SIEM OFFSHORE INC.

REPORT FOR THE FIRST HALF 2009

23 July 2009 – Siem Offshore Inc. (Oslo Stock Exchange: SIOFF) reports results for the first six months and quarter ended 30 June 2009.

	Three Months Ended		Six Months Ended	
	2Q 2009	2Q 2008	30.06.2009	30.06.2008
(Amounts in USD million)	Unaudited	Unaudited	Unaudited	Unaudited
Operating revenue	44.1	47.7	87.9	90.4
Operating margin	13.1	21.4	32.0	37.4
Operating margin, %	30 %	45 %	36 %	41 %
Operating profit	14.7	16.5	49.8	35.7
Profit before taxes and minorities	20.3	16.5	54.7	43.9
Net profit attributable to equity shareholders	19.2	13.6	53.1	41.3

Highlights

- Received and accepted an offer of a NOK 2.1 billion loan and guarantee facility for the debt financing of the remaining seven AHTS vessels to be built at Norwegian Yards. This completes the financing of the new build program.
- Successfully raised NOK 900 million in private placement directed towards institutional and other investors.
- Agreed to replace one of the eight contracts for construction of anchor handling tug supply ("AHTS") vessels with a contract on existing hull and received related debt financing.
- Entered into a four year contract with Oil and Natural Gas Corporation Limited, India ("ONGC") - the scope of work is to perform logistical services with two of its mid–sized platform supply vessels ("PSV") of VS470 design.
- Extended contract with Five Ocean Services GmbH for additional three years until November 2013
- Entered into charter contract for one multi-purpose ROV support vessel ("MRSV"), *Siem Dorado*, in Mexico for an initial period for 6 months, with options for an additional 12 months, to perform inspection, repair and maintenance ("IRM") services.
- Siem WIS entered into a contract with StatoilHydro in connection with the development and qualification of Siem WIS riser pressure control device.

Result for the Second Quarter 2009

The net profit attributable to shareholders for the second quarter was USD 19.2 million, or USD 0.08 per share. The operating revenue and operating profit were USD 44.1 million and USD 13.1 million, respectively. Depreciation and amortisation were USD 9.0 million. The operating profit includes currency exchange gains of USD 12.4 million arising from the revaluation of maturity of currency exchange contracts during second quarter.

Result for the First Six Months Ended 30 June 2009

The net profit attributable to shareholders for the first six months was USD 53.1 million (1H 2008: USD 41.3 million), or USD 0.21 per share (1H 2008: USD 0.16 per share).

The operating revenue for six months was USD 87.9 million (1H 2008: USD 90.4 million) and the operating expenses were USD 55.9 million (1H 2008: USD 52.9 million), resulting in an operating margin of USD 32.0 million (1H 2008: USD 37.4 million). There were 27 vessels in operation during the first six months compared to 24 vessels last year. The fall in average revenue per vessel is mainly due to the fall in the spot market.

The first six months include a net gain of USD 31.8 million (1H 2008: USD 13.4 million) arising from the revaluation of currency exchange contracts[1], or maturity of such contract, due to the weaker USD during the period. Approximately USD 31.4 million of such profit in 2009 is unrealised.

The first six months also include a net gain of USD 5.3 million from the sale and buy-back of fixed interest options (1H 2008: USD 0.2 million).

Net financial items were USD 4.9 million (1H 2008: USD 8.3 million) and include a revaluation of non-USD currency items of USD 4.8 million (1H 2008: USD 10.5 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 six month period was positive USD 18.6 million and the cash position at 30 June 2009 was USD 49.7 million.

The Company raised gross proceeds of NOK 900 million in a private placement directed towards institutional and other investors after the close of the Oslo Stock Exchange on 30 June 2009. A total of 105,882,353 new shares will be issued in relation to the private placement at a price of NOK 8.50 per share. The cash will be delivered to Siem Offshore during August after the listing prospectus has been approved and new shares are issued and tradable. The share issue completes the plan for financing of the new building program.

