SIEM SHIPPING INC.

REPORT FOR THE FIRST HALF AND 2ND QUARTER 2013

26 July 2013 – SIEM SHIPPING INC (the "Company"; OSE Symbol: SSI), doing business as STAR Reefers, announces its results for the six month period and quarter ended 30 June 2013, prepared in accordance with International Financial Reporting Standards ("IFRS"), as discussed below.

Siem Shipping Inc., operating in the specialised reefer industry as STAR Reefers, is a leading global owner and operator of refrigerated vessels and directly controls 33 vessels with a total capacity of 19 million cbft.

Highlights 1st Half of 2013

- **Net income of USD4.7 million (H1 2012: net income USD1.9 million)**
- **EPS USD0.49 (USD0.19)**
- **EBITDA of USD11.4 million (USD9.8 million)**
- **New debt from Siem Industries: USD15.0 million**
- **Repaid debt to bank: USD6.1million (USD15.6 million)**
- **About 93% of fleet capacity is fixed for balance of 2013**
- **Contract backlog: USD501 million**

Comparative Financial Statements (H1 2013 over H1 2012)

Siem Shipping recorded a net income for the first half of 2013 of USD4.7 million (USD1.9 million). Earnings per share was USD0.49 (USD0.19). The net income before impairment charge was USD5.0 million (USD3.1 million).

Gross revenues were USD138.1 million (USD117.2 million). Net revenues after voyage expenses were USD76.9 million (USD77.4 million). More vessels were trading 1H 2013 compared to 1H 2012 and the time charter rates were higher. In 2012, the net revenue included a settlement of a legal dispute. The utilised capacity increased by 5.0% to 111.6 million cbft (106.3 million cbft).

Ship operating and administrative expenses were USD32.4 million (USD32.4 million).

Time charter and bareboat charter expenses were USD33.1 million (USD35.2 million). The reduction is mainly due to renegotiated charter-in rates.

Depreciation and amortisation charges were USD5.2 million (USD5.4 million).

Impairment charge was USD0.3 million (USD1.2 million) as adjustments were recorded to reflect falling scrap prices and higher sales costs for those vessels already classified as held-for-sale.

Interest expense was USD1.5million (USD1.1 million). Interest expense increased due to net increased borrowing.

Other financial items were USD0.4 million (USD-0.1 million), which included the mark-to-market revaluation of 5-year interest swaps of USD0.6 million (USD-0.3million).

Comparative Financial Statements (Q2 over Q2)

Siem Shipping recorded net income of USD3.2 million (USD1.9 million). Earnings per share was USD0.33 per share (USD0.20 per share). The net income includes an impairment charge of USD0.3million, (USD4.4 million reversed). The net profit before these items was USD3.5 million (loss USD2.5 million).

Gross revenues were USD71.2 million (USD54.7 million) and net utilised capacity increased 12% to 55.8 million cbft. (50.0 million cbft.). Net revenue after voyage expenses was USD39.1 million (USD33.5 million). The increase in net revenue was primarily due to increased rates and higher cubic feet capacity.

Ship operating and administrative expenses were USD15.9 million (USD15.1 million).

Time charter and bareboat charter expenses were USD16.6 million (USD17.6million). The reduction is mainly due to renegotiated charter-in rates.

Depreciation and amortisation charges were USD2.6 million (USD2.6 million).

An impairment charge was made for USD0.3 million (reversal of USD4.4 million in 2012) as adjustments were recorded due to lower scrap prices and higher sales costs for assets classified as held-for-sale.

Interest expense was USD0.8 million (USD0.5 million). Interest expense increased due to increased borrowing.

Other financial items were USD0.3 million (USD-0.3 million), which included the mark-to-market revaluation of 5-year interest swaps for USD0.4 million (USD-0.2million).

Statement of Financial Position

Shareholders' equity was USD158.4 million at 30 June 2013 (31 December 2012: USD153.7 million), or USD16.42 per share (31 December 2012: USD15.93 per share). Siem Shipping made repayments of bank debt of USD6.1 million and increased borrowing from its largest shareholder, Siem Industries Inc. by USD 15.0 million, which is according to plan. The net interest-bearing debt increased by USD8.9 million from USD36.4 million at year-end 2012 to USD45.3 million at 30 June 2013. The USD$15 million of loans from Siem Industries is related to the USD$35 million credit facility made available for the purpose of financing the lengthening and rejuvenation of the four C-class vessels. The next scheduled instalment (USD6.1 million) is due in July 2013. The cash position during the 1st half increased from USD13.6 million year-end 2012 to USD17.5 million. In addition to the liabilities on the balance sheet, Siem Shipping has significant long-term charter commitments.

