



**Siem Offshore Inc.
Presentation Fourth Quarter 2019**

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Highlights Fourth Quarter 2019

Market Highlights

- Challenging OSV market globally, but positive signs of recovery
- Fairly good charter rates and utilization for large AHTS vessels in the North Sea

Operational Highlights

- Average utilization of 91% of the fleet in Q4
- Safe and efficient operations in all regions
- Improved earnings and utilization for the AHTS fleet
- Contract Backlog at end of Q4 of MUSD 652

Financial Highlights

- Revenue of MUSD 71.2
- EBITDA of MUSD 29.4
- Recorded aggregated impairments of MUSD 59

Highlights Fourth Quarter 2019

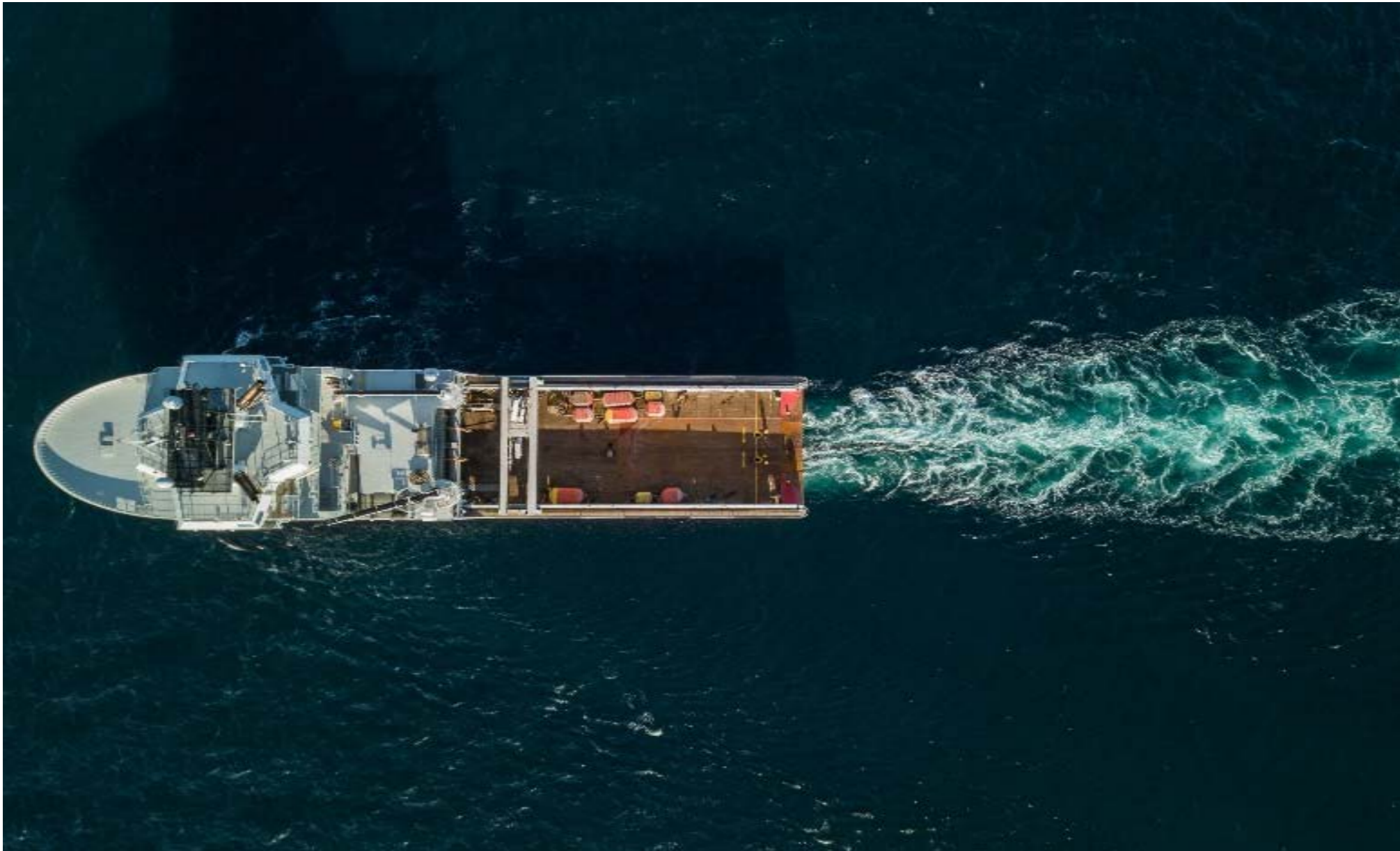
Contracts Awards

- Agreed a 365-day contract with options for 3 x AHTS
- The first of 2 x 6 month options exercised for two PSVs operating in Brazil
- Agreed a contract for a two-wells drilling campaign for the dual-fuel PSV “Siem Symphony”

Subsequent Events

- Issuance of payment-in-kind interest for the SIOFF01 Bond

Financial Review Fourth Quarter 2019



Financial Review Fourth Quarter 2019

- High utilization and good operational performance within all main segments (PSV, AHTS, OCSV and WIV):