Debt Financing

Interest-bearing debt was USD 371.6 million at 30 June 2009.

The Company has secured debt financing for its entire remaining new building program, which includes eight large-size AHTS vessels, one large–size PSV, two fast supply boats (Brazil) and two fast crew boats (Brazil).

In January, the Company completed a 12-year USD 112 million loan and guarantee facility for two MRSVs and one AHTS vessel. The 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) for the financing of the two MRSVs that were delivered in February 2009 and June 2009.

In June, the Company received and accepted an offer for a NOK 2.1 billion loan and guarantee facility for the debt-financing of the remaining seven AHTS vessels under construction with deliveries later this year and in 2010. The loan will be provided by Eksportfinans and the guarantees will be provided by GIEK, HSH Nordbank and by an arrangement with Siem Industries Inc., our major shareholder. The loan will have a 12-year profile with a 5-year guarantee facility maturing no later than 30 September 2014.

The Company has been 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.

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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 233 million in such currency exchange contracts per 30 June 2009 at an average contract price of NOK 6.50/USD.

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 will be delivered at the end of the year. The loan represents 80% of the total project cost for the vessel.

Equity

The shareholders' equity was USD 465 million and there were 253,891,866 shares issued and outstanding at 30 June 2009. No new shares were issued during the first six months. After the equity issue in Q3, the total number of shares outstanding will be 359,774,219.

OPERATIONS

HSEQ

The Board is pleased with the general HSEQ performance for the first six months and can report significant improvements in working methods and standards in providing our clients with quality products and services in our performance and an ongoing focus for constant improvement of our management system.

Safety records for the first half of 2009 report no serious injuries to personnel or damage to the environment.

Fleet, Performance and Employment

The Company held ownership in a total of 40 vessels at the end of second quarter 2009, of which 13 were under construction.

The Board is generally pleased with the operation of the fleet during the first six months. The Operations Department has continued to expand as it prepares for the delivery of the AHTS vessels.

The Company recorded a total of 195 days of off-hire within the first six months, which include 109 days related to scheduled dry-dockings of five vessels, 69 days related to claimable technical issues and 17 days of other technical issues. The dry-dockings of five vessels include ten year class-survey for *Siem Supplier* and *Ocean Commander* and three years interim class-survey for *Siem Danis, Siem Hanne* and *Siem Louisa*. The operating expenses include higher class-survey expenses and two vessels planned for dry-docking in second half 2009.

The overall Company fleet obtained 93% utilisation during the first six months. The 11 PSVs obtained 95% utilisation during the first six months. At 30 June 2009, the contract backlog for the PSV fleet was 59% of available days in the second half of the year.

The Company took delivery of the MRSV *Siem Dorado* on 14 June 2009. The vessel commenced a charter for operation off coast of Mexico. The term of the contract is for an initial period of 6 months with options for additional 12 months. The vessel shall be used to perform IRM services in Mexico with Pemex as the ultimate client. The contract value is approximately USD 6 million for each 6-month period. The five MRSVs currently in operation obtained 87% utilization during the first six months at 30 June 2009 and the contract backlog was 92% for the reminder of 2009.

The Company received, as part of a consortium, a four-year charter with ONGC. This consortium is led by Schlumberger and the Siem Offshore workscope is to perform logistical services with its two mid-size PSVs. The area of operation is within the deep development fields of India and the contract value is estimated to be USD 57 million. The vessels are on their way to India.

The Company accepted a proposal from the Kleven yard to utilize an existing hull for the construction of one of the eight AHTS vessels to be built. The hull is a VS490 design and is similar to the VS491 design initially ordered by Siem Offshore. The Company agreed to pay an additional NOK 25 million for the enhanced capabilities including A-Frame, FiFi1 and Standby notation class.

The fleet of nine owned vessels in Brazil obtained 89% utilisation for the first six months. Two vessels of the Brazilian fleet were dry-docked during second quarter 2009. At 30 June 2009, the contract backlog was 85% 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 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

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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 operating in the North Sea. The vessel was involved in an incident on 8 June at the Ekofisk field in the North Sea, Norway. The vessel was towed to the nearest yard for inspection and repair and is scheduled to be off-hire for 3 weeks. The loss-of-hire insurance will cover a portion of the revenue loss.