Principal Risks

The Board currently believes principal risks and uncertainties for the Company include risks relating to the prospects for the specialised reefer industry such as the demand for fresh fruit, the threat to the global economy from the credit crisis and possible protectionism, competition from reefer container vessels, adverse climatic changes, crop diseases and crop harvests. The Company is also exposed to high fuel costs, though the hedging it takes out when appropriate does mitigate this risk. In addition the Company is exposed to the risk of piracy and to the performance of customers, service providers and suppliers. The instability in the financial markets has increased the credit risks relating to collecting receivables. Furthermore, although Siem Shipping works hard to mitigate the normal risks in operating its ships by, for example, training its crew to a high standard and taking out insurance as appropriate; there nonetheless remains the risk that accidents and uncontrollable events will happen.

Auditing and Related Party Transactions

The 1H 2013 financial report has not been audited or reviewed by auditors. Information on 2012 related party transactions is disclosed in the Annual Report 2012.

Market

In the first half of 2013, the average market rate was 68 cents per cubic feet per 30 days ("cents"), an increase of 62 % as compared to same period in 2012 (42 cents). The average spot market rate for Q2 2013 was 51 cents as compared to Q2 2012 average of 43 cents (source Reefer Trends).

The absence of a peak season in H1 2012 was largely due to an oversupply of spot ships coupled with a reduced weekly export volume of Ecuadorian bananas. H1 2013 was different. By the end of Q1 2013, the effects of the scrapping in 2012 of 70 specialised reefer vessels coupled with a 250,000 cartons per week increase in Ecuadorian export volumes over Q1 2012 resulted in a strong recovery in Q1 2013 spot rates.

This rate recovery continued into Q2 2013 with an increased demand for specialised tonnage due to port strikes in Chile and the reduced price competition at uneconomic rates as a result of the effects of the container lines 2013 General Rate Increase. This assisted in delivering an 18 % rate improvement in the spot market average for Q2 2013 over Q2 2012.

The usual decline in freight levels during April did not occur and the market remained firm. Port labour disputes in Chile had major implications for the container lines and helped the specialised reefer fleet. As a consequence, there was not an oversupply of tonnage in April and vessels positioned themselves into Southern Hemisphere citrus and kiwi fruit trades. The market briefly peaked at around 150 cents, the highest recorded rate for several years.

By May, demand for bananas in the Mediterranean and Black Sea markets was dropping and the Ecuadorian Government enforced minimum exit pricing for all banana exporters. This, combined with continuing cold weather in the growing regions, saw banana exporters struggle to source sufficient quantities of bananas at prices low enough to encourage speculative shipping to the Mediterranean and other markets. Consequently, vessels without contract coverage found it difficult to win business and freight rates dropped significantly.

Operational Issues

In the first half, unplanned operational off-hire remained low at 0.4% (2012: 0.3%).

During Q2 2013, there was one operational incident which contributed to the sharp increase in off-hire compared to Q2 2012. On 25 May whilst at anchor in Guayaquil, the *Ecuador Star* was struck by the bulk carrier *Andesborg* suffering damage to her forepeak and bulbous bow. No pollution occurred and there was no loss of life or serious injury. The *Ecuador Star* was found not at fault and all costs are expected to be recovered. In June 2013, an officer on-board the *Ecuador Star* was fatally injured during mooring operations in St Petersburg. A thorough investigation of the incident is being carried out and any changes in procedures or working practices which are highlighted will be implemented.

Fleet Changes and Deployment

In June 2012, Siem Shipping entered into a contract with the Russian banana charterer, the Banex Group, to provide a regular weekly service from Ecuador to St Petersburg for a period of one year. This contract was renewed in June 2013 for an additional period of one year from June 2013. The service will continue to employ 7 vessels.

The project to lengthen the four C-class vessels (*Caribbean Star, Costa Rican Star, Cote D'Ivoirian Star, and Colombian Star*) is progressing according to plan. The steel cutting commenced in May. The first vessel, *Costa Rican Star*, has arrived at Qingdao Beihai Shipbuilding yard, and the vessel has been cut and the two halves of the hull separated. The lengthening process is expected to take around 55 days per vessel and the vessels are due to commence a contracted 7-year time charter in Q4 2013.

As of 30 June 2013, 93% of fleet capacity for the remainder of 2013 had been fixed.

Timaru Star was sold for scrap in July 2013, subsequent to the reporting period.

Outlook

The recovery in rates seen over the first half of 2013 is the strongest indication yet that the supply/demand position is more fundamentally balanced than it has been for the past 24 months. However, there are a number of factors which could disrupt the balance. The Mediterranean banana market underpins the reefer spot sector. The attempt by President Correa’s administration in Ecuador to enforce tighter regulation over exports combined with the ongoing demand disruption in the key transit market of Syria could easily create further challenges for the reefer market.