- At 31 December 2019, the fleet consists of 35 offshore vessels (2018: 40)
- Q4 2019: Revenue MUSD 71.2 (Q4 2018: 73.1)
- Q4 2019: EBITDA MUSD 29.4 (Q4 2018: 27.5)

- Five vessels in lay-up by year-end

- Aggregated impairments recorded in Q4 were MUSD 59 million
 - AHTS: MUSD 45
 - PSV: MUSD 11
 - Canadian (Vintage) vessel: MUSD 3

- Other year-end adjustments recorded in Q4 accounts
 - MUSD 6.6 in provisions for legal claims in Brazil
 - MUSD 3.9 in net positive effect from termination of an executive incentive share scheme

Income Statement 4Q and Jan-Dec 2019

	2019	2018	2019	2018
(Amounts in USD millions)	4Q	4Q	Jan-Dec	Jan-Dec
	Unaudited	Unaudited	Unaudited	Unaudited
Operating revenue	71,2	73,1	292,5	307,7
Operating expenses	(40,8)	(39,1)	(165,1)	(168,6)
Administrative expenses	(1,0)	(6,4)	(17,7)	(24,1)
Operating margin [1]	29,4	27,5	109,7	115,1
Operating margin %	41 %	38 %	38 %	37 %
Depreciation and amortisation	(24,8)	(26,6)	(104,7)	(108,9)
Impairment of vessels and receivables	(59,2)	(55,9)	(59,2)	(65,3)
Gain/(Loss) on sale of assets	(0,3)	(0,0)	(2,8)	0,2
Gain on sale of interest rate derivatives (CIRR)	0,0	0,1	0,3	0,4
Gain/(Loss) on FX forward contracts [2]	3,7	(7,7)	(0,9)	(8,3)
Operating profit (loss)	(51,2)	(62,6)	(57,5)	(66,9)
Financial Income	1,9	3,0	9,8	43,5
Financial Expenses	(13,4)	(16,6)	(65,1)	(63,1)
Net currency gain (loss) on revaluation	(5,1)	16,5	(0,8)	(7,5)
Net financial items	(16,6)	2,9	(56,2)	(27,2)
Result from associated companies	0,2	0,2	0,6	0,6
Profit before tax	(67,6)	(59,5)	(113,1)	(93,5)
Income tax provision	0,5	(1,0)	(1,4)	(0,6)
Net Profit from continuing operations	(67,1)	(60,5)	(114,5)	(94,1)
Net profit (loss) from discontinued operations	-	-	5,3	86,8
Net profit (loss)	(67,1)	(60,5)	(109,2)	(7,3)
Attributable to non-controlling interest	(11,5)	(11,6)	(21,0)	(23,2)
Attributable to shareholders	(55,6)	(48,9)	(88,2)	15,9
Earnings per share [3]	(0,06)	(0,05)	(0,09)	0,02
Average number of shares outstanding [4]	941 151	942 021	941 802	942 021

[1] Operating revenue less operating expenses

[2] Revaluation of off-balance sheet currency contracts entered into in order to hedge both operating expenditures and future yard instalments in foreign currencies.

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

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

Operating Margin

- 4Q 2019 and Jan-Dec 2019

(Amounts in USD million)	4Q-2019				4Q-2018			
	Operating revenue	Operating expenses	Operating margin	Operating margin %	Operating revenue	Operating expenses	Operating margin	Operating margin %
PSVs	11,3	(7,1)	4,2	37 %	16,0	(9,0)	7,0	44 %
OSCVs and WIVs	24,0	(8,2)	15,8	66 %	30,3	(12,5)	17,8	59 %
AHTS vessels	17,6	(10,1)	7,4	42 %	9,6	(9,2)	0,5	5 %
Brazilian fleet	5,2	(9,2)	(4,0)	-78 %	5,2	(3,4)	1,8	35 %
Canadian fleet	5,6	(3,2)	2,3	42 %	6,9	(3,8)	3,1	44 %
Scientific Core drilling	7,2	(3,4)	3,8	52 %	4,7	(1,0)	3,7	80 %
Other, I/C eliminations	0,4	0,5	0,9		0,3	(0,4)	(0,1)	
Total OSV Segment	71,2	(40,8)	30,4	43 %	73,1	(39,3)	33,8	46 %
G&A		(1,0)	(1,0)	-		(6,4)	(6,4)	
Total	71,2	(41,8)	29,4	41 %	73,1	(45,7)	27,5	38 %

