



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

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Highlights Third quarter 2019

- Received extension of the current contract for the scientific research vessel “JOIDES Resolution” until 30 September 2024.
- Completed the sale and delivery of the 2006 built PSV “Hugin Explorer”.
- Completed the sale and delivery of the 2009 built MRSV “Siem Marlin”.
- Received EUR27 million as final payment for the contingent consideration related to the 2018 sale of SOC and related vessels.

Income Statement 3Q and Jan-Sep 2019

	2019	2018	2019	2018	2018
(Amounts in USD millions)	3Q	3Q	Jan-Sep	Jan-Sep	Jan-Dec
	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Operating revenue	77.9	86.1	221.3	234.6	307.7
Operating expenses	(36.7)	(44.0)	(124.3)	(129.4)	(168.6)
Administrative expenses	(5.1)	(5.8)	(16.7)	(17.7)	(24.1)
Operating margin [1]	36.1	36.3	80.3	87.5	115.1
Operating margin %	46%	42%	36%	37%	37%
Depreciation and amortisation	(26.0)	(26.8)	(79.8)	(82.3)	(108.9)
Impairment of vessels and receivables	-	-	-	(9.4)	(65.3)
Gain/(Loss) on sale of assets	(2.5)	-	(2.5)	0.3	0.2
Gain on sale of interest rate derivatives (CIRR)	0.1	0.1	0.3	0.3	0.4
Gain/(Loss) on FX forward contracts [2]	(5.4)	(3.7)	(4.6)	(0.7)	(8.3)
Operating profit (loss)	2.2	5.9	(6.3)	(4.3)	(66.9)
Net financial items [3]	(2.9)	(10.4)	(39.6)	(30.1)	(27.2)
Result from associated companies	0.2	0.2	0.3	0.4	0.6
Profit before tax	(0.5)	(4.3)	(45.6)	(34.0)	(93.5)
Income tax provision	(1.7)	0.0	(1.9)	0.5	(0.6)
Net Profit from Continuing operations	(2.2)	(4.2)	(47.4)	(33.5)	(94.1)
Net profit (loss) from discontinued operations	0.0	(0.5)	5.3	86.8	86.8
Net profit (loss)	(2.2)	(4.7)	(42.2)	53.2	(7.3)
Attributable to non-controlling interest	(2.0)	(2.8)	(9.6)	(11.6)	(23.2)
Attributable to shareholders	(0.2)	(1.9)	(32.6)	64.9	15.9
Earnings per share [4]	(0.00)	(0.00)	(0.03)	0.07	0.02
Average number of shares outstanding [5]	942,021	942,021	942,021	942,021	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] Including revaluation of non-USD currency balance sheet items and mark-to-market effects on interest rate derivatives

