SIEM OFFSHORE INC.

REPORT FOR THE FIRST QUARTER 2009

30 April 2009 – Siem Offshore Inc. (Oslo Stock Exchange: SIOFF) reports results for the first quarter 2009.

PERFORMANCE SUMMARY

Results

	Three months ended	
	31/03/2009	31/03/2008
(Amounts in USD million)	Unaudited	Unaudited
Operating revenue	43.8	42.7
Operating margin	18.9	16.0
Operating margin, %	43%	38%
Operating profit	35.1	19.1
Profit before taxes and minorities	34.4	27.4
Net profit attributable to equity shareholders	33.9	27.7

Quarter Highlights

- USD 112 million loan and guarantee facility concluded for the financing of two Multipurpose ROV Support Vessels ("MRSV") and one Anchor Handling Tug Supply Vessel ("AHTS Vessel")
- Letter of Intent entered into with Statoil (Brazil) for the employment of a large-size PSV for a period of 2 years plus options
- The Scientific core drilling vessel Joides Resolution completed the major vessel conversion at the end of January 2009 and commenced the operational phase of the long-term contract
- The MRSV Siem Marlin was delivered from the yard and commenced a long term contract for operations at the Agbami field offshore Nigeria
- The Company and the Norwegian yard agreed to cancel shipbuilding contracts for the construction of two large-size AHTS Vessels

RESULTS

The net profit attributable to shareholders for the quarter was USD 33.9 million (Q1 2008: USD 27.7 million), or USD 0.13 per share (Q1 2008: USD 0.11 per share).

The operating revenue for the quarter was USD 43.8 million (Q1 2008: USD 42.7 million) and the operating expenses were USD 24.9 million (Q1 2008: USD 26.7 million), resulting in an operating margin of USD 18.9 million (Q1 2008: USD 16.0 million).

The quarter includes a profit of USD 19.4 million (Q1 2008: profit of USD 10.7 million) arising from the revaluation of currency exchange contracts1, or maturity of such contracts, due to the weaker USD during the quarter. USD 20.1 million of such profit in 2009 is unrealised.

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[1] Currency exchange contracts have been entered into in order to hedge the future NOK instalments for vessels under construction at Norwegian yards and operating costs in NOK. The Company held USD 223 million in such currency exchange contracts per end of first quarter 2009 at an average contract price of NOK 6.27/USD.

The quarter also includes a net gain of USD 5.2 million from the sale and buy-back of fixed interest options (Q1 2008: USD 0.1 million).

Net financial items were USD (0.7) million (Q1 2008: USD 8.3 million) and include a revaluation of non-USD currency items of USD 0.9 million (Q1 2008: USD 9.9 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
Cash flow from operations was positive with USD 10.4 million. The cash position at the end of first quarter was USD 38.6 million.

Debt Financing
The balance sheet included gross interest-bearing debt of USD 338 million.

In January, the Company completed a 12-year USD 112 million loan and guarantee facility for two MRSVs and one AHTS vessel. The USD 112 million loan and guarantee facility represents 60% of the total project cost for the three vessels. The loan will be provided by the Norwegian export credit agency for Export Financing ("Eksportfinans") and the guarantees will be provided by the Norwegian Guarantee Institute for Export Credits ("GIEK") and a commercial bank. The Company has selected a 12-year fixed interest rate (CIRR-loan) for the financing of the first MRSV that was delivered in February 2009. The applicable 12-year interest rate is 6.05% p.a. The terms for the guarantee facility reflect current market conditions.

The Company has received confirmation of loan undertaking from Eksportfinans for the remaining AHTS vessels under construction at Norwegian yards. The loan undertaking requires the provisions of guarantees. GIEK has indicated that it will provide such guarantees in favour of Eksportfinans, subject to participation by commercial banks on a pari-passu basis. The Company is in the process of negotiating guarantee facilities for the remaining AHTS vessels under construction at the Norwegian yards and expects to conclude such facilities within second quarter 2009.

During first quarter 2009, the Company bought-back options for 12-years fixed interest loans and the corresponding funding from Eksportfinans (CIRR loans). The bought-back options represent an equivalent maximum borrowing of USD 583 million from Eksportfinans.