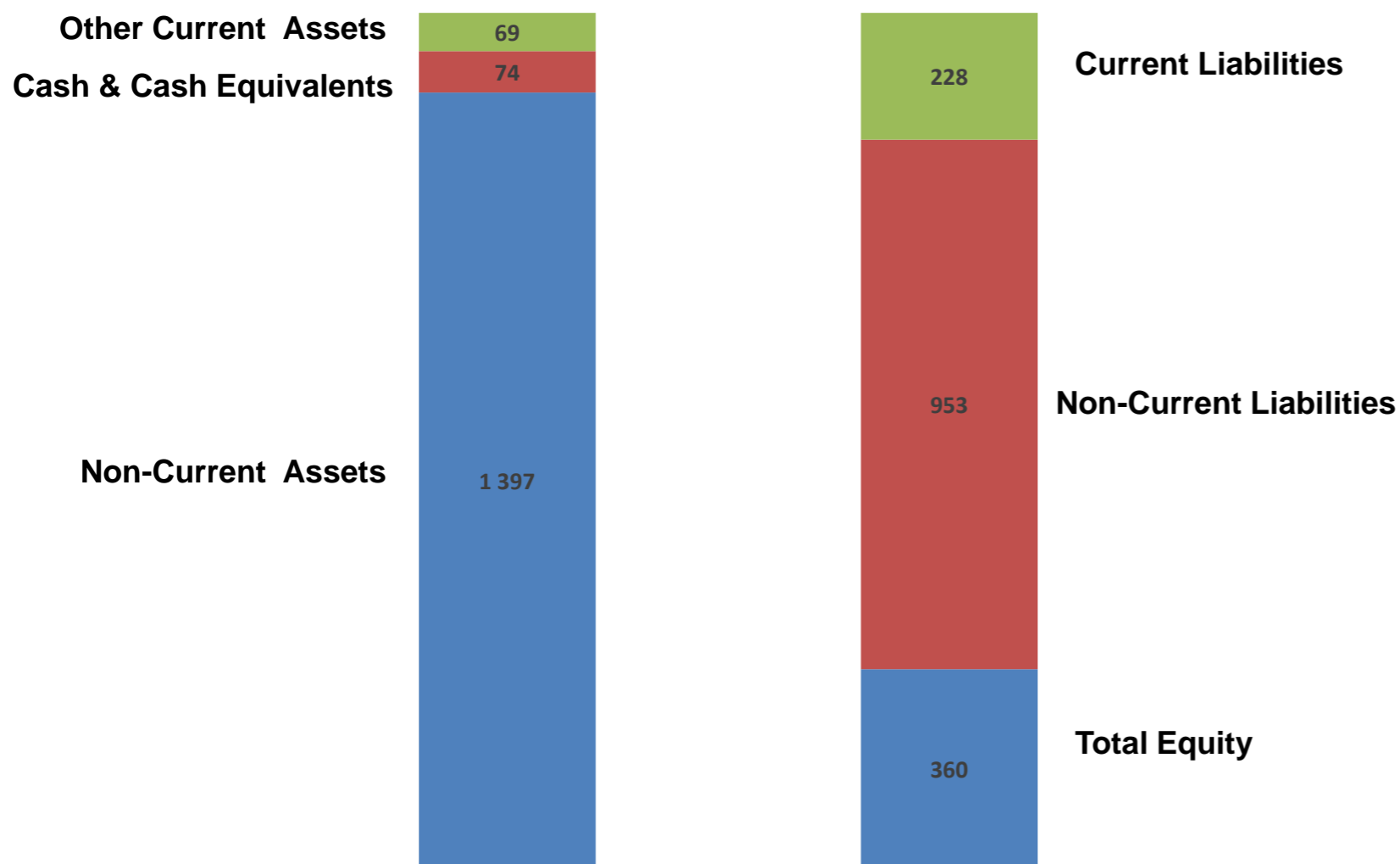
	Jan-Dec 2019				Jan-Dec 2018			
	Operating revenue	Operating expenses	Operating margin	Operating margin %	Operating revenue	Operating expenses	Operating margin	Operating margin %
PSVs	52,7	(30,3)	22,4	42 %	62,2	(34,8)	27,3	44 %
OSCVs and WIVs	105,4	(40,3)	65,0	62 %	120,0	(50,6)	69,5	58 %
AHTS vessels	58,0	(47,0)	11,0	19 %	43,9	(46,9)	(3,0)	-7 %
Brazilian built vessels	20,3	(21,9)	(1,6)	-8 %	22,3	(11,8)	10,5	47 %
Canadian fleet	26,9	(14,9)	11,9	44 %	28,9	(15,3)	13,6	47 %
Scientific core drilling	28,3	(11,9)	16,4	58 %	28,4	(9,2)	19,1	67 %
Other, I/C eliminations	1,0	1,3	2,3		2,1	0,0	2,1	
Total OSV Segment	292,5	(165,1)	127,4	44 %	307,7	(168,6)	139,2	45 %
G&A		(17,7)	(17,7)	-		(24,1)	(24,1)	
Total	292,5	(182,9)	109,7	37 %	307,7	(192,7)	115,1	37 %

[1] Brazilian fleet include Oil Spill Recovery Vessels and Fast Supply and Crew Vessels

[2] Canadian fleet include four Canadian owned vessels and one vessel on Bareboat