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

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

Operating Margin

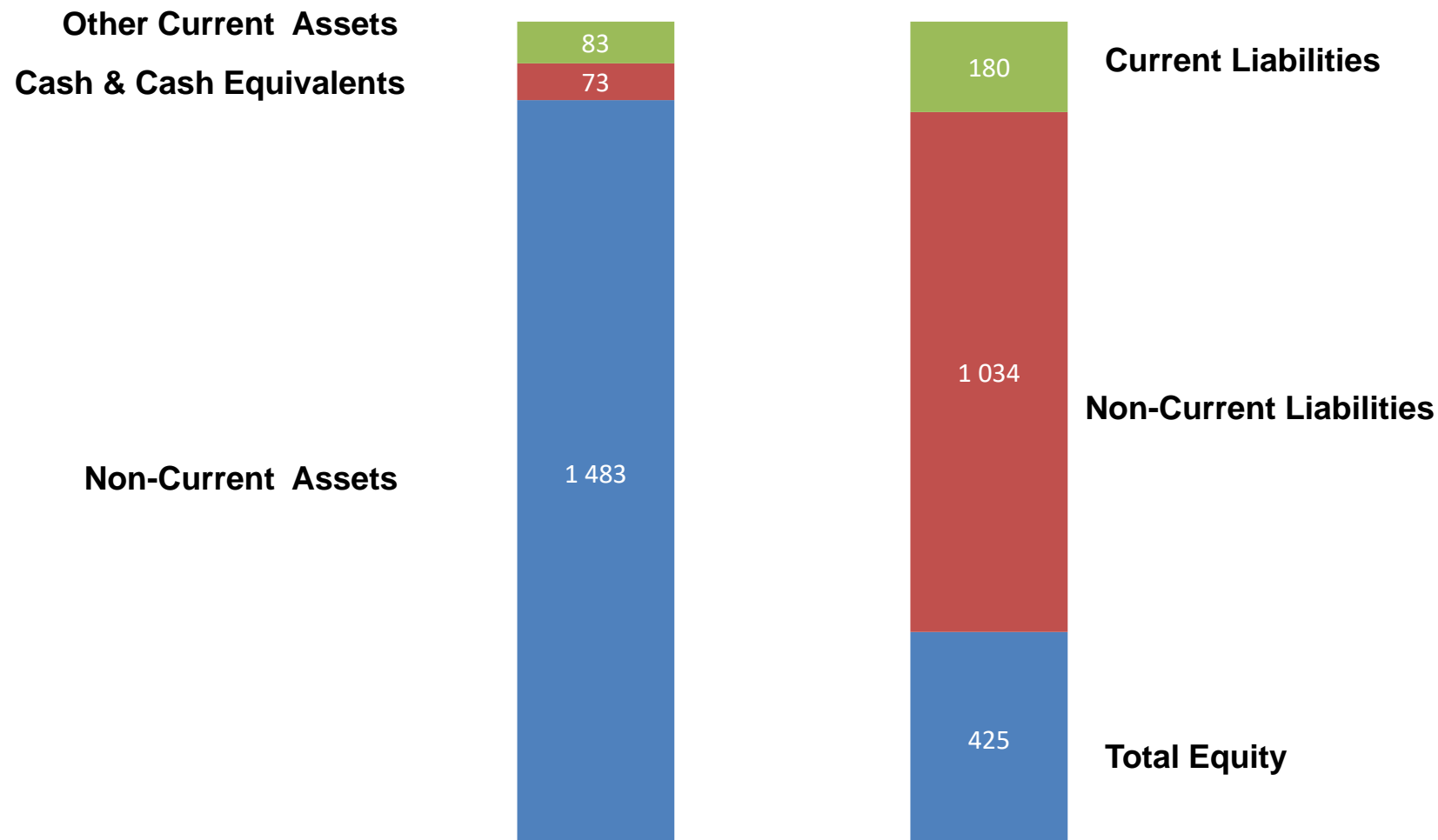
- 3Q 2019 and Jan-Sep 2019

(Amounts in USD million)	3Q-2019				Jan-Sep 2019			
	Operating revenue	Operating expenses	Operating margin	Operating margin %	Operating revenue	Operating expenses	Operating margin	Operating margin %
PSVs	11.7	(6.4)	5.3	45%	41.5	(23.2)	18.3	44%
OSCVs and WIVs	29.1	(9.5)	19.6	67%	81.4	(32.2)	49.2	60%
AHTS vessels	17.9	(11.6)	6.4	35%	40.4	(36.9)	3.5	9%
Brazilian fleet [1]	4.9	(3.1)	1.8	36%	15.1	(12.7)	2.4	16%
Canadian fleet	6.9	(3.7)	3.2	47%	21.3	(11.7)	9.6	45%
Scientific core drilling	7.2	(2.8)	4.4	61%	21.1	(8.5)	12.6	60%
Other, I/C eliminations	0.2	0.4	0.6	-	0.6	0.9	1.5	-
Total OSV Segment	77.9	(36.7)	41.2	53%	221.3	(124.2)	97.1	47%
G&A		(5.1)	(5.1)	-		(16.7)	(16.7)	-
Total	77.9	(41.8)	36.1	46%	221.3	(141.0)	80.3	47%