The Company is granted up to 90% debt financing from Fundo de Marinha Mercante, which is the Brazilian Government Fund for Development of Merchant Shipping, for the four vessels under construction in Brazil. The Company will be able to make certain drawings under the loan during the construction of the vessels, and approximately USD 7 million will be drawn during second quarter 2009.

Siem Meling Offshore DA, which is a 51% owned subsidiary, has entered into a loan agreement of NOK 256 million with a commercial bank for the long-term debt financing of the large-size PSV that is being outfitted at a Norwegian yard. The loan represents 80% of the total project cost for the vessel.

Equity
The shareholders' equity was USD 441 million. There were 253,891,866 shares issued and outstanding at the end of the first quarter 2009. No new shares were issued during the quarter.

OPERATIONS

HSEQ
The Board is pleased with the safety records for the first quarter 2009, during which there was no serious injury to personnel, environmental pollution or damage to property.

Fleet, Performance and Employment
The Board is please with the operation of the fleet during first quarter. The Company held ownership in a total of 40 vessels at the end of first quarter 2009, of which 14 were under construction.

The Company took delivery of the MRSV Siem Marlin at the end of February 2009. The vessel commenced a long term charter in March. The term of the contract is for an initial period of up to 12 months. Subject to formal contract approval by local Nigerian authorities, the contract will commence a firm period of two years, plus one year of option. The vessel shall be used by a subsidiary of Chevron as a field, ROV and subsea installation vessel at the Agbami field 70 nm offshore Nigeria. The contract is entered into with a local Nigerian entity. Siem Offshore shall be the vessel provider and a subsea contractor shall provide the engineering, ROV and subsea installation services. The contract value is approximately USD 15 million for each 12 month period.

The Company recorded 52 days of technical operational off-hire during first quarter, of which 48 days refers to scheduled dry-docking of two vessels. The 11 PSVs obtained 95% utilisation during the quarter. At the end of first quarter, the contract backlog for the PSV fleet was 57% for the remained of 2009.

Siem Consub SA (Brazil) received in January 2009 a Letter of Intent from StatoilHydro Brasil Ltda. for a 2 year contract, with 2 x 1 year options, for a large PSV of VS 485 design. The scheduled commencement is within 4Q 2009 or 1Q 2010. Siem Consub SA will act as manager to the vessel owner Siem Meling Offshore DA (Norway). Siem Meling Offshore DA has one PSV of VS 485 design in operation and one under construction. Siem Meling Offshore DA is a 51% owned subsidiary of Siem Offshore Inc.

The four MRSVs currently in operation obtained 92% utilisation during the quarter from date of delivery. At the end of first quarter, the contract backlog for the four MRSV was 72% for the remainder of 2009.

The fleet of nine owned vessels in Brazil obtained 86% utilisation during the quarter. [Two] vessels of the Brazilian fleet were dry-docked during the first quarter. At the end of first quarter, the contract backlog was 91% for the remainder of 2009.

The 50%-owned vessel JOIDES Resolution completed the vessel conversion phase at the end of January 2009 and commenced the operation phase of the contract with Texas A&M Research Foundation ("TAMRF") for the use of the JOIDES Resolution as a Scientific Ocean Drilling Vessel for the Integrated Ocean Drilling Program's phase II. The operating margin earned from the commencement of the operational phase until arrival at the first operating location in mid-March is deferred and will be amortised from the commencement of work at the first location.

The operation phase of the contract has an initial term until September 2013, with ten additional years of options. The estimated contract value for the initial term of the operation phase is approximately USD 115 million, excluding reimbursable costs. The operation phase of the contract can be terminated by TAMRF at any time with a USD 3 million termination fee.

The 41%-owned well-stimulation vessel Big Orange XVIII continued on its charter with Schlumberger with operations in the North Sea.

NEWBUILDING PROGRAM

Vessels Under Construction
The Company has one MRSV of MT 6017 Mk II design under construction at a Norwegian yard and the scheduled delivery is May 2009.

