other current assets	8	82 168	81 427	101 202
Cash and cash equivalents	8	49 202	38 621	91 088
Total current assets		131 370	120 048	192 290
Total assets		1 282 553	923 532	1 283 978
SHAREHOLDERS' EQUITY				
Paid-in capital		482 697	335 598	482 697
Other reserves		-38 032	-32 330	-8 646
Retained earnings		195 649	137 350	205 805
Shareholders' equity		640 314	440 618	679 855
Minorities		22 709	19 273	22 872
Total equity	6	663 023	459 891	702 728
LIABILITIES				
Borrowings falling due after 1 year	7,8	440 955	275 747	403 134
CIRR loan 1)		70 705	69 654	73 225
Other non-current liabilities	7,8,10	8 067	13 831	8 223
Total non-current liabilities		519 727	359 232	484 582
Borrowings falling due within 1 year	7,8	48 255	60 929	43 036
Accounts payable and other current liabilities	10	51 548	43 480	53 632
Total current liabilities		99 803	104 409	96 668
Total liabilities		619 530	463 641	581 250
Total equity and liabilities		1 282 553	923 532	1 283 978

1) Commercial Interest Reference Rate

Consolidated Statement of Cash Flows

(Amounts in USD 1,000)

	31.03.2010	31.03.2009	31.12.2009
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
CASH FLOW FROM OPERATIONS			
Profit /(loss) before taxes, excluding interest	-7 122	36 183	106 588
Interest paid	-2 273	-1 585	-10 782
Paid taxes in the period	-1 512	-419	-2 363
Result from associated companies	-2 016	-282	-7 660
Gain (loss) on sale of assets	-	-7	-1 047
Depreciation and amortization	10 863	8 363	37 191
Effect of unreal. currency exchange forward contracts	3 223	-20 132	-31 202
Change in short-term receivable and payables	3 207	-1 937	3 009
CIRR	-92	-5 182	-6 097
Other changes	-883	-4 573	-8 409
Net cash flow from operations	3 395	10 428	79 230
CASH FLOW FROM INVESTMENT ACTIVITIES			
Interest received	1 140	161	6 110
Investments in fixed assets	-104 030	-92 885	-361 568
Loan to shipyard	10 122	-	-
Received from sale of fixed assets	-	8	4 208
Dividend from associated companies	-	629	629
Investment in associated companies	-1 054	-	-972
Cash flow from investments	-93 822	-92 087	-351 593
CASH FLOW FROM FINANCING ACTIVITIES			
Settlement for sale of interest rate derivatives	-	-9 486	-12 554
Received from raising of new equity	476	-	147 410
Received from raising of new long-term borrowing	56 052	63 144	217 984
Repayment of long-term borrowing	-9 004	-6 827	-61 228
Cash flow from financing activities	47 524	46 831	291 612
Effect of exchange rate differences	1 016	77	-1 532
Net change in cash	-41 886	-34 750	17 717
Cash at bank start of period	91 088	73 371	73 371
Cash at bank end of period	49 202	38 621	91 088

Notes to the Financial Information

Note 1 - Basis of Preparation

The consolidated financial information for the period 1 January to 31 March 2010 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 2009, 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 2009. With effect from 1 January 2010, new standards, amendment to standards and interpretations have become effective. The adoption of these amendments has had no material 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 87% of the long-term interest bearing debt was subject to floating interest rates at the end of third 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

	Three Months Ended		Year Ended
	31.03.2010	31.03.2009	31.12.2009
	<i>Unaudited</i>	<i>Unaudited</i>	<i>Audited</i>
<i>(Amounts in USD 1,000)</i>			
Operating revenue by business area			
Platform Supply Vessels	21 099	24 786	91 843
Brazilian Vessels	6 037	4 508	21 579
Multipurpose ROV Support Vessels	16 349	13 528	62 935
Anchor Handling Tug Supply Vessels	1 872	-	164
Combat Management Systems	3 829	960	4 859
Other	620	9	2 178
Total operating revenue	49 806	43 791	183 558
Depreciation and amortisation by business area			
Platform Supply Vessels	5 312	5 770	22 740
Brazilian Vessels	580	494	2 304
Multipurpose ROV Support Vessels	2 397	1 967	10 375
Anchor Handling Tug Supply Vessels	2 391	-	1 125
Other	183	132	647
Total depreciation and amortisation	10 863	8 363	37 191
Operating profit by business area			
Platform Supply Vessels	5 231	8 763	28 713
Brazilian Vessels	1 276	1 044	2 976
Multipurpose ROV Support Vessels	4 384	5 412	16 024
Anchor Handling Tug Supply Vessels	-4 661	-	-5 724
Combat Management Systems	508	-263	10
Other	-12 463	20 141	38 692
Total operating profit	-5 725	35 097	80 691