NEWBUILDING PROGRAM

Vessels Under Construction

The *Siem Pearl* will be the first of the eight AHTS vessels to be delivered with an estimated delivery late August 2009. A competent crew is in place and being familiarized and trained through our internal comprehensive training program. Significant investment has been allocated for special training and vessel familiarization.

Apart from the original design, all AHTS vessels are prepared to take additional equipment onboard such as the two procured 250T A-Frames which are mobile assets and can be installed on demand. Two of the AHTS vessels will be equipped with FiFi2 and Standby notation.

The remaining AHTS vessels are scheduled for delivery within the next 18 months.

The 51% owned subsidiary Siem Meling Offshore DA, has a large-size PSV under construction. The hull is under outfitting at yard in Norway and is expected to be delivered in the 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.

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 anticipated. However, positive progress is being made by both companies. Siem WIS has entered into a new contract with StatoilHydro in connection with the development and qualification of Siem WIS' riser pressure control device. The contract covers the pre-engineering and the final qualification of Siem WIS' patented sealing technology. Subject to a successful phase 1, further option for phase 2 is included in the contract. Phase 2 includes detailed engineering, manufacturing of a complete RPCD system, and testing at one of StatoilHydro's North Sea installations.

MARKET AND OUTLOOK

The North Sea supply market remains oversupplied and subsequently day rates and utilization are adversely affected, however marketing enquiries on term requirements are on the rise and we believe that this will translate into higher fleet utilization and day rates through the second half of the year.

Several AHTS vessels have left the North Sea and the spot rates have occasionally increased to level higher than same period as last year. Cancellation of new vessel orders has reduced the potential for an over-supply situation. We see an increase in the interest and demand for large AHTS vessels in the rest of the world.

The global financial crisis has impacted on the offshore service sector and the future is less predictable. Oil price and E&P spending budgets may remain cautious in the short term but we continue to believe in the long term outlook for the energy sector in general and the activity level for the support vessels.

On behalf of the Board of Directors of Siem Offshore Inc.
23 July 2009

Kristian Siem
Chairman
www.siemoffshore.com

Siem Offshore Inc.

Consolidated Income Statement

(Amounts in USD 1 000)	Note	Three Months Ended 30.06.09	Three Months Ended 30.06.08	Six Months Ended 30.06.09	Six Months Ended 30.06.08	Year 31.12.2008
		Unaudited	*Unaudited*	*Unaudited*	*Unaudited*	*Audited*
Operating revenue	4	44 112	47 674	87 903	90 379	192 773
Operating expenses		-30 985	-26 266	-55 908	-52 941	-105 035
Operating margin		13 127	21 408	31 995	37 438	87 738
Depreciation and amortisation	4	-9 040	-7 733	-17 403	-15 406	-32 080
Gain (loss) on sale of assets		-1 862	19	-1 855	19	-8 011
Gain on sale of interest rate derivatives (CIRR)		92	92	5 274	184	342
Gain (loss) on currency exchange forward contracts		12 407	2 763	31 810	13 429	-47 308
Operating profit (loss)	4	**14 724**	**16 549**	**49 821**	**35 664**	**680**
Financial income		2 986	2 844	3 787	5 356	10 588
Financial expenses		-3 315	-3 734	-5 947	-7 994	-17 283
Result from associated companies		2 028	228	2 310	348	483
Net currency items		3 870	661	4 765	10 542	-18 283
Net financial items		**5 570**	**-1**	**4 916**	**8 252**	**-24 496**
Profit (loss) before taxes and minorities		**20 294**	**16 548**	**54 737**	**43 916**	**-23 816**
Tax expense		-674	-2 179	-694	-2 294	-1 950
Net profit (loss) before minorities		**19 619**	**14 369**	**54 043**	**41 622**	**-25 766**
Attributable to minorities		433	759	921	291	1 801
Net profit (loss) attributable to equity shareholders		**19 187**	**13 610**	**53 121**	**41 331**	**-27 568**
Average number of shares outstanding ('000)		253 892	253 892	253 892	253 892	253 892
Earnings / (loss) per share (basic and diluted), (in USD)		0,08	0,05	0,21	0,16	-0.11