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

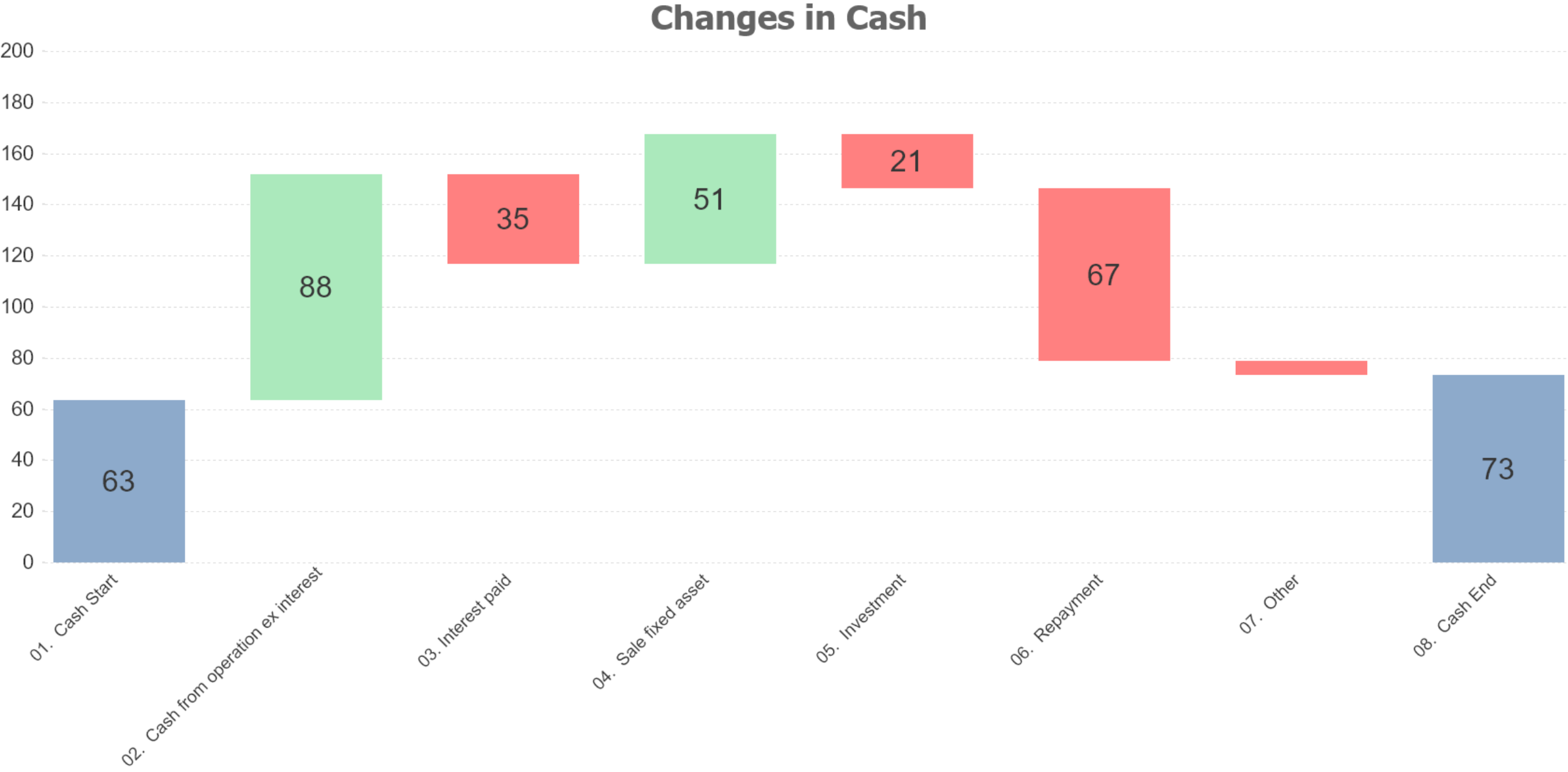
Financial Position as of 30 September 2019