The Company and a Norwegian yard agreed in March 2009 to cancel shipbuilding contracts for two of the ten AHTS vessels of VS 491 CD design under construction. Capacity issues with major subcontractors as well as the general market turmoil were instrumental factors for both Siem Offshore and the yard to arrive at this decision. The cancelled contracts had contractual delivery dates in August and September 2009. The yard has confirmed that it expects to deliver the remaining AHTS vessels under construction on or about the contractual delivery dates. Three of these vessels are currently under outfitting at the Norwegian yard and the first vessel is scheduled for delivery in July 2009. The pre-delivery instalments paid on the two cancelled shipbuilding contracts shall be off-set against remaining pre-delivery instalments on the remaining vessels.

The 51% owned subsidiary Siem Meling Offshore DA, has a large-size PSV under construction. The hull grounded during the towing operation from the hull yard in Turkey of VS 485 design to the outfitting yard in Norway in September. The hull was refloated and towed to a repair yard in Turkey. The hull is insured and the repair of the hull is coordinated by the insurance underwriters. Siem Meling Offshore DA has in 2009 agreed to swap the hull with a similar hull built for the 49% partner O.H Meling & Co AS. The alternative hull arrived at the outfitting yard in Norway in April 2009 and the PSV is expected to be delivered in fourth quarter 2009.

The construction of the four vessels in Brazil, two of GPA 150 design and two of GPA 132 design, is generally progressing according to plan. All four vessels will be employed on 8 + 8 year contracts with Petrobras.

Future Yard Instalments
Future yard instalments for vessels under construction in Norway totalled NOK 4.4 billion at the end of first quarter 2009. In accordance with the shipbuilding contracts, yard instalments of NOK 1.5 billion falls due in 2009 and NOK 2.9 billion fall due in 2010.

Future yard instalments for vessels under construction in Brazil totalled USD 18.8 million at the end of first quarter 2009. In accordance with the shipbuilding contracts, yard instalments of USD 11.3 million falls due in 2009, USD 7.3 million in 2010 and USD 0.2 million in 2011.

TECHNOLOGY INVESTMENTS

The commercialisation of the Siem WIS technology and the pursuit of commercial applications for WellCem's leak stop technology are more time consuming than planned. However, positive progress is being made for both companies.

MARKET AND OUTLOOK

The North Sea spot market typically experiences a downturn during the first quarter. The seasonal downturn was more acutely felt in 2009 due to lower demand, leading to rates falling to levels not seen in years, contrasting starkly to the rates achieved in fourth quarter 2008. The rates in the spot market have remained at a relative low level into second quarter, compared to previous years. More term requirements have come to the forefront and created expectations that the fleet utilization and rates may increase to a somewhat higher level in second quarter.

The global financial crisis has started to impact on the offshore sector, largely in the form of cancellation of new vessel orders. Overall, this is viewed as a positive outcome creating less potential for an over-supply situation. Oil price and E&P spending budgets may remain cautious in the short term but long term fundamentals continue to show a positive outlook for the energy sector in general and also for the support vessel market. The supply and demand balance for larger vessels is more favourable than for smaller vessels. Larger and more advanced tonnage will be favoured to meet the demands of energy exploration in more challenging areas of the world.

On behalf of the Board of Directors of Siem Offshore Inc.
30 April 2009

Kristian Siem
Chairman
www.siemoffshore.com

Siem Offshore Inc.

Consolidated Income Statement

(Amounts in USD 1 000)	Note	Three Months Ended 31.03.2009	Three Months Ended 31.03.2008	Year 31.12.2008
		Unaudited	*Unaudited*	*Audited*
Operating revenue	4	43 791	42 705	192 773
Operating expenses		-24 923	-26 675	-105 035
Operating margin		18 868	16 030	87 738
Depreciation and amortisation	4	-8 363	-7 673	-32 080
Gain (loss) on sale of assets		7	0	-8 011
Gain on sale of interest rate derivatives (CIRR)		5 182	92	342
Gain (loss) on currency exchange forward contracts		19 402	10 666	-47 308
Operating profit (loss)	4	**35 097**	**19 115**	**680**
Financial income		801	2 512	10 588
Financial expenses		-2 632	-4 260	-17 283
Result from associated companies		282	120	483
Net currency items		895	9 881	-18 283
Net financial items		**-653**	**8 253**	**-24 496**
Profit (loss) before taxes and minorities		**34 443**	**27 368**	**-23 816**
Tax expense		-20	-115	-1 950
Net profit (loss) before minorities		**34 423**	**27 253**	**-25 766**
Attributable to minorities		488	-468	1 801
Net profit (loss) attributable to equity shareholders		**33 935**	**27 721**	**-27 568**
Average number of shares outstanding ('000)		253 892	253 892	253 892
USD earnings / (loss) per share (basic and diluted)		0.13	0.11	-0.11