Consolidated Statement of Comprehensive Income

(Amounts in USD 1 000)	Three Months Ended 30.06.09	Three Months Ended 30.06.08	Six Months Ended 30.06.09	Six Months Ended 30.06.08	Year 31.12.2008
	Unaudited	*Unaudited*	*Unaudited*	*Unaudited*	*Audited*
Net profit (loss) before minorities	19 619	14 369	54 043	41 622	-25 766
Other comprehensive income (expense):					
Currency translation differences	5 850	2 188	5 374	5 844	-20 037
Total comprehensive income (expense) for the period	**25 470**	**16 557**	**59 417**	**47 466**	**-45 803**
Attributable to minorities	1 039	825	2 181	945	-2 388
Comprehensive income (expense) attributable to equity shareholders	**24 431**	**15 732**	**57 236**	**46 521**	**-43 415**

Siem Offshore Inc.

Consolidated Balance Sheet

(Amounts in USD 1 000)	Note	30.06.09	30.06.08	31.12.2008
		Unaudited	*Unaudited*	*Audited*
Non-current assets				
Intangible assets		12 662	12 560	12 662
Vessel under construction	5	172 007	115 838	161 596
Vessels and equipment	5	556 137	489 468	452 402
Capitalised project cost	5	966	2 367	1 206
CIRR loan deposit 1)		69 612	95 747	66 482
Investment in associates and other long-term receivables		23 701	53 775	18 719
Total non-current assets		**835 085**	**769 755**	**713 067**
Debtors, prepayments and other current assets	8	93 228	86 071	77 412
Cash and cash equivalents	8	49 717	147 143	73 371
Total current assets		**142 945**	**233 214**	**150 783**
Total assets		**978 030**	**1 002 969**	**863 850**
Shareholders´ equity				
Paid-in capital		335 598	335 598	335 598
Other reserves		-27 085	-10 116	-31 200
Retained earnings		156 536	172 314	103 415
Shareholders´ equity		**465 049**	**497 795**	**407 813**
Minorities		**20 706**	**21 346**	**18 131**
Total equity	6	**485 755**	**519 141**	**425 944**
Liabilities				
Borrowings falling due after 1 year	7,8	308 134	282 032	250 410
CIRR borrowings 1)	7	69 612	95 747	66 482
Other non-current liabilities	7,8,10	14 036	50 186	27 069
Total non-current liabilities		**391 782**	**427 965**	**343 961**
Borrowings falling due within 1 year	7,8	63 485	30 120	28 286
Accounts payable and other current liabilities	10	37 008	25 742	65 659
Total current liabilities		**100 493**	**55 862**	**93 945**
Total liabilities		**492 275**	**483 827**	**437 906**
Total equity and liabilities		**978 030**	**1 002 969**	**863 850**

1) Commercial Interest Reference Rate

Siem Offshore Inc.