Financial Position as of 31 December 2019

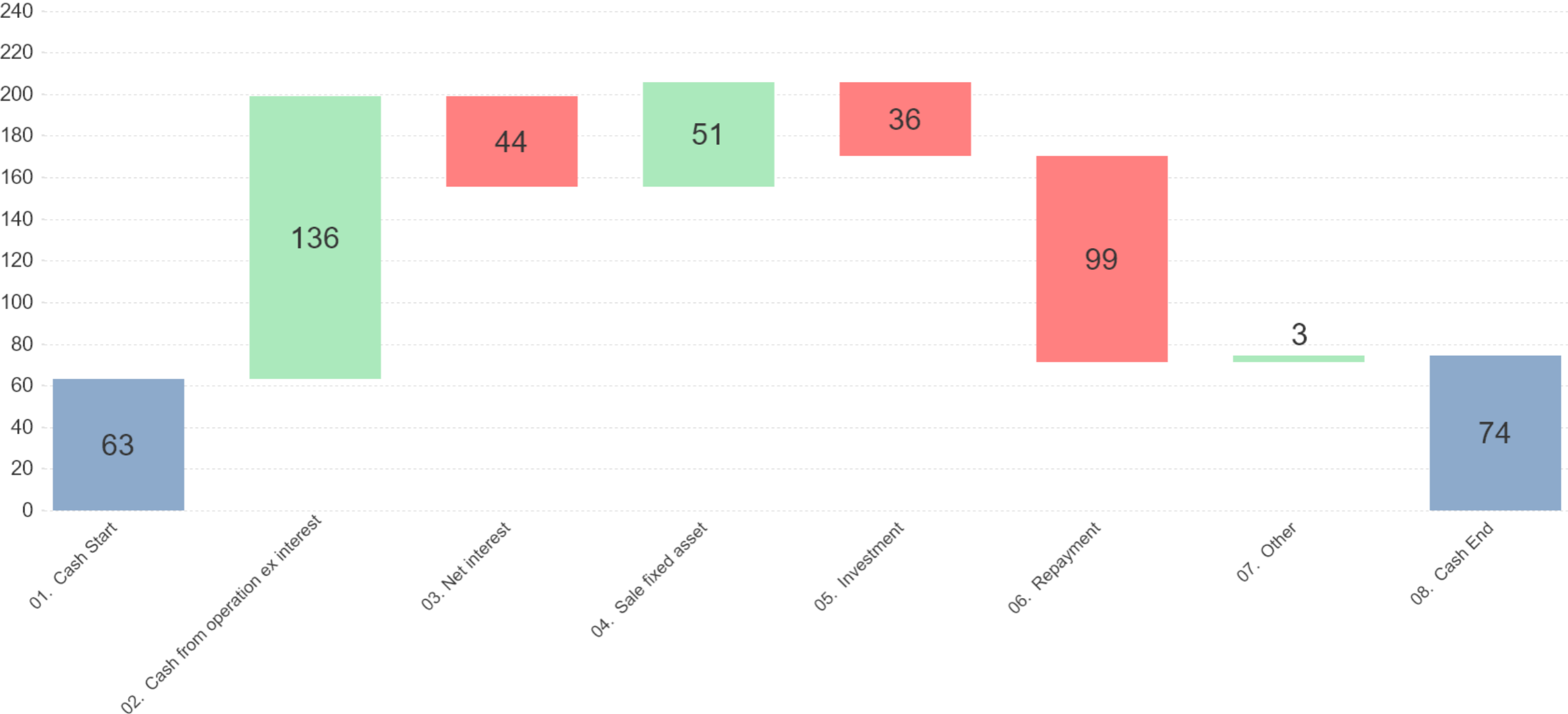
(Amounts in USDm)



- Book equity ratio of ~ 23% after adjusting for offsetting CIRR as asset and liability.
- Cash and cash equivalents of approx. USD 74 million as of 31 December 2019.
- Net interest bearing debt as of 31 December 2019 of USD 939 million.
- The Company has made principal repayments of USD 99 million in 2019

