First Quarter Report 2012

SIEM
OFFSHORE

This is Siem Offshore Inc.

The Company's vision is to become the leading provider and the most attractive employer offering marine services to the offshore oil and gas service industry. The Company shall deliver quality and reliable contracted services in a timely manner by executing cost-efficient solutions developed in active collaboration and cooperation with its customers.

Siem Offshore was founded in July 2005 and has become a significant owner and operator of modern offshore support vessels.

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The Company owns and operates one of the world's most modern fleet of offshore support vessels, equipped to meet the increased requirements from clients and demands from operation in new geographical areas, including harsh environments. The fleet provides a broad spectrum of services offered by a highly experienced and competent crew with a strong focus on Health, Safety, Environment and Quality.

Siem Offshore had 38 vessels in operation and four vessels under construction by end of first quarter 2012. Vessels in operation included two anchor handling, tug, supply vessels operated on behalf of a pool partner.

By end of March 2012, the total fleet comprised ownership in 40 vessels, including, among others, twelve platform supply vessels ("PSVs"), four multi-role support vessels ("MRSVs") and eight anchor handling, tug, supply vessels ("AHTS vessels").

The Company's headquarters are located in Kristiansand, Norway. The Company also has offices in Brazil, Germany, the Netherlands, USA and India and has representation in Nigeria.

The Company's shares are listed on the Oslo Stock Exchange (ticker SIOFF).

Our core values are:

Caring   Committed   Competitive

Report For The First Quarter 2012

8 May 2012 – Siem Offshore Inc. (the "Company"; Oslo Stock Exchange: SIOFF) reports the results for the first quarter 2012.

Selected Financial Information

(Amounts in USD million)	**Q1 2012 Unaudited**	**Q1 2011 Unaudited**
Operating revenue	90.9	68.9
Operating margin	29.3	21.8
Operating margin, %	32%	32%
Operating profit	27.6	4.6
Profit before taxes and minorities	25.3	2.4
Net profit attributable to shareholders	25.2	1.3

Highlights First Quarter 2012

- Concluded the sale of mid-size PSV, "Siem Danis".
- Extended the bareboat charter for the PSV "Hugin Explorer" for a period of six years, with charterer's option for an additional 1 + 1 year.
- Awarded contract for one additional AHTS vessel, the "Siem Ruby", for a firm period of four years to Petrobras in Brazil.
- Awarded a contract with ENI Ghana for the PSV's "Siem Louisa" and "Sophie Siem" for 100 days and 180 days, respectively, with options.
- Awarded the first contract for the Renewable Energy Market.

Subsequent Events

- Siem Offshore has entered into contracts with STX OSV in Norway for the design and construction of two offshore construction vessels ("OCVs"). The Company has also secured options for two additional vessels with STX of the same design at the same terms and conditions. The four vessels will be of STX OSCV 11 design with an overall length of 121 meters, a beam of 22 meters and will be equipped with 250t AHC crane. The firm vessels are scheduled for delivery from STX OSV in Norway in 3Q and 4Q 2013, respectively and the option vessels in 1Q 2014.

Results

Results for the First Quarter 2012

The operating revenues for the quarter were USD 90.9 million (2011: USD 68.9 million). The operating margin was USD 29.3 million (2011: USD 21.8 million) and the operating margin as a percentage of revenues was 32% (2011: 32%).

Operating profit was USD 27.6 million (2011: 4.6 million) after depreciation and amortisation of USD 21.1 million (2011: USD 18.7 million). Gain on sales of fixed assets includes USD 15.0 gain on the the sale of a medium sized PSV and USD 0.5 million gain on the sale of two older smaller vessels owned by Siem Offshore do Brazil. A net currency exchange gain of USD 3.9 million (2011: USD 1.3 million) was recorded on forward contracts, of which USD 1.6 million is unrealised.

Net financial items amount to USD (2.3) million (2011: USD (2.2) million) and included a revaluation gain of non-USD currency items of USD 7.4 million (2011: USD 3.9 million) due to the weaker USD. Non-USD currency items are held to match short- and long-term liabilities, including off-balance sheet liabilities, in similar currencies. The financial expenses of USD 10.4 million includes an unrealised loss of USD (0.9) million for interest swap agreements which were entered into for hedging long-term interest rate exposure on floating rate debt. The net profit attributable to shareholders was USD 25.2 million, or USD 0.06 per share (2011: USD 1.3 million or USD "nil" per share).