Consolidated Statement of Comprehensive Income

(Amounts in USD 1 000)	Three Months Ended 31.03.2009	Three Months Ended 31.03.2008	Year 31.12.2008
	Unaudited	*Unaudited*	*Audited*
Net profit (loss)	34 423	27 253	-25 766
Other comprehensive income (expense):			
Currency translation differences	-476	3 656	-20 037
Total comprehensive income (expense) for the period	**33 947**	**30 909**	**-45 803**
Attributable to minorities	1 142	120	-2 388
Comprehensive income (expense) attributable to equity shareholders	**32 805**	**30 789**	**-43 415**

Siem Offshore Inc.

Consolidated Balance Sheet

(Amounts in USD 1 000)	Note	31.3.2009	31.03.2008	31.12.2008
		Unaudited	*Unaudited*	*Audited*
Non-current assets				
Intangible assets		12 662	12 560	12 662
Vessel under construction	5	196 719	102 254	161 596
Vessels and equipment	5	503 335	426 150	452 402
Capitalised project cost	5	1 016	2 479	1 206
CIRR loan deposit 1)		69 654	99 692	66 482
Investment in associates and other long-term receivables		20 098	19 835	18 719
Total non-current assets		**803 484**	**662 970**	**713 067**
Debtors, prepayments and other current assets	8	81 427	82 547	77 412
Cash and cash equivalents	8	38 621	201 400	73 371
Total current assets		**120 048**	**283 947**	**150 783**
Total assets		**923 532**	**946 917**	**863 850**
Shareholders´ equity				
Paid-in capital		335 598	335 598	335 598
Other reserves		-32 330	-12 238	-31 200
Retained earnings		137 350	158 704	103 415
Shareholders´ equity		**440 618**	**482 064**	**407 813**
Minorities		**19 273**	**19 348**	**18 131**
Total equity	6	**459 891**	**501 412**	**425 944**
Liabilities				
Borrowings falling due after 1 year	7,8	275 747	245 858	250 410
CIRR borrowings 1)	7	69 654	99 692	66 482
Other non-current liabilities	7,8,10	13 831	34 123	27 069
Total non-current liabilities		**359 232**	**379 673**	**343 961**
Borrowings falling due within 1 year	7,8	60 929	30 108	28 286
Accounts payable and other current liabilities	10	43 480	35 724	65 659
Total current liabilities		**104 409**	**65 832**	**93 945**
Total liabilities		**463 641**	**445 505**	**437 906**
Total equity and liabilities		**923 532**	**946 917**	**863 850**

1) Commercial Interest Reference Rate

Siem Offshore Inc.

Consolidated Statement of Cash Flows

(Amounts in USD 1 000)	Three Months Ended 31.03.2009	Three Months Ended 31.03.2008	Year 2008
	Unaudited	*Unaudited*	*Audited*
Cash flow from operations			
Profit before taxes and excluding interest	36 183	29 020	-17 614
Interest paid	-1 585	-464	-16 535
Paid taxes in the period	-419	-400	-7 263
Result from associated companies	-282	-120	-483
USD earnings / (loss) per share (basic and diluted)	-7	0	8 011
Depreciation and amortization	8 363	7 673	32 080
Effect of unreal. currency exchange forward contracts	-20 132	-1 735	45 382
Change in short-term receivable and payables	-7 119	-2 447	15 373
Other changes	-4 573	-883	-4 636
Net cash flow from operations	**10 428**	**30 644**	**54 315**
Cash flow from investment activities			
Interest received	161	1 263	9 699
Investments in vessels and related equipment	-92 885	-29 190	-176 023
Loan to shipyard	0	0	-32 267
Received from sale of fixed assets	8	0	6 981
Dividend from associated companies	629	0	1 218
Investment in associated companies	0	0	-2 940
Cash flow from investments	**-92 087**	**-27 927**	**-193 332**
Cash flow from financing activities			
Settlement for buy back of CIRR	-9 486	0	-809
Received from raising of new equity	0	5 332	6 624
Received from raising of new debt	63 144	4 910	46 546
Repayment of long-term borrowing	-6 827	-1 494	-16 479
Cash flow from financing activities	**46 831**	**8 748**	**35 882**
Effect of exchange rate differences	77	1 626	-11 803
Net change in cash	**-34 750**	**13 092**	**-114 937**
Cash at bank start of period	73 371	188 308	188 308
Cash at bank end of period	38 621	201 400	73 371
Net change in cash	**-34 750**	**13 092**	**-114 937**