(amounts in USDm)



- Book equity ratio of ~ 26% after adjusting for offsetting CIRR as asset and liability.
- Cash and cash equivalents of approx. USD 73 million as of 30 September 2019.
- Net interest bearing debt as of 30 September 2019 of USD 929 million.
- The Company has made principal repayments of USD 67.3 million in 2019

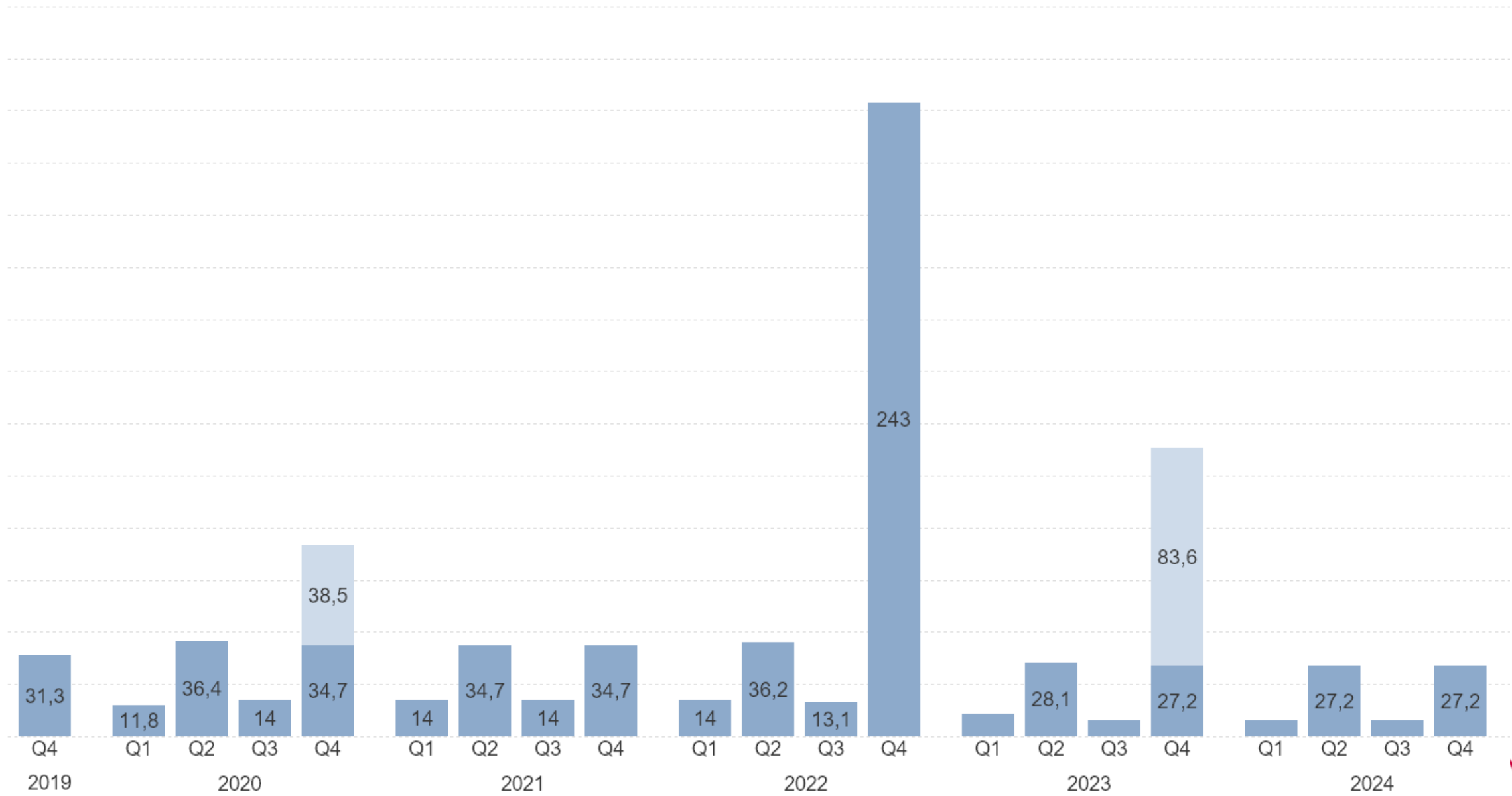
Cash Flow as of 3Q 2019



Debt maturity profile 2019 to 2024

Debt repayment plan 2019 - 2024

Bank debt
Bonds



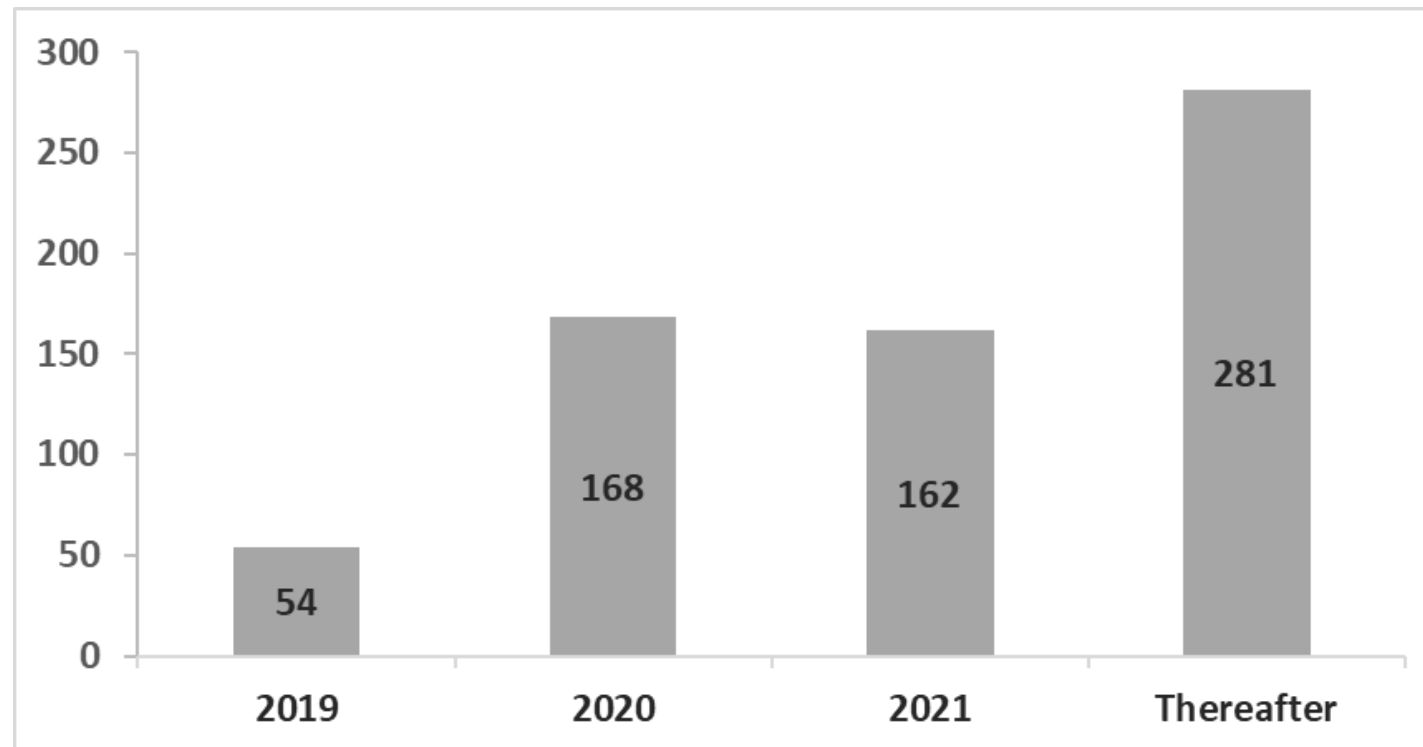


Employment and Contract Backlog

Contract Backlog

- Approximately USD 665 million of Firm Contract Backlog as of 30 September 2019.

