



Siem Offshore Inc.

Earnings Presentation
Quarter Ended

31 December 2009

Highlights

- Additional long-term charter contracts concluded
- Two large-size PSVs ordered at STX Europe Brazil
- Successful operational start-up of the first two AHTS vessels in the series of eight newbuildings
- The charterer of the MRSV “Siem Swordfish” declared its option to purchase the vessel and a 70-ton crane
- The tax residency of the Company relocated from the Cayman Islands to Norway with effect from 1st January 2010
- Siem WIS AS successfully completed a test and qualification of Siem WIS’ pressure Control Device technology

Income Statement

Figures in USD millions	Three Months Ended 31 December		Twelve Months Ended 31 December	
	2009 Unaudited	2008 Unaudited	2009 Unaudited	2008 Audited
Operating Revenue	49.2	47.6	183.6	192.8
Operating expenses	32.6	20.2	106.0	89.5
Administration	6.2	3.5	19.6	15.6
Operating margin[1]	10.4	24.0	57.9	87.7
Depreciation and amortisation	10.3	8.1	37.2	32.1
Gain/(Loss) on sale of assets	2.9	(8.0)	1.0	(8.0)
Gain/(Loss) FX forward contracts[2]	(0.5)	41.4	(52.8)	47.3
Net financial items[3]	(8.3)	16.3	(27.4)	24.2
Profit before tax	11.7	(49.9)	102.0	(23.8)
Income Tax Provision	3.0	1.3	1.8	(2.0)
Net Profit	14.7	(48.7)	103.8	(25.8)
Attributable to minorities	0.0	0.3	1.4	1.8
Attributable to equity holders	14.7	(49.0)	102.4	(27.6)
Net Profit	14.7	(48.7)	103.8	(25.8)
Earnings per share[4]	0.04	0.19	0.35	(0.11)
Average number of shares outstanding[5]	359,774	253,892	292,474	253,892

[1] Operating revenue less operating expenses

[2] Revaluation of off-balance sheet currency exchange contracts entered into in order to hedge future yard installments

[3] Including revaluation of non-USD currency balance sheet items

[4] Net profit / Average number of shares outstanding (diluted)

[5] Weighted average number of shares outstanding (diluted) ('000)

Operating Margin

Figures in USD millions	Three Months Ended 31 December		Twelve Months Ended 31 December	
	2009 Unaudited	2008 Unaudited	2009 Unaudited	2008 Audited
Revenue by business area				
PSVs	21.9	30.1	91.8	123.1
Brazilian Fleet	6.1	4.8	21.6	20.8
MRSVs	18.0	11.6	62.9	38.5
AHTS vessels	0.3	0.0	0.2	0.0
Other (non vessel revenue)	2.8	1.2	7.0	10.4
Total Operating revenue	49.2	47.6	183.6	192.8
Operating expenses by business area				
PSVs	11.1	10.2	42.0	41.2
Brazilian Fleet	5.7	4.3	16.3	15.8
MRSVs	10.2	4.7	36.5	22.6
AHTS vessels	3.1	0.0	4.8	0.0
Other (non vessel expenses)	2.5	0.9	6.4	9.8
	32.6	20.2	106.0	89.5
Administration	6.2	3.5	19.6	15.6
Total Operating expenses	38.8	23.7	125.6	105.0
Total Operating Margin	10.4	24.0	57.9	87.7

Balance Sheet

Figures in USD millions	31/12 2009 Unaudited	31/12 2008 Audited
Intangible assets	14.1	12.7
Vessels under construction	208.5	161.6
Vessels, equipment and other	762.5	453.6
CIRR loan deposits	73.2	66.5
Investment in associates and other long-term receivables	33.4	18.7
Debtors, prepayments and other current assets	101.2	77.4
Cash and cash equivalents	91.1	73.4
Total Assets	1,284.0	863.9
Shareholders' equity	679.9	407.8
Minorities	22.9	18.1
Borrowings falling due after 1 year	403.1	250.4
CIRR loan	73.2	66.5
Other non-currant liabilities	8.2	27.1
Borrowings falling due within 1 year	43.0	28.3
Trade creditors and other current liabilities	53.6	65.7
Total Liabilities	581.3	438.0
Total Equity and Liabilities	1,284.0	863.9

Global focus and presence

Regions:

- North Sea
- Mediterranean
- Black Sea
- Middle East
- India
- Brazil
- Gulf of Mexico
- North America
- West Africa
- Far East

Clients:

StatoilHydro **Petrobras**

ConocoPhillips

VEOLIA
ENVIRONNEMENT


Canadian Natural
Delivering the Future

Chevron
Human Energy™

Schlumberger

Petrofac 

 


VENTURE
PRODUCTION plc

nexen

 **exans**

PERENCO 

Acergy

Technip

... and others

subsea 7

REPSOL


ONGC


eni saipem

centrica


SIEM
OFFSHORE

Technology development

Siem WIS: Solutions for managed pressure drilling

- Successfully complete a test and qualification of Siem WIS' Pressure Control Device (PCD) technology together with Statoil's control system for managed pressure drilling (MPD). The test included realistic drilling operations.
- Siem WIS' PCD and Statoil's MPD control system enable closed loop drilling operations, which represent a method to increase oil recovery, improve drilling efficiency and an improved risk mitigation of the drilling processes.
- The PCD and the control system are qualified for operation.

Market Outlook

- The near-term uncertainty in the sector of the offshore service industry is exacerbated by the high number of new vessels anticipated for delivery over the next two years
- Market condition in the North Sea expected to remain challenging through 2010 as more new vessels enter the market
- The tender activity for large AHTS vessels is increasing
- Several large and medium-size AHTS vessels are likely to leave the North Sea for term contracts in other regions
- Subsequently we expect the North Sea spot market for large AHTS vessels to improve in 2010
- The long term outlook for activity within the offshore service industry is considered to be good and the question is whether the activity level will be high enough to employ the present surplus of vessels