Consolidated Statement of Cash Flows

(Amounts in USD 1 000)	Six Months Ended 30.06.2009	Six Months Ended 30.06.2008	Year 2008
	Unaudited	*Unaudited*	*Audited*
Cash flow from operations			
Profit before taxes and excluding interest	57 116	46 360	-17 614
Interest paid	-4 782	-5 710	-16 535
Paid taxes in the period	-1 528	-500	-7 263
Result from associated companies	-2 310	-348	-483
Gain (loss) on sale of assets	1 855	-19	8 011
Depreciation and amortization	17 403	15 406	32 080
Effect of unreal. currency exchange forward contracts	-31 755	5 454	45 382
Change in short-term receivable and payables	-12 742	3 052	15 373
Other changes	-4 617	-2 015	-4 636
Net cash flow from operations	**18 639**	**61 680**	**54 315**
Cash flow from investment activities			
Interest received	2 127	3 590	9 699
Investments in vessels and related equipment	-125 407	-113 056	-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	-1 537	-2 940
Cash flow from investments	**-123 615**	**-142 384**	**-193 332**
Cash flow from financing activities			
Settlement for buy back of CIRR	-9 486	0	-809
Received from raising of new equity	393	6 506	6 624
Received from raising of new debt	99 936	42 260	46 546
Repayment of long-term borrowing	-14 296	-2 839	-16 479
Cash flow from financing activities	**76 547**	**45 927**	**35 882**
Effect of exchange rate differences	4 775	-6 389	-11 803
Net change in cash	**-23 654**	**-41 165**	**-114 937**
Cash at bank start of period	73 371	188 308	188 308
Cash at bank end of period	49 717	147 143	73 371
Net change in cash	**-23 654**	**-41 165**	**-114 937**

Responsibility Statement

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2009 has been prepared in accordance with IAS 34 – Interim Financial. Reporting, and gives a true and fair view of the Company's assets, liabilities, financial position and profit or loss as a whole. We also confirm, to the best of our knowledge, that the interim management report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions.

23 July 2009

Kristian Siem Chairman (sign.)	Richard England (sign.)	Bjørn Johansen (sign.)
Ulf Sørdal (sign.)	Michael Delouche (sign.)	David Mullen (sign.)

Terje Sørensen
Chief Executive Officer
(sign.)

Notes to the Financial Information

Note 1 - Basis of Preparation

The consolidated financial information for the period 1 January to 30 July 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.

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		Six Months Ended 30 June		Year
(Amounts in USD 1 000)	**2009**	**2008**	**2009**	**2008**	**31.12.2008**
	Unaudited	*Unaudited*	*Unaudited*	*Unaudited*	*Audited*
Revenue by business area					
Platform supply/crew vessels	29 422	37 446	58 716	69 391	143 878
Multipurpose ROV Support Vessels	13 761	6 879	27 289	15 137	38 517
Anchor Handling Tug Supply Vessels	0	0	0	0	0
Combat Management Systems	546	2 137	1 506	4 544	8 691
Other	383	1 212	392	1 307	1 687
Total Operating revenue	**44 112**	**47 674**	**87 903**	**90 379**	**192 773**
Depreciation and amortisation by business area					
Platform supply/crew vessels	6 456	6 579	12 720	13 104	25 808
Multipurpose ROV Support Vessels	2 426	973	4 393	1 920	5 591
Other	158	181	290	382	682
Total Depreciation and amortisation	**9 040**	**7 733**	**17 403**	**15 406**	**32 081**
Operating profit by business area					
Platform supply/crew vessels	6 932	17 417	16 739	28 649	61 011
Multipurpose ROV Support Vessels	5	212	5 417	1 859	10 292
Anchor Handling Tug Supply Vessels	-475	0	-475	0	0
Combat Management Systems	-22	-402	-285	-1 051	59
Other	8 284	-678	28 425	6 207	-70 682
Total operating profit	**14 724**	**16 549**	**49 821**	**35 664**	**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	123 348	2 059	125 407
Delivery of vessels	-112 347	112 347	0
The year's disposal at cost	0	-1 943	-1 943
Effect of exchange rate differences	-591	8 193	7 602
Balance at 30 June 2009	**172 007**	**618 985**	**790 992**
Accumulated depreciation at 1 January 2009	0	-45 927	-45 927
The year's ordinary depreciation	0	-16 980	-16 980
The year's disposal of accumulated depreciation	0	59	59
Accumulated depreciation at 30 June 2009	**0**	**-62 848**	**-62 848**
Net book value at 30 June 2009	**172 007**	**556 137**	**728 144**
		Economic life	
		2.5-50 years	

The balance of capitalised project costs was USD 966 per 30 June 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 423.