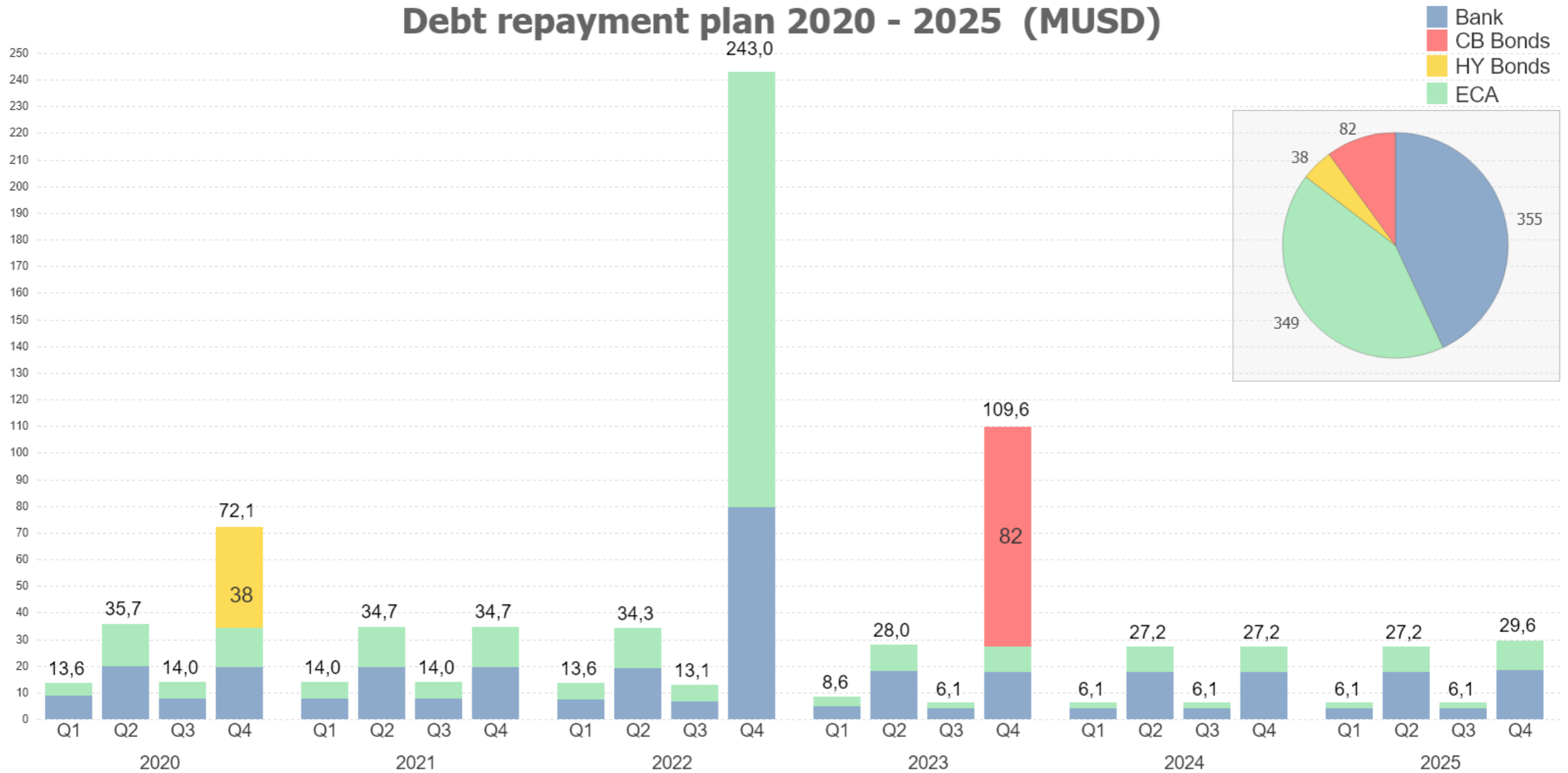
Cash Flow as of 2019

Changes in Cash



Debt maturity profile 2020 to 2025

Debt repayment plan 2020 - 2025 (MUSD)



Balloons falling due in Q4 2022: 237 MUSD

Employment and Contract Backlog



The Fleet – Modern and High-End

The Siem Offshore Group – 35 vessels in operation

OSV Segment

AHTS¹⁾ 10



- 28 000 BHP, bollard pull ~300te.
- Average age of 10 years.

OSCV 4



- ROV & crane, moonpool.
- Average age of 6 years.

PSV 7



- PSVs from ~ 3,500 – 5,500 dwt.
- Average age of 7 years.

Smaller Brazilian 5



- OSRV, FSV, FCV.

Canadian flagged 5



- Canadian flagged vessels.
- Harsh-weather fleet.

WIV 2



- Well Intervention Vessels
- Average age of 3 years.

Other Segment

JOIDES Resolution



- A scientific core sampling research vessel with a mission to explore the Earth below the oceans of the world in order to investigate the origin and the evolution of the Earth.
- DP, non-riser drilling/core vessel.