Note 5 - Vessels Under Construction and Vessels and Equipment

(Amounts in USD 1,000)

	Vessels under construction	Vessels and equipment	Total
Balance at 1 January 2010	208 511	843 925	1 052 436
Investments	103 662	368	104 030
Delivery of vessels	-99 227	99 227	-
The year's disposal at cost	-	-	-
Effect of exchange rate differences	-5 556	-29 021	-34 577
Purchase cost per 31 March 2010	207 390	914 499	1 121 889
Accumulated depreciation at 1 January 2010	-	-82 004	-82 004
The year's ordinary depreciation	-	-10 604	-10 604
The year's disposal of accumulated depreciation	-	-	-
Accumulated depreciation at 31 March 2010	-	-92 608	-92 608
Net book value at 31 March 2010	207 390	821 891	1 029 281

Economic life
2.5-30 years

The balance of capitalised project costs was USD 272 per 31 March 2010. 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 2010 was USD 259.

Interest expenses to construction financing is capitalised from 01.01.2009

Note 6 - Consolidated Statement of Changes in Equity

(Amounts in USD 1,000)

	Total number of shares	Share capital	Share prem. reserves	Other reserves
Equity as of 01.01.2010	359 774 219	3 598	479 099	-8 646
Effect of exchange rate differences				-29 386
The year's net profit				
Share issues in partially owned subsidiaries				
Equity as of 31.03.2010	359 774 219	3 598	479 099	-38 032
Equity as of 01.01.2009	253 891 866	2 539	333 059	-31 200
Effect of exchange rate differences				-1 130
The year's net profit				
Equity as of 31.03.2009	253 891 866	2 539	333 059	-32 330

(Amounts in USD 1,000)

	Retained earnings	Shareholders' equity	Minority interest	Total equity
Equity as of 01.01.2010	205 806	679 856	22 872	702 728
Effect of exchange rate differences		-29 386	-631	-30 017
The year's net profit	-10 157	-10 157	-8	-10 165
Share issues in partially owned subsidiaries			476	476
Equity as of 31.03.2010	195 649	640 314	22 709	663 023
Equity as of 01.01.2009	103 415	407 813	18 131	425 944
Effect of exchange rate differences		-1 130	654	-476
The year's net profit	33 935	33 935	488	34 423
Equity as of 31.03.2009	137 350	440 618	19 273	459 891

Note 7 - Long-term Debt

Borrower/ creditor/ guarantor	Currency	Facility amount	Drawn amount currency	Drawn amount USD	Interest rate	Matu- rity	Instalments
Siem Offshore Rederi AS:							
							9 Quarterly instalments of USD 5 625
HSH Nordbank AG	USD	180 625	180 625	180 625	Libor + Margin	2015	12 Quarterly instalments of USD 4 062
Eksporthfinans /GIEK / HSH Nordbank AG	USD	112 000	93 868	93 868	Fixed and Libor +Margin	2021	Semi annual instalments of USD 4 097
DvB Bank N.V. Nordic Branch	GBP	8 610	8 610	12 970	Libor + Margin	2013	Semi annual instalments of GBP 520
Eksporthfinans /GIEK / HSH Nordbank AG	NOK	1 764 000	-	99 458	Libor + Margin	2015	Semi annual instalments of USD 4 144
SpareBank1 SR-Bank	NOK	427 000	-	-	Nibor + Margin	2022	Quarterly intalments of NOK 8 895
Siem Meling Offshore DA:							
SpareBank1 SR-Bank	NOK	315 800	315 800	52 786	Nibor + Margin	2013	Semi annual instalments of NOK 11 766
SpareBank1 SR-Bank	NOK	256 000	256 000	42 791	Nibor + Margin	2022	Semi annual instalments of NOK 8 553
Siem Consub SA:							
Banco Nacional Development Social	USD	1 838	1 838	1 838	6.8125% fixed	2012	Semi annual instalments of USD 460
Banco do Brasil	USD	24 037	8 814	8 814	3.3% fixed	2027	Monthly instalments of USD 129
Total Borrowings				493 151			
Eksporthfinans (CIRR loan)	NOK	423 000	423 000	70 705			