The Company had eleven PSVs in operation at the end of the quarter (2011: twelve). All PSVs operated on long-term contracts, of which one was a bareboat contract. The PSV fleet earned operating revenues of USD 24.2 million and had 95% utilisation (2011: USD 23.4 million and 98%). The operating margin for the PSV fleet was USD 11.1 million, (2011: USD 11.7 million) and the operating margin as a percentage of revenue was 46% (2011: 50%). The PSV fleet recorded 30 days off-hire related to dry-dockings or contract demobilisation (2011: 17 days).

The Company had four MRSVs in operation at the end of the quarter (2011: four). All MRSVs operated on long-term contracts, of which one was a bareboat contract. The MRSV fleet earned operating revenues of USD 14.3 million and had 100% utilisation (2011: USD 14.2 million and 100%). The operating margin for the MRSV fleet was USD 7.9 million (2011: USD 7.8 million) and the operating margin as a percentage of revenue was 56% (2011: 55%).The MRSV fleet recorded zero days off-hire related to dry-dockings or contract demobilisation (2011: 2 days).

The Company had ten AHTS vessels in operation at the end of the quarter (2011: nine), of which two are owned by our pool partner. During the quarter, four AHTS vessels operated on long-term contracts in Brazil and the remaining six AHTS vessels have operated in the North Sea spot market.

The AHTS fleet earned operating revenues of USD 30.9 million and had 79% utilisation (2011: USD 22.0 million and 90%). The operating margin for the AHTS fleet was USD 14.3 million (2011: USD 7.2 million) and the operating margin as a percentage of revenue was 46% (2011: 33%). The AHTS fleet recorded 15 days off-hire related to dry-dockings or contract demobilisation (2011: 22 days).

The Company had a fleet of eleven Brazilian vessels in operation at the end of the quarter (2011: ten), of which eight vessels operated on long-term contracts, one vessel was idle and one vessel newly delivered from the shipyard was under mobilization for a long-term contract. The Brazilian vessels earned operating revenues of USD 7.7 million and had 81% utilisation (2011: USD 6.4 million and 77%). The operating margin for the Brazilian vessels was USD 2.3 million (2011: USD 2.1 million) and the operating margin as a percentage of revenue was 30% (2011: 33 %). The Brazilian vessels did not record any off-hire related to dry-dockings or contract mobilization (2011: 17 days).

The cable installation segment, including the vessel "Siem Carrier", earned operating revenues of USD 1.7 million in the quarter. The operating margin for the cable installation segment was USD (1.7) million.

The scientific core-drilling vessel, "Joides Resolution", recorded operating revenues of USD 10.1 million with an operating margin of USD 5.0 million.

Newbuilding Program

Vessels under Construction in Brazil

The second fast crew vessel (FCV) and the second fast supply vessel (FSV) were delivered during the quarter and completed the newbuilding program of two fast crew vessels and two fast supply vessels.

Each of these vessels is operating under an eight-year firm plus eight-year option contracts for Petrobras.

The two oil spill recovery vessels (OSRVs) are scheduled for delivery in the second and third quarter of 2012. Both vessels shall commence eight-year firm contracts for Petrobras with options for additional eight years.

The two large-size PSVs are scheduled for delivery in third quarter 2012 and 2013, respectively, and do not have contracts at this time.

Total future yard instalments for vessels under construction were equivalent to USD 154.2 million at end of first quarter 2012. These instalments fall due with USD 86.8 million in 2012 and USD 67.4 million in 2013.

Financing and Capital Structure

Cash and Equity

Net cash flow from operations was USD 23.2 million and the cash position at 31 March 2012 was USD 124.6 million.

Shareholders' equity was USD 760.9 million at 31 March 2012, equivalent to USD 1.92 per share.

Debt Financing

The balance sheet included gross interest-bearing debt in the equivalent to USD 889.2 million. The Company repaid debt instalments equivalent to USD 56.6 million during 2012.

The cost of debt for the Company was 4% at the end of the quarter.