Big Orange²⁾



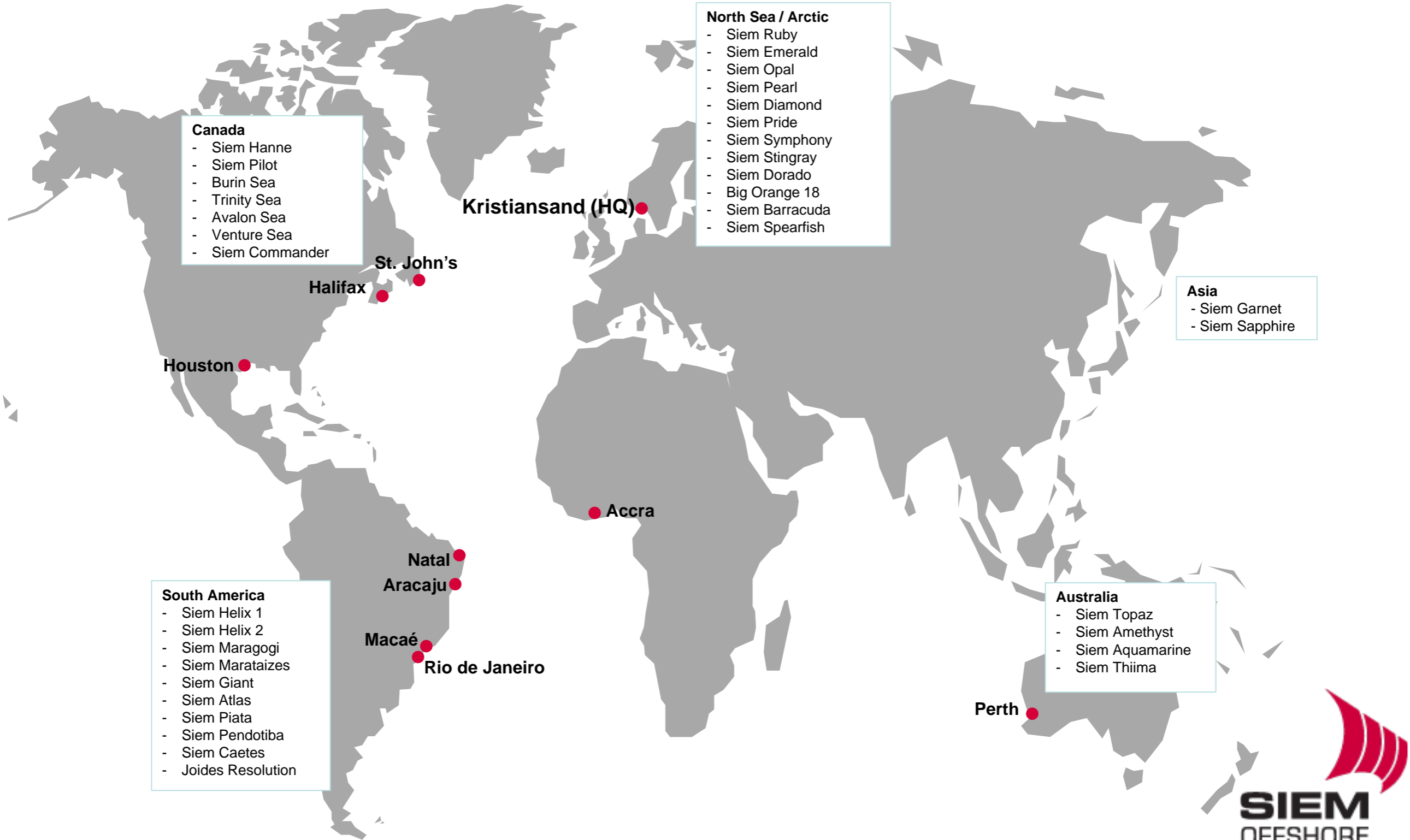
- 1 x Well-stimulation vessel.

- Vessel Management for three offshore vessels owned by Siem Industries related companies.



Geographical Footprint

- Siem Offshore has Local Presence in Key Markets



OSV Segments

- Employment for vessels in operation as of 31 December 2019

Vessel	Type	Ownership	2020				2021				2022					
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q		
Siem Hanne	PSV	100 %														
Siem Atlas	PSV	100%	Contract	Contract	Contract option	Contract option										
Siem Giant	PSV	100%	Contract	Contract	Contract option	Contract option										
Siem Symphony	PSV	100%	Contract	Contract												
Siem Pride	PSV	100%	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract
Siem Thiima	PSV	100%	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract
Siem Pilot	PSV	100%	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract
Siem Helix 1	WIV	100%	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract
Siem Helix 2	WIV	100%	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract
Siem Dorado 1)	OSCV	100%														
Siem Barracuda	OSCV	100%	Contract	Contract												
Siem Spearfish 1)	OSCV	100%		Contract	Contract	Contract										
Siem Stingray	OSCV	100%	Contract													
Siem Pearl 1)	AHTS	78%														
Siem Emerald 1)	AHTS	78%														
Siem Sapphire	AHTS	78%		Contract	Contract	Contract	Contract	Contract	Contract	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option
Siem Aquamarine	AHTS	78%		Contract	Contract	Contract	Contract	Contract	Contract	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option
Siem Ruby	AHTS	78%														
Siem Topaz	AHTS	78%	Contract													
Siem Diamond	AHTS	78%														
Siem Amethyst	AHTS	78%		Contract	Contract	Contract	Contract	Contract	Contract	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option	Contract option
Siem Garnet	AHTS	78%														
Siem Opal	AHTS	78%														

1) Siem Dorado, Siem Pearl, Siem Emerald and Siem Spearfish are currently placed into lay-up

Contract
 Contract option
 Spot work

OSV Segment

- Employment for vessels in operation (con't)