Notes to the financial information

Note 1 - Basis of Preparation

The consolidated financial information for the period 1 January to 31 March 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 82% 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. Nor can there be any assurance that the Company will not experience cash flow shortfalls exceeding the Company's available funding sources or to comply with minimum cash requirements. Further, it can be 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.

3.5 Credit Risk

The Company is exposed to potential losses on receivables from customers. However, the credit risk is diversified as the Company is not significantly exposed to one individual customer or contract.

Note 4 – Segment Reporting by Business Area

	Three Months Ended		
	31 March		Year
(Amounts in USD 1 000)	**2009**	**2008**	**31.12.2008**
	Unaudited	*Unaudited*	*Audited*
Revenue by business area			
Supply/crew fleet	29 294	31 945	143 878
Multipurpose ROV Support Vessels	13 528	8 258	38 517
Combat Management Systems	960	2 407	8 691
Other	9	95	1 687
Total Operating revenue	**43 791**	**42 705**	**192 773**
Depreciation and amortisation by business area			
Supply/crew fleet	6 264	6 525	25 808
Multipurpose ROV Support Vessels	1 967	947	5 591
Other	132	201	682
Total Depreciation and amortisation	**8 363**	**7 673**	**32 081**
Operating profit by business area			
Supply/crew fleet	9 807	11 232	61 011
Multipurpose ROV Support Vessels	5 412	1 647	10 292
Combat Management Systems	-263	-649	59
Other	20 141	6 885	-70 682
Total operating profit	**35 097**	**19 115**	**680**

Note 5 – Property, Plant & Equipment

(Amounts in USD 1 000)	**Vessels under construction**	**Vessels and equipment**	**Total**
Balance at 1 January 2009	161 597	498 329	659 926
Investments	89 972	2 913	92 885
Delivery of vessels	-52 813	52 813	0
The year's disposal at cost	0	-13	-13
Effect of exchange rate differences	-2 038	3 371	1 333
Balance at 31 March 2009	**196 718**	**557 413**	**754 131**
Accumulated depreciation at 1 January 2009	0	-45 927	-45 927
The year's ordinary depreciation	0	-8 163	-8 163
The year's disposal of accumulated depreciation	0	12	12
Accumulated depreciation at 31 March 2009	**0**	**-54 078**	**-54 078**
Net book value at 31 March 2009	**196 718**	**503 335**	**700 053**
		Economic life	
		2.5-50 years	

The balance of capitalised project costs was USD 1,016 per 31 March 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 200.Interest paid on loans for contruction financing are capitalized.

Note 6 – Consolidated Statement of Changes in Equity

(Amounts in USD 1 000)	**Total number of shares**	**Share Capital**	**Share prem. reserves**	**Other reserves**	**Retained earnings**	**Shareholders' equity**	**Minority interest**	**Total equity**
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				-1 130		**-1 130**	654	**-476**
The year's net profit					33 935	**33 935**	488	**34 423**
Equity as of 31.03.2009	**253 891 866**	**2 539**	**333 059**	**-32 330**	**137 350**	**440 618**	**19 273**	**459 891**
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				3 068		**3 068**	**589**	**3 657**
The year's net profit					27 721	**27 721**	**-468**	**27 253**
Share issues in partially owned subsidiaries						**0**	**5 332**	**5 332**
Other items			-9			**-9**	**0**	**-9**
Equity as of 31.03.2008	**253 891 866**	**2 539**	**333 059**	**-12 238**	**158 704**	**482 064**	**19 348**	**501 412**