The Company has secured debt-financing for all vessels under construction in Brazil. The Company has received confirmation of loan up to 80% undertaking from Eksportfinans for the two Offshore Construction vessels ordered in April 2012. The loan undertaking requires the provisions of guarantees. The Company will start discussion with relevant guarantors for such guarantee facilities in due time before delivery.

Fleet Employment and Contract Backlog

The majority of the fleet is on long-term contracts. The contract cover at 31 March 2012 for the PSV fleet was 75% for 2012, 59% for 2013 and 14% for 2014. The contract cover for the MRSV fleet was 100% for 2012 and 29% for 2013. The contract backlog for the AHTS fleet was 48% for 2012, 50% for 2013 and 45% for 2014. The contract cover for the Brazilian vessels was 71% for 2012, 76% for 2013 and 55% for 2014.

The total backlog of firm contracts for all vessels at 31 March 2012 was USD 796 million, including the firm part of the contract for the "JOIDES Resolution", the 41%-ownership in the "Big Orange XVIII" and vessels under construction. The backlog is split with USD 213 million for 2012, USD 217 million for 2013 and USD 366 million for 2014 and thereafter.

QHSE

The QHSE performance in the first quarter 2012 has been good and the safety records report no serious injuries to personnel and no major discharges to the environment. The results are in line with the Company's overall objective of zero harm to personnel and the environment.

Submarine Cable Installation Market

During the first quarter 2012, Siem Offshore Contractors (SOC) experienced a major breakthrough in the Renewable segment by being awarded the inter-array grid cable installation contract for E.ON on its Amrumbank Offshore Windfarm project in Germany. This is the first installation contract for SOC in the Renewable segment and the contract value for SOC is approximately USD 60 million. The installation campaign will take place in 2014. The outlook for the Renewable segment in Europe looks promising for the coming years. SOC is currently bidding for more projects in the market for installation of submarine cables for European offshore wind farms. The installation campaigns for these projects will typically be for the years 2014-2016.

In the Oil & Gas segment in the Middle East, the vessel "Siem Carrier" finalized its contract in Saudi Arabia in mid-January and commenced a new contract in UAE in mid-March. As a result, utilization for the "Siem Carrier" was 25% in the first quarter. SOC also finished the management of an installation project in the UAE during the first quarter.

The Middle East market has shown some improvement recently, but will most likely remain volatile for still some time.

Technology Investment

After completing the enhanced qualification program for the Siem WIS PCD system in fourth quarter 2011, Siem WIS has completed the construction of two more PCD system (2nd generation) during the first quarter 2012. The two PCD systems are now ready for commercial operation.

Siem WIS is expecting to commence commercial operation with its PCDs in third quarter 2012 and has received considerable interests from the market reflecting good potential for projects in our core market areas and also in niches outside the core market in the North Sea.

Market and Outlook

The North Sea spot market for offshore support vessels (OSVs) was sequentially weaker during first quarter as compared to fourth quarter 2011, but was still at levels almost twice that of the same quarter last year. The average fixture rates were slightly above NOK 200,000 for larger AHTS vessels and around NOK 130,000 for larger PSVs. Late fourth quarter 2011, a number of vessels returned from duty offshore Greenland and joined the spot market. Coupled with seasonally lower drilling and construction activity and bad weather in periods, this excess supply has led to a seasonal decline in the North Sea spot market fixture rates during first quarter. Nevertheless, fixture rates both for AHTS and PSV vessels have recently started to move higher again as seasonal drilling and construction activity have started to pick-up at the same time that the number of vessels trading the spot market has been stable to slightly lower.

The coming North Sea summer season looks promising. The fleet of AHTS vessels will remain fairly stable in the North Sea, or perhaps decrease from current levels as no new AHTS vessels are to be delivered from yards in the region in 2012 and some vessels are likely to leave the region during the course of the year, like the "Siem Ruby". Furthermore, a number of North Sea AHTS vessels from the spot market have recently been awarded term contracts in the North Sea, US Alaska, and Brazil. The activity in the UK rig market started to increase at the end of first quarter and additional rigs will enter the Norwegian sector over the next 12 months. The positive demand drivers for the North Sea PSV segment are similar to those of the AHTS vessel segment. However, the outlook for the North Sea PSV segment is somewhat more uncertain as around 30 newbuilds are scheduled to be delivered from yards in this region in 2012. However, so far strong international demand has kept the North Sea PSV fleet stable over the last 12 months as vessels have left the region.