Vessel	Type	Ownership	2020				2021				2022			
			1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Burin Sea 3)	AHTS	100%												
Trinity Sea 3)	AHTS	100%												
Siem Commander 2)	AHTS	0%												
Avalon Sea	AHTS	100%												
Venture Sea	AHTS	100%												
Siem Caetes 1)	FSV	100%												
Siem Maragogi	OSRV	100%												
Siem Marataizes	OSRV	100%												
Siem Piatã	FCV	100 %												
Siem Pendotiba	FCV	100%												
Big Orange XVIII	WSV	41 %												
Joides Resolution		100%												

- 1) Siem Caetes is currently placed into lay-up
- 2) Siem Commander is on a bareboat from Siem Oil Service Invest AS
- 3) Burin Sea and Trinity Sea were sold for recycling in December 2019 with delivery in January 2020.

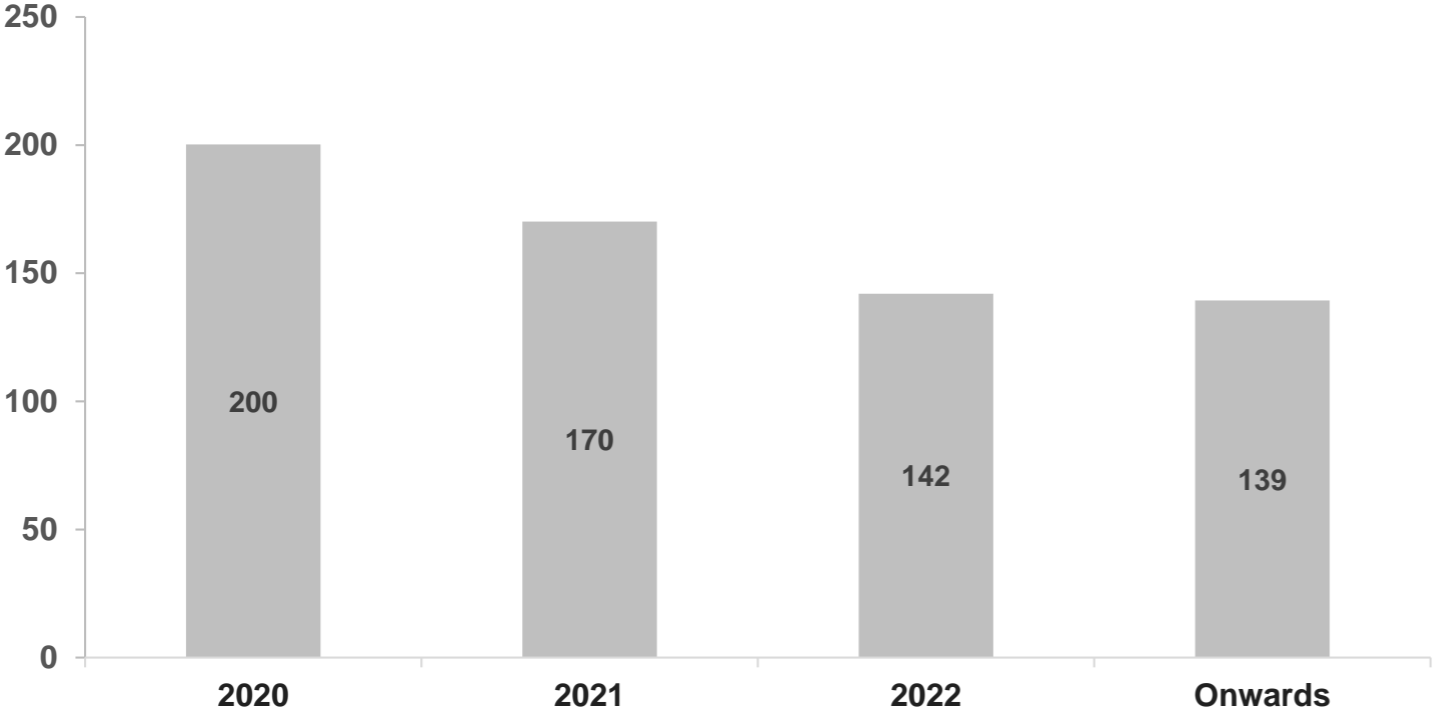
Contract
 Contract option
 Spot work



Contract Backlog

- Approximately USD 652 million of Firm Contract Backlog as of 31 December 2019

Firm contract backlog for OSV and Joides Resolution



- Firm contract backlog for the OSV segment and Joides Resolution of USD 652 million.
 - 2020 - USD 200 million
 - 2021 - USD 170 million
 - 2022 - USD 142 million
 - 2023 and onwards - USD 139 million



Market Fourth Quarter 2019

As expected, the OSV market was relatively quiet in Q4, except for some highlight for AHTS operating in the North Sea spot market.

