

SIEM SHIPPING INC.

REGISTERED OFFICE ADDRESS: P.O. BOX 309, SOUTH CHURCH STREET
GEORGE TOWN, GRAND CAYMAN KY1-1104, CAYMAN ISLANDS

16 December 2014

Dear Shareholder,

Offer from Siem Shipping Inc. to purchase shares at NOK 60 per share free of transaction costs

I am writing to explain that you are being offered the opportunity to sell all of your Shares in Siem Shipping. The process of selling is straightforward despite my long letter. It is true that you will need to read through the paperwork, but to sell your Shares you simply need to sign the attached acceptance form and send back to DNB BANK ASA.

1. BACKGROUND

Reference is made to Notice to the Oslo Stock Exchange dated 9 December 2014, where the Board of Directors of Siem Shipping Inc. (the "**Company**") announced that it had resolved that the Company should launch an ad-hoc offer to buy-back shares in the Company ("**Shares**") at a maximum price of NOK 60 per share for a maximum aggregate amount of USD 5 million with acceptances of the offer to be in inverse order of size of shareholdings tendered in the offer.

The trading of shares in the Company on the Oslo Stock Exchange is limited and the offer is launched to provide the individual shareholder with the possibility to sell their shares in the Company. The Board of Directors is of the opinion that the repurchase of shares is in the best interest of the Company and its shareholders. The Offer is available to those Shareholders registered as owners of Shares in the Company as at 15 December 2014.

The price offered for each share is NOK 60 which is 13.3% higher than the average price of shares traded in the period from 1 November 2014 to and including 15 December 2014. The offer is open from 16 December 2014 to 9 January 2015 at 17:30 CET.

2. THE OFFER

The Company hereby offers to purchase Shares up to a maximum aggregate amount of USD 5 million (the "**Repurchase Limit**") at an offer price of NOK 60 per share free of transaction costs (the "**Offer**"). The Purchase Price (the "**Purchase Price**") is 13.3% higher than the average price of Shares traded in the period from 1 November 2014 to and including 15 December 2014 and about 18% above today's opening Share price. Note also that those accepting this offer will not incur any transaction costs.

The acceptance period runs from 16 December 2014 to 9 January 2015. To accept the Offer the enclosed acceptance form must be completed, signed and returned to DNB Bank ASA by

post or mail as set forth in the acceptance form. The acceptance form must be received by DNB Bank ASA before 9 January 2015 at 17:30 CET (the "**Offer Deadline**").

If the Company receives acceptances amounting to more than USD 5 million, the Company will purchase 100% of Shares tendered from Shareholders holding less than 20,000 Shares and purchase Shares pro-rata based on the shareholders' ownership percentage in the Company, from Shareholders holding more than 20,000 Shares, at 15 December 2014.

3. SETTLEMENT

If you accept the Offer, DNB Bank ASA will ensure that your shares are transferred to the Company and that the entire sales amount in NOK is transferred to the Norwegian bank account registered as your dividend account in VPS or to such other Norwegian bank account as you indicate on the acceptance form on or about 15 January 2015. If no dividend bank account is registered with VPS or no account is indicated on the acceptance form, settlement to Norwegian residents will be made by bank transfer service ("bankgiro") and by cheque to foreign residents.

Interest compensation will not be paid for the period from the date of acceptance until the settlement date.

4. OFFER AND DISTRIBUTION RESTRICTIONS:

United States: The Offer is not being made, and will not be made in the United States and may not be distributed in or to any person located in the United States. The term "**United States**" means the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia. Any offer to sell Shares resulting directly or indirectly from a violation of these restrictions will be invalid and any offer to sell Shares made by a person appearing to be in the United States or otherwise believed by the Company to be in the United States or to have received this Offer in the United States will not be accepted.

Canada: The Offer is not being made, and will not be made, directly or indirectly in or into Canada by any means. Any offer to sell Shares resulting directly or indirectly from a violation of these restrictions will be invalid and any purported offer to sell Shares made by a person located in Canada or any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within Canada will be invalid and will not be accepted. Each Shareholder accepting the Offer will be deemed to represent that he or she is not located in Canada and is not accepting the Offer from Canada or is acting on a non-discretionary basis for a principal located outside Canada that is not giving an order to accept the Offer from Canada. For the purposes of this paragraph, "**Canada**" means Canada, its provinces and territories.

General: The Offer is not intended for Shareholders located in any jurisdiction in circumstances which would require the Company to prepare or register any prospectus, offering document or circular relating to the Offer in such jurisdiction, and the Company may refuse to receive acceptances submitted from such jurisdictions. The distribution of this Offer in certain jurisdictions may be restricted by law. Any persons reading the Offer should inform

themselves of and observe any such restrictions.

Important Notice and disclaimers: The Manager is acting on behalf of the Company in connection with the Offer. The Manager will not be acting on behalf of any other party in connection therewith and will not be responsible to any party other than the Company for providing the protections normally granted to their customers, or advice in relation to the Offer.

Any decision to accept the Offer should only be made on the basis of an independent review by you of publicly available information.

By accepting the Offer and signing the Acceptance Form you will be deemed to have acknowledged, represented to and agreed with the Managers that: (a) you have such business and financial experience as is required to give you the capacity to protect your own interests in connection with the sale of Shares under the Offer; (b) you may not rely, and have not relied, on any investigation that the Manager or any of its respective affiliates, or any person acting on behalf of the Manager or any of its respective affiliates, may have conducted with respect to the Company, the Shares, and neither the Manager nor any of its respective affiliates have made any representation to you, express or implied, with respect to the Company, the Shares or the accuracy, completeness or adequacy of any publicly available information; (c) you understand that no disclosure or offering document has been prepared in connection with the Offer; (d) you have made your own assessment of the Offer based on such information as is publicly available (which you acknowledge you have been able to access, read and understand); (e) you have made your own investment decision regarding the Offer based on your own knowledge and investigation of the Company and the Shares; (f) the Manager does not have any liability for any other representations (express or implied) contained in, or for any omissions from, such information or any other written or oral communication transmitted to you in the course of your evaluation of the Offer; (g) the Manager does not have any obligation to update any such information or to correct any inaccuracies therein or omissions therefrom which may become apparent, even where the Manager is aware of such inaccuracies or omissions; (h) you have consulted your own independent advisers or otherwise have satisfied yourself concerning, without limitation, any accounting, regulatory, tax or other consequences of selling the Shares in the light of your own particular situation under the laws of all relevant jurisdictions.

Governing law and jurisdiction: The Offer and all acceptances submitted in response thereto are governed by Norwegian law with the Oslo city court as legal venue. Any disputes arising out of, or in connection with, the Offer, are subject to Norwegian law and the exclusive jurisdiction of the Norwegian courts and with Oslo city court as legal venue.

5. ADDITIONAL INFORMATION

The Offer is not a voluntary offer according to chapter 6 of the Norwegian Securities Trading Act.

The distribution of this document or any separate summary documentation regarding the Offer and the making of the Offer may, in certain jurisdictions, be restricted by law. Persons obtaining this document or into whose possession this document otherwise comes, are required to inform themselves of and observe all such restrictions. Any failure to comply with

these restrictions may constitute a violation of the securities law of such jurisdictions.

If you have additional questions about the Offer, please contact DNB Bank ASA at +47 23 26 80 20.

Kind Regards,
Siem Shipping Inc

Simon Stevens
CEO