The long-term outlook for the high-end OSV sector continues to improve. Leading indicators such as the offshore drilling rig count and tendering and contract award activity in the subsea construction and FPSO industry have increased during 2011 and into 2012 and this trend is expected to continue. Some uncertainty prevails with regards to the large number of OSV newbuilds to be delivered, especially large PSVs, and how this will impact the market in 2012-13.

Outside the North Sea, the demand for high-end OSVs continues to increase with Brazil as the main driver. This demand growth in Brazil is expected to continue, potentially at a somewhat slower pace than what has been seen over the last couple of years. Following an increase in the rig count over the last 6-9 months, demand in West Africa is showing a strong development, especially for the PSV segment, and activity in West Africa is expected to increase further. In the US Gulf of Mexico, demand continues to improve as drilling activity gradually normalizes. In the long-term, more prospects are also seen in Northern/Arctic areas, such as Norway, Canada, US Alaska and Greenland.

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

8 May 2012

Eystein Eriksrud	Terje Sørensen
Chairman	Chief Executive Officer

www.siemoffshore.com

Consolidated Income Statements

(Amounts in USD 1,000)	Note	2012 1Q	2011 1Q	2011 Jan-Dec
		Unaudited	*Unaudited*	*Audited*
Operating revenues	4	90,894	68,944	340,628
Operating expenses		-51,117	-39,490	-182,461
Administration expenses		-10,519	-7,620	-35,215
Operating margin		**29,258**	**21,835**	**122,952**
Depreciation and amortisation	4	-21,137	-18,717	-81,348
Gain on sales of assets		15,544	109	75
Gain on sale of interest rate derivatives (CIRR)		92	92	368
Gain on currency exchange forward contracts		3,875	1,311	1,450
Operating profit	**4**	**27,631**	**4,629**	**43,497**
Financial revenues		636	774	5,719
Financial expenses		-10,417	-7,116	-44,785
Result from associated companies		68	243	2,367
Net currency gain/(loss)		7,382	3,862	-10,624
Net financial items		**-2,331**	**-2,238**	**-47,324**
Profit/(loss) before taxes		**25,300**	**2,391**	**-3,827**
Tax benefit/(expense)	10	-1,192	-1,467	-2,653
Net profit/(loss)		**24,108**	**924**	**-6,480**
Attributable to non-controlling interest		-1,120	-400	811
Attributable to shareholders of the Company		**25,228**	**1,324**	**-7,291**
Weighted average number of shares outstanding ('000)		395,952	395,752	395,902
Earnings(loss) per share (basic and diluted)		0.06	0.00	-0.02

COMPREHENSIVE INCOME STATEMENTS

(Amounts in USD 1,000)	2012 1Q	2011 1Q	2011 Jan-Dec
	Unaudited	*Unaudited*	*Audited*
Net profit/(loss)	24,108	924	-6,480
Other comprehensive income (expense):			
Currency translation differences	1,424	4,136	-5,122
Total comprehensive income for the period	**25,532**	**5,060**	**-11,602**
Attributable to non-controlling interest	-674	909	-543
Attributable to shareholders of the Company	**26,206**	**4,151**	**-11,059**