The Company has drawn USD 49 million under the NOK 1764 million facility with HSH NordBank/GIEK and Eksporthfinans. The Company has also drawn NOK 36 million under the 256 million facility with SpareBank1 SR-Bank and USD 0.9 million under the USD 24 million facility with Banco do Brasil.

Note 8 - Net Interest Bearing Debt

(Amounts in USD 1,000)

	31.03.2010	31.03.2009	31.12.2009
	Unaudited	Unaudited	Audited
Bank deposit	49 202	38 621	91 088
Short-term interest bearing receivable	16 715	23 951	27 697
Total receivable / cash	65 917	62 572	118 785
Short-term interest bearing debt	-48 255	-60 929	-43 036
Long-term interest bearing debt	-442 814	-277 256	-405 048
Total debt	-491 069	-338 185	-448 084
Net interest bearing debt	-425 151	-275 613	-329 299

Note 9 - Commitments

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

(Amounts in USD 1,000)

	31.03.2010	31.12.2009
Combined contract value end of period for the vessels	826 697	936 232
Instalments paid	208 511	161 596
Unpaid instalments (to be paid in 2010 or later)	619 307	727 721
Instalments falling due over the next years		
2010		362 179
2011		115 632
2012 and thereafter		141 496
Total		619 307

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, two fast crew boats, two OSRVs and two large-size PSVs.

The Company has taken delivery of two AHTS vessels during 2009 and one AHTS vessel during 2010 from Norwegian yard.

Note 10 - Taxes

(Amounts in USD 1,000)

	Liability tonnage tax regime
Long term tax liability 1 January 2010 (due to the new Norwegian tonnage tax legislation)	-1 544
Tax expense	-
Paid	123
Effect of exchange rate differences	52
Tax liability, new tonnage tax legislation as of 31 March 2010	-1 369

Tax liabilities

(Amounts in USD 1, 000)

	Tonnage tax regime	Other tax regime	Total tax liabilities
Long term tax liabilities falling due after 1 year	-	2 577	2 577
Payable taxes falling due within 1 year	-1 369	13 131	11 762
Tax liabilities as of 31 December 2009	-1 369	15 708	14 339

Tax expense

(Amounts in USD 1,000)

	Tonnage tax regime	Other tax regime	Total tax expense
Taxes	-	525	525
Change in deferred tax/deferred tax asset	-	-	-
Total tax expense as of 31 March 2010	-	525	525

The Board of Directors resolved on 25 November to relocate the residency of Siem Offshore Inc. ("the Company") from the Cayman Islands to Norway with effect from 1st January 2010.

Companies that were taxed under the old tonnage tax regime could choose between entering into the new tonnage tax regime or exit the old tonnage tax regime with effect from 1 January 2007.

Siem Offshore decided to enter the new tonnage tax regime for relevant companies.

Two thirds of a transitional taxable gain has been levied upon entry and 10 % of the original balance was to be entered as income each year from 2007 through 2017. Tax expense regarding the old tonnage tax regime has been reversed in December 2009 after the Norwegian Supreme Court, on 12 February 2010, concluded that the transitional rules to the tonnage tax regime from 2007 are unconstitutional. The unconstitutional rules states that untaxed profits under the old tonnage tax regime should become taxable over a 10 year period when entering into a new tonnage tax regime.



Financial Calendar

Q2 2010

Thursday 19 August

Q3 2010

Thursday 28 October

Siem Offshore Inc

c/o Siem Offshore AS
Markensgate 8
4611 Kristiansand
Norway

Postal address:

P.O. Box 425
N-4664 Kristiansand S, Norway

Telephone:

+47 38 60 04 00

Telefax:

+47 37 40 62 86

E-mail:

siemoffshore@siemoffshore.com

www.siemoffshore.com