PSV (+900m2)

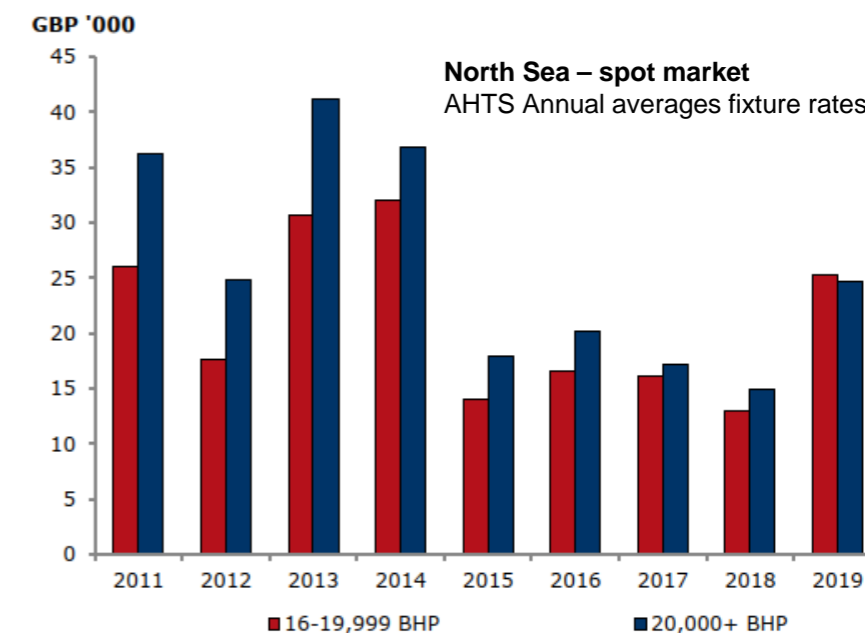
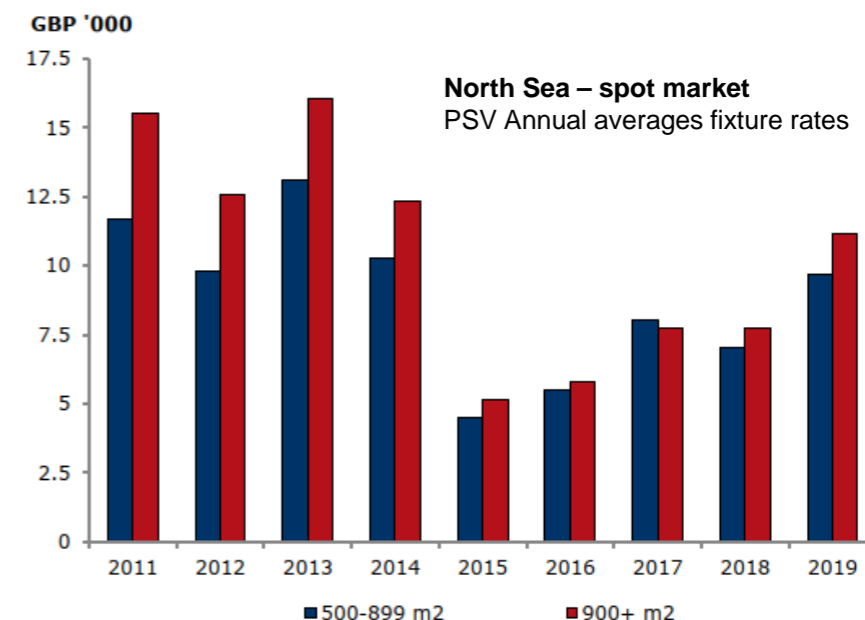
As expected we experienced a slight dip in activity resulting in reduced rates towards the end of the year. Regardless, the utilization for high-end PSVs was better than we have seen in previous years.

AHTS (+20.000 BHP)

Still a volatile world-wide market and term contracts are still more or less non-existent. We experienced good utilization and higher rates than expected in the North Sea. This was driven primarily by high rig-move activity and, in combination with harsh weather conditions, prolonging the duration of work.

Offshore Construction (+250 mt crane)

Demand for offshore construction vessels within Oil & Gas and Offshore Windfarm segments experienced reduced demand throughout the quarter, resulting in increased availability of vessels.



Source : Clarksons Platou



Outlook

The rig market has continued to improve especially for the harsh environment units, which will contribute positively to the high-end OSV segment, however, the market need more seasonal campaigns along with higher activity in core areas as GoM, Brazil and West Africa to stabilize.

PSV (+900m2)

It is expected that the demand for high-end PSVs will increase going forward with more requirements in the market than we have seen in previous years.

AHTS (+20.000 BHP)

Increased global drilling activity provides higher utilization of the AHTS fleet and more projects around the world mean that there will be less AHTS available in the North Sea than we have seen for several years, which will be positive.

Offshore Construction (+250 mt crane)

We maintain our expectations for an improved market prospect for the subsea construction vessels in the years ahead, although we see the short-term market becoming more challenging than previously expected.

Our outlook for the 2020 remains cautious for the OSV market in general as current day rates do not provide sufficient margin to fully service the debt.

Q&A



Presented by
Bernt Omdal - CEO
Dagfinn B Lie - CFO