Consolidated Statements of Financial Position

(Amounts in USD 1,000)	Note	31.03.2012	31.03.2011	31.12.2011
		Unaudited	*Unaudited*	*Audited*
NON-CURRENT ASSETS				
Vessels and equipment	5	1,423,552	1,340,464	1,414,548
Vessels under construction	5,9	83,319	107,810	105,199
Capitalised project cost	5	12,783	16,584	13,570
Investment in associates and other long-term receivables		13,323	26,198	11,891
CIRR loan deposit 1)		59,438	69,049	56,469
Deferred tax asset		6,297	6,290	6,254
Intangible assets	5	30,477	8,793	29,441
Total non-current assets		**1,629,189**	**1,575,186**	**1,637,373**
Debtors, prepayments and other current assets		100,661	95,681	85,359
Cash and cash equivalents	8	124,587	65,766	136,635
Total current assets		**225,248**	**161,447**	**221,994**
Total assets		**1,854,437**	**1,736,633**	**1,859,367**
EQUITY				
Paid-in capital		537,664	537,212	537,664
Other reserves		-10,649	-5,032	-11,628
Retained earnings		233,905	217,291	208,676
Shareholders´ equity		**760,919**	**749,471**	**734,713**
Non-controlling interest		**35,740**	**33,546**	**35,038**
Total equity	**6**	**796,659**	**783,017**	**769,751**
LIABILITIES				
Borrowings	7,8	807,050	745,609	839,031
CIRR loan 1)	7	59,438	69,049	56,469
Other non-current liabilities	8,10	32,112	12,961	34,291
Total non-current liabilities		**898,601**	**827,619**	**929,791**
Borrowings	7,8	82,141	75,722	95,472
Accounts payable and other current liabilities	10	77,037	50,275	64,353
Total current liabilities		**159,177**	**125,997**	**159,825**
Total liabilities		**1,057,778**	**953,616**	**1,089,616**
Total equity and liabilities		**1,854,437**	**1,736,633**	**1,859,367**

1) Commercial Interest Reference Rate

Consolidated Statements of Cash Flows

(Amounts in USD 1,000)	**31.03.2012**	**31.03.2011**	**31.12.2011**
	Unaudited	*Unaudited*	*Audited*
CASH FLOW FROM OPERATIONS			
Profit before taxes, excluding interest	34,523	6,540	34,807
Interest paid	-5,946	-441	-29,128
Taxes paid	-3,328	-1,210	-2,425
Results from associated companies	-68	-243	-2,367
Loss/(gain) on sale of assets	-15,544	-109	-75
Depreciation and amortisation	21,137	18,717	81,348
Effect of unreal. currency exchange forward contracts	-1,563	-212	1,449
Change in short-term receivables and payables	-2,824	-19,540	5,502
CIRR	-92	-92	-368
Other changes	-3,070	-58	-2,470
Net cash flow from operations	**23,225**	**3,355**	**86,273**
CASH FLOW FROM INVESTMENT ACTIVITIES			
Interest received	628	233	1,662
Investments in fixed assets	-13,073	-78,869	-208,039
Proceeds from sale of fixed assets	34,217	109	1,214
Investment in subsidaries	-	-	-22,500
Dividend from associated companies	-	9,500	5,000
Investment in associated companies	-711	3,039	3,293
Cash flow from investments	**21,061**	**-65,989**	**-219,370**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of new equity	-	-	452
Contribution from non-controlling interests of consolidated subsidiaries	1,377	8,887	11,832
Proceeds from new long-term borrowing	3,074	72,520	327,410
Repayment of long-term borrowing	-56,646	-67,223	-190,767
Cash flow from financing activities	**-52,195**	**14,184**	**148,926**
Effect of exchange rate differences	-4,139	-968	5,622
Net change in cash	**-12,048**	**-49,419**	**21,451**
Cash at bank start of period	136,635	115,185	115,185
Cash at bank end of period	124,587	65,766	136,635

Notes to the Financial Information

Note 1 - Basis of Preparation

The consolidated financial information for the period 1 January to 31 March 2012 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 2011 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 2011. With effect from 1 January 2012, 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 55% of the long-term interest bearing debt was subject to floating interest rates at the end of first quarter 2012. 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.

Note 4 - Segment Reporting by Business Area

(Amounts in USD 1,000)	2012 1Q	2011 1Q	2011 Jan-Dec
	Unaudited	*Unaudited*	*Audited*
Operating revenue by business area			
Platform Supply Vessels	24,223	23,442	96,668
Multirole Support Vessels	14,299	14,202	57,502
Anchor Handling Tug Supply Vessels	30,920	21,980	127,461
Brazilian Vessels	7,656	6,396	25,291
Combat Management Systems	1,435	2,551	10,060
Cable Installation	1,727	-	4,780
Scientific Core Drilling	10,059	-	16,892
Other	574	373	1,974
Total operating revenue	**90,894**	**68,944**	**340,628**
Depreciation and amortisation by business area			
Platform Supply Vessels	5,486	6,186	23,009
Multirole Support Vessels	2,211	2,341	9,069
Anchor Handling Tug Supply Vessels	10,669	9,414	41,026
Brazilian Vessels	714	395	1,796
Cable Installation	897	-	3,387
Scientific Core Drilling	714	-	1,237
Other	446	381	1,823
Total depreciation and amortisation	**21,137**	**18,717**	**81,348**
Operating profit by business area			
Platform Supply Vessels	5,572	5,492	27,500
Multirole Support Vessels	5,729	5,490	24,347
Anchor Handling Tug Supply Vessels	3,638	-2,228	21,531
Brazilian Vessels	1,606	1,705	541
Combat Management Systems	233	286	2,249
Cable Installation	-2,634	-	-6,963
Scientific Core Drilling	4,250	-	7,463
Other	9,235	-6,116	-33,172
Total operating profit	**27,631**	**4,629**	**43,497**

