

## **SIEM OFFSHORE AGREES TO SELL SIEM OFFSHORE CONTRACTORS GMBH AND TWO VESSELS TO SUBSEA 7 S.A.**

Siem Offshore Inc. (the “Company”) has entered into an agreement with a subsidiary of Subsea 7 S.A to sell all its shares in Siem Offshore Contractors GmbH (“SOC”) subject to German competition clearance.

Simultaneously, the Company has agreed to sell the cable lay vessel Siem Aimery and the walk to work vessel Siem Moxie to a company in the Subsea 7 Group. The Company and Subsea 7 are related parties.

The initial consideration is agreed to be Euro 140 million, split between Euro 90 million for the vessels and Euro 50 million for the shares of SOC subject to usual adjustments for net cash and working capital.

In addition, the Company is entitled to contingent consideration based on the volume of work for SOC from the year 2019 to the end of 2024 which is more closely described in the note below. The Company estimates the contingent consideration to amount to between Euro 25-40 million over the period.

The transaction is expected to be concluded in the first half 2018.

The initial proceeds from the sale will be used to pay down the bank loan on Siem Aimery and Siem Moxie which amounts to around Euro 60 million. The excess cash generated by the transaction will be applied to increase amortization and pre-pay debt.

Siem Offshore Inc’s Chief Executive Officer Bernt Omdal comments: *“With this transaction the cable lay activities of SOC is combined with the renewables business of Subsea 7 where it strategically belongs and where it is likely to prosper and grow. The transaction will further strengthen the balance sheet of Siem Offshore and the Company will maintain a financial position stronger than most of its competitors. The Company will now focus fully on its vessel business.”*

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Note regarding the Contingent Consideration:

For 2019 the Company will receive a fixed consideration per cable laid by SOC in excess of 50 cables in that year. From 2020 to and including the year 2024 the company will receive additional payment when the amount of cables laid exceeds 80 cables per year.

The amount payable up to 100 cables is Euro 50,000 per cable. Between 100 and 120 cables the amount payable is Euro 100,000. Over 120 cables the amount payable is Euro 200,000 per cable. The higher amounts are only payable for those cables that exceed the threshold.

For non-cable related revenue generated by SOC in the same period, the Company is entitled to additional consideration equal to 8% of non-cable related revenue capped at Euro 30 million. The cable related additional consideration is uncapped.