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				4 114		**4 114**	1 260	**5 374**
The year's net profit					53 121	**53 121**	921	**54 043**
Share issues in partially owned subsidiaries							393	**393**
Equity as of 30.06.09	**253 891 866**	**2 539**	**333 059**	**-27 086**	**156 536**	**465 049**	**20 706**	**485 755**

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				5 190		**5 190**	**654**	**5 844**
The year's net profit					41 331	**41 331**	**291**	**41 622**
Share issues in partially owned subsidiaries						**0**	**6 506**	**6 506**
Other items			-9			**-9**	**0**	**-9**
Equity as of 30.06.08	**253 891 866**	**2 539**	**333 059**	**-10 116**	**172 314**	**497 795**	**21 346**	**519 141**

Note 7 - Long-term debt

Creditor / Guarantor	Currency	Facility Amount	Drawn Amount	Interest rate	Duration	Instalments
HSH Nordbank AG	USD	197 500	197 500	(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 1)	USD	112 000	55 830	(Libor +1.75%)	2021	24 Semi annual instalments of USD 2 326
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	583 566	452 567	(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 /GIEK / HSH Nordbank AG	NOK	2 058 000	0	(Nibor + 2.25 %)		
Eksportfinans (CIRR loan)	NOK	444 150	444 150			

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. 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.

Unearned CIRR	30.06.2009	30.06.2008	31.12.2008
Beginning of year	22 278	23 429	23 429
Recognized in the profit and loss account	-5 274	-184	-342
Paid for buy back of CIRR options	-9 486	0	-809
End of period	**7 518**	**23 245**	**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 June 2009, the Bank has exercised options for loans of an equivalent USD 70 million, and USD 0.6 million of the total up-front payment is recorded in the income statement for 2007, 2008 and 2009, respectively. During 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 132 million and the remaining capitalised up-front payment is USD 7.5 million.

Note 8 - Net interest bearing debt

(Amounts in USD 1 000)	**30.06.2009**	**30.06.2008**	**31.12.2008**
	Unaudited	*Unaudited*	*Audited*
Bank deposit	49 717	147 143	73 371
Short-term interest bearing receivable	25 077	31 492	22 861
Total receivable / cash	74 794	178 635	96 232
Short-term interest bearing debt	-63 485	-30 120	-28 286
Long-term interest bearing debt	-309 870	-282 404	-250 694
Total debt	-373 355	-312 524	-278 980
Net interest bearing debt	**-298 561**	**-133 889**	**-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)	**30.06.09**	**31.12.2008**
Combined contract value end of period for the vessels	826 253	1 026 223
Instalments paid	172 007	161 596
Unpaid instalments (to be paid in 2009 or later)	654 247	864 627

Instalments falling due over the next 2 years

(Amounts in USD 1 000)	USD
2009	197 477
2010	456 770
Total	**654 247**

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.

Note 10 - Taxes

(Amounts in USD 1 000)	
Long term tax liability 1 January 2009 (due to the new Norwegian tonnage tax legistlation)	5 140
Tax expense	1
Paid	-822
Effect of exchange rate differences	498
Tax liability, new tonnage tax legislation as of 30 June 2009	**4 817**

(Amounts in USD 1 000)	Tonnage tax regime	Other tax regime	Total tax liabilities
Long term tax liabilities falling due after 1 year	4 255	141	4 396
Payable taxes falling due within 1 year	562	12 090	12 651
Tax liabilities as of 30 June 2009	**4 817**	**12 231**	**17 047**

(Amounts in USD 1 000)	Tonnage tax regime	Other tax regime	Total tax expense
Taxes	-1	-694	-694
Total tax expense as of 30 June 2009	**-1**	**-694**	**-694**

Note 11 - Subsequent Events

Siem Offshore Inc announced 1 July 2009 that it had successfully raised gross proceeds of NOK 900 million in a private placement directed towards institutional and other investors after the close of the Oslo Stock Exchange on 30 June 2009. A total 105,882,353 new shares will be issued in relation to the private placement at a price of NOK 8.50 per share.