Note 5 - Vessels Under Construction and Vessels and Equipment

(Amounts in USD 1,000)	Land and buildings	Vessels and equipment	Vessels under construction	Capitalised project costs	Total
Balance on 1 January 2012	4,508	1,620,610	105,199	21,504	1,751,821
Investments	-	5,740	6,978	356	13,073
Move between goups	45	-110	-	-	-65
Delivery of vessels	-	31,864	-31,864	-	-
The year's disposal at cost	-	-23,583	-	-370	-23,953
Effect of exchange rate differences	238	11,585	3,006	-	14,829
Purchase cost on 31 March 2012	**4,791**	**1,646,106**	**83,319**	**21,490**	**1,755,706**
Accumulated depreciation on 1 January 2012	-177	-210,392	-	-7,934	-218,503
Move between goups	-13	59	-	-	46
The year's ordinary depreciation	-30	-19,813	-	-1,143	-20,986
The year's disposal of accumulated depreciation	-	4,910	-	370	5,280
Effect of exchange rate differences	-9	-1,880	-	-	-1,889
Accumulated depreciation on 31 March 2012	**-229**	**-227,116**	**-**	**-8,707**	**-236,052**
Net book value on 31 March 2012	**4,561**	**1,418,991**	**83,319**	**12,783**	**1,519,652**
		Economic life 2.5-30 years			

The balance of capitalised project costs relates to specific contracts. The costs are amortised over the term of the specific charter contracts.

Intangible assets

(Amounts in USD 1,000)	Goodwill	Resarch and develeopment	Trademarks and licences	Total
Balance on 1 January 2012	18,433	2,363	9,728	30,524
Move between goups	-	12	53	65
Investments	-	441	-	441
Effect of exchange rate differences	594	112	38	744
Purchase cost on 31 March 2012	**19,027**	**2,928**	**9,818**	**31,773**
Accumulated depreciation on 1 January 2012	-	-137	-946	-1,081
Move between goups	-	-11	-35	-46
The year's ordinary depreciation	-	-132	-19	-151
Effect of exchange rate differences	-	-7	-9	-16
Accumulated depreciation on 31 March 2012	**-**	**-287**	**-1,009**	**-1,294**
Net book value on 31 March 2012	**19,027**	**2,641**	**8,810**	**30,477**

Goodwill was recorded following Siem Offshore's purchase of Five Ocean Services, subsequently renamed Siem Offshore Contractors. Trademarks and licences refer to Siem WIS AS patented technology for the drilling industry. The figures include assets under development and developed assets, and the depreciation refers to developed assets that are not yet commercialized.

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 on 1 January 2012	**395,951,640**	**3,960**	**533,704**	**-11,627**
Net profit to shareholders				
Other comprehensive income				978
Total comprehensive income / (expense)		**-**	**-**	**978**
Share issues in partially owned subsidiaries				
Equity on 31 March 2012	**395,951,640**	**3,960**	**533,704**	**-10,649**
Equity on 1 January 2011	**395,751,640**	**3,958**	**533,254**	**-7,859**
Net profit to shareholders				
Other comprehensive income				-3,768
Total comprehensive income / (expense)		**-**	**-**	**-3,768**
Share issues in partially owned subsidiaries				
Shares issues in Siem Offshore Inc	200,000	2	450	
Equity on 31 December 2011	**395,951,640**	**3,960**	**533,704**	**-11,627**