Firm contract backlog for OSV and Joides Resolution



- Firm contract backlog for the OSV segment and Joides Resolution of USD 665 million.
 - 2019 - USD 54 million.
 - 2020 - USD 168 million
 - 2021 - USD 162 million
 - onwards - USD 281 million.

The Fleet – Modern and High-End

The Siem Offshore Group – currently 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 of 3.0 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.



1) 78% owned, 2) 41% owned

Geographical Footprint

- Siem Offshore has Local Presence in Key Markets



OSV Segment

- Employment for vessels in operation as of 30 September 2019

Vessel	Type	Ownership	2019	2020					2021			
			4Q	1Q	2Q	3Q	4Q		1Q	2Q	3Q	4Q
Siem Hanne	PSV	100 %										
Siem Atlas	PSV	100%										
Siem Giant	PSV	100%										
Siem Symphony	PSV	100%										
Siem Pride	PSV	100%										
Siem Thiima	PSV	100%										
Siem Pilot	PSV	100%										
Siem Dorado 1)	OSCV	100%										
Siem Barracuda	OSCV	100%										
Siem Spearfish	OSCV	100%										
Siem Stingray	OSCV	100%										
Siem Pearl 1)	AHTS	78%										
Siem Emerald	AHTS	78%										
Siem Sapphire	AHTS	78%										
Siem Aquamarine	AHTS	78%										
Siem Ruby	AHTS	78%										
Siem Topaz	AHTS	78%										
Siem Diamond	AHTS	78%										
Siem Amethyst	AHTS	78%										
Siem Garnet	AHTS	78%										
Siem Opal	AHTS	78%										
Siem Helix 1	WIV	100%										
Siem Helix 2	WIV	100%										
Total order backlog in % and USD mill.			36	63%	106				66%	107		

- 1) Siem Dorado, Siem Pearl, Trinity Sea and Siem Caetes are currently placed into lay-up
- 2) Siem Commander is on a bareboat from Siem Oil Service Invest AS

 Contract
  Contract option
  Spot work

OSV Segment

- Employment for vessels in operation (con't)

Vessel	Type	Ownership	2019	2020					2021			
			4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Burin Sea	AHTS	100%										
Trinity Sea 1)	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%										
Total order backlog in % and USD mill.			18		37%	62			34%	55		

- 1) Siem Dorado, Siem Pearl. Trinity Sea and Siem Caetes are currently placed into lay-up
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 Contract
  Contract option
  Spot work

MARKET AND OUTLOOK

The third quarter of 2019 continued to show signs of improvements, year over year, within several segments of the OSV market. In the North Sea, the large modern vessels in the PSV segment had a reduced demand in the spot market compared to the demand in the previous quarter which had surpassed expectations. Correspondingly, medium-term rates towards the end of the quarter weakened as expected in preparation for the winter season. It was positive to see several long-term awards for drilling support which have been rare in recent years.

For the AHTS segment, the third quarter continued in the same manner as the previous quarter, with challenging utilization and low average daily rates worldwide from a seasonal perspective. Term contracts for AHTS vessels are still more or less non-existent and the owners must rely on the spot market which is unbalanced. It should, however, be noted that the market strengthened towards the end of the quarter and into the fourth quarter with brief peaks which is a positive development from a year on year perspective. Increased rig activity ahead is positive for the segment's development as well as for PSV segment.

Demand for offshore construction vessels within oil and gas and offshore windfarm segments experienced a reduced demand throughout the quarter resulting in more availability of vessels than expected. We maintain our expectations for an improved market prospect for the subsea construction vessels in the years ahead; however, we note that the short-term market into 2020 will be more challenging than previously expected.

Our outlook for the winter season remains cautious for the OSV market in general as current day rates do not provide sufficient margin to serve the capital.



Thank You!