Note 7 – Long Term Debt

Creditor / Guarantor	Currency	Facility Amount	Drawn Amount	Interest rate	Duration	Instalments
HSH Nordbank AG	USD	203 125	203 125	(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	(Libor + 1.15 %)	2009	November
Eksportfinans /GIEK / HSH Nordbank AG	USD	112 000	30 000	7.8% (fixed)		Quarterly instalments over 12 year
DvB Bank N.V. Nordic Branch	GBP	9 650	9 650	(Libor + 1.00 %)	2013	14 Semi annual instalments of GBP 520
SpareBank1 SR-Bank	NOK	595 333	389 333	(Nibor + 0.90 %)	2013	14 Semi annual instalments of NOK 11766
Banco Nacional Development Social	USD	2 757	2 757	6.8125% (fixed)	2012	Semi annual instalments of USD 460
Eksportfinans (CIRR loan)	NOK	465 300	465 300			

The Company was granted debt financing from Eksportfinans (Norwegian export credit institution for Export Financing) prior to ordering of vessels at Norwegian yards. The debt financing from Eksportfinans is for a maximum of 80% of the project cost for each vessel and subject to satisfactory guarantees. The Norwegian Guarantee Institute for Export Credits (GIEK) has confirmed that it is positive to issue guarantees in favour of Eksportfinans for the relevant vessels, subject to participation by commercial banks on a pari-passu basis. In first quarter the Company has drawn USD 30 million from the USD 112 million facility with Eksportfinans and drawn USD 30 million from HSH Nordbank under the Working Capital Facility.

Unearned CIRR	**31.03.2009**	**31.03.2008**	**31.12.2008**
Beginning of year	22 278	23 429	23 429
Recognized in the profit and loss account	-5 182	-92	-342
Paid for buy back of CIRR options	-9 486	0	-809
End of period	**7 610**	**23 337**	**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 31 March 2009, the Bank has exercised options for loans of an equivalent USD 70 million, and USD 0.5 million of the total up-front payment is recorded in the income statement for 2007, 2008 and 2009, respectively. During first quarter 2009, the Company bought back options for loans of an equivalent USD 583 million. The remaining options held by the Bank represent loans of an equivalent USD 126 million and the remaining capitalised up-front payment is USD 7.6 million.

Note 8 – Net Interest Bearing Debt

(Amounts in USD 1 000)	**31.03.2009**	**31.03.2008**	**31.12.2008**
	Unaudited	*Unaudited*	*Audited*
Bank deposits	38 621	201 400	73 371
Short-term interest bearing receivable	23 951	0	22 861
Total receivable / cash	62 572	201 400	96 232
Short-term interest bearing debt	-60 929	-30 108	-28 286
Long-term interest bearing debt	-277 256	-246 230	-250 694
Total debt	-338 185	-276 338	-278 980
Net interest bearing debt	**-275 613**	**-74 938**	**-182 748**

Note 9 – Commitments

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

(Amounts in USD 1 000)	**31.03.2009**	**31.12.2008**
Combined contract value end of period for the vessels	873 532	1 026 223
Instalments paid	196 718	161 596
Unpaid instalments (to be paid in 2009 or later)	676 814	864 627

Instalments falling due over the next 3 years

(Amounts in USD 1 000)	USD
2009	240 261
2010	436 303
2011	250
Total	**676 814**

The Company has entered into contracts with Norwegian yard for the construction of eight large AHTS vessels and one MRSV. 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.

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	0
Paid	-392
Effect of exchange rate differences	245
Tax liability, new tonnage tax legislation as of 31 March 2009	**4 993**

(Amounts in USD 1 000)	Tonnage tax regime	Other tax regime	Total tax liabilities
Long term tax liabilities falling due after 1 year	4 086	124	4 210
Payable taxes falling due within 1 year	907	12 083	12 990
Tax liabilities as of 31 March 2009	**4 993**	**12 207**	**17 200**

(Amounts in USD 1 000)	Tonnage tax regime	Other tax regime	Total tax expense
Taxes	0	-20	-20
Total tax expense as of 31 March 2009	**0**	**-20**	**-20**

Note 11 - Subsequent Events

During first week of April, problems were experienced with one of the aft thrusters on the Siem Marlin. The problem is recorded as a guarantee and insurance claim and the vessel is currently at a shipyard for repairs. It is expected that the vessel will be back in operation in second half of May. The Company has insurance cover for the lost time.