(Amounts in USD 1,000)	**Retained earnings**	**Shareholders' equity**	**Non-controlling interest**	**Total equity**
Equity on 1 January 2012	**208,676**	**734,714**	**35,038**	**769,751**
Net profit to shareholders	25,228	25,228	-1,120	24,108
Other comprehensive income		978	445	1,424
Total comprehensive income / (expense)	**25,228**	**26,207**	**-675**	**25,532**
Share issues in partially owned subsidiaries			1,377	1,377
Equity on 31 March 2012	**233,905**	**760,919**	**35,740**	**796,659**
Equity on 1 January 2011	**215,967**	**745,320**	**23,750**	**769,070**
Net profit to shareholders	-7,291	-7,290	811	-6,480
Other comprehensive income		-3,768	-1,354	-5,122
Total comprehensive income / (expense)	**-7,291**	**-11,058**	**-543**	**-11,602**
Share issues in partially owned subsidiaries			11,832	11,832
Shares issues in Siem Offshore Inc		452		452
Equity on 31 December 2011	**208,676**	**734,714**	**35,038**	**769,751**

Note 7 - Long-term Debt

Currency	Total Facility	Committed total facility	Drawn amount currency	Balance 31.03.2012 USD	Interest rate	Maturity
USD	223,000	223,000	223,000	197,441	Floating	2017
USD	112,000	112,000	112,000	88,478	Fixed/Floating	2021
USD	28,000	28,000	28,000	26,600	Floating	2019
USD	25,000	25,000	25,000	-	Floating	2013
USD	23,212	23,212	22,448	22,448	Fixed	2027
USD	58,879	58,879	40,459	40,459	Fixed	2031
NOK	2,520,000	2,160,000		320,330	Floating	2015
NOK	427,000	427,000		58,465	Floating	2022
NOK	7,500	7,500	7,500	1,317	Fixed	2017
NOK	871,500	871,500	871,500	129,348	Fixed/Floating	2023
GBP	12,250	12,250	12,250	10,459	Floating	2013
Total Borrowings				**895,344**		
NOK		338,400	338,400	59,438		

Total borrowings include USD 6,1 million in capitalised bank charges to be amortised during the term of the respective loan facilities.
The Company has entered into fixed interest swap agreements for part of its long term borrowings.

Note 8 - Net Interest-Bearing Debt

(Amounts in USD 1,000)	**31.03.2012**	**31.12.2011**
	Unaudited	*Audited*
Bank deposit	124,587	136,635
Total receivable / cash	**124,587**	**136,635**
Short-term interest bearing debt	-82,141	-95,472
Long-term interest bearing debt	-807,050	-839,031
Total debt	-889,191	-934,503
Net interest bearing debt	**-764,604**	**-797,868**

Note 9 - Commitments

Committed capital expenses to be paid in future periods:

(Amounts in USD 1,000)	**31.03.2012**	**31.12.2011**
Combined contract value end of period for the vessels	237,494	265,681
Instalments paid	83,319	105,199
Unpaid instalments	**154,175**	**160,482**

Instalments falling due over the next years	
(Amounts in USD 1,000)	USD
2012	86,801
2013	67,374
Total	**154,175**

The Company had a remaining newbuilding program for two OSRVs and two large-size PSV's at the end of first quarter 2012.

Note 10 - Taxes

(Amounts in USD 1,000)	**Liability tonnage tax regime**
Tax liability 1 January 2012	1,760
Tax expense	-
Paid	-463
Effect of exchange rate differences	83
Tax liability, new tonnage tax legislation on 31 March 2012	**1,380**

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	926	12,262	13,188
Payable taxes falling due within 1 year	454	5,574	6,027
Tax liabilities on 31 March 2012	**1,380**	**17,836**	**19,216**

Tax expense

(Amounts in USD 1,000)	**Tonnage tax regime**	**Other tax regime**	**Total tax expense**
Taxes	-	-1,273	-1,273
Change in deferred tax/deferred tax asset	-	-	-
Over/under provisions in previous year	-	81	81
Total tax expense on 31 March 2012	**-**	**-1,192**	**-1,192**

The tax cost for the period relates to corporate tax, witholding tax for operating both in Norway and other jurisdictions.

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Financial Calendar

Q2 2012	Thursday 23 August 2012
Q3 2012	Thursday 25 October 2012

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