The reefer low season looks likely to remain difficult as the market reacts to short-term shocks. The reefer fleet still has scope for downsizing and focusing on the larger, more efficient and more cost-effective vessels. The supply/demand position is more balanced than it has been for some time but still the rates could stay low, which is likely to stimulate further scrapping, or the rates could begin to rise back to more reasonable levels.

25 July 2013
The Board of Directors of Siem Shipping Inc.

This release contains certain forward-looking statements regarding the intents, beliefs or current expectations. These forward-looking statements are based on information currently held. The Company assumes no obligation to update these statements. It is important to note that these forward-looking statements involve uncertainties about future performance. The Company's actual results may differ materially from these statements as a result of various important factors beyond the control of the Company.

SIEM SHIPPING INC. GROUP - First Half and 2nd QUARTER 2013

STATEMENTS OF COMPREHENSIVE INCOME *(in $ thousand)*	**2013** **2Q** Unaudited	**2012** **2Q** Unaudited	**2013** **Jan-Jun** Unaudited	**2012** **Jan-Jun** Unaudited	**2012** **Jan-Dec** Audited
Gross revenue	$ 71,237	$ 54,654	$ 138,136	$ 117,245	$ 232,088
Voyage expenses and other operating revenue	-32,137	-21,137	-61,207	-39,804	-87,501
Net operating revenue	**39,100**	**33,517**	**76,929**	**77,441**	**144,587**
Ship operating and admin. expenses	-15,899	-15,062	-32,438	-32,439	-63,746
Time charter hire	-16,186	-17,220	-32,326	-34,395	-65,944
Op. income bef. depr. and bare-boat hire	**7,015**	**1,235**	**12,165**	**10,607**	**14,897**
Bareboat charter hire	-405	-405	-805	-809	-1,627
Depreciation and amortisation	-2,586	-2,571	-5,216	-5,389	-10,552
Impairment charges	-300	4,400	-300	-1,231	-4,172
Operating income	**3,724**	**2,659**	**5,844**	**3,178**	**-1,454**
Interest expense	-805	-510	-1,529	-1,085	-2,011
Other financial items net	309	-276	382	-148	-336
Profit / Loss on sale of vessels	-	42	-	-61	-61
Net financial items	**-496**	**-744**	**-1,147**	**-1,294**	**-2,408**
Net income / (-loss) before tax	**3,228**	**1,915**	**4,697**	**1,884**	**-3,862**
Taxes	-7	-6	-15	-14	-27
Net income / (-loss)	**$ 3,221**	**$ 1,909**	**$ 4,682**	**$ 1,870**	**$ -3,889**
Other comprehensive income	-	-	-	-	-
Total comprehensive income / (-loss)	**$ 3,221**	**$ 1,909**	**$ 4,682**	**$ 1,870**	**$ -3,889**
Earnings / (-loss) per share, basic and diluted (amounts in $)	0.33	0.20	0.49	0.19	-0.40
Wtd. avg. common shares outstanding	9,647,479	9,647,479	9,647,479	9,647,479	9,647,479
Issued and outstanding shares	9,647,479	9,647,479	9,647,479	9,647,479	9,647,479

STATEMENTS OF FINANCIAL POSITION *(in $ thousand)*	**2013** **30 Jun** Unaudited	**2012** **30 Jun** Unaudited	**2012** **31 Dec** Audited
ASSETS			
Tangible non-current assets			
Vessels	$ 168,565	$ 181,227	$ 174,069
Capitalised project costs	$ 10,823	-	-
Other non-current assets	175	195	194
Other non-current assets			
Pension funds	213	198	213
Current assets:			
Inventory	9,057	10,548	11,465
Non-current asset held for sale	1,300	-	1,600
Receivables and other current assets	26,055	24,829	21,668
Bank deposits	17,505	15,032	13,602
Total assets	**$ 233,693**	**$ 232,029**	**$ 222,811**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' Equity:			
Share capital	$ 96	$ 96	$ 96
Additional paid-in capital	78,687	78,687	78,687
Retained earnings	79,628	80,705	74,946
Total Shareholders' equity	**158,411**	**159,488**	**153,729**
Interest bearing debt, long-term	32,456	29,868	23,887
Interest bearing debt, short-term	11,941	5,882	11,944
Other short-term debt	30,885	36,791	33,251
Total liabilities	**75,282**	**72,541**	**69,082**
Total Shareholders' equity and liabilities	**$ 233,693**	**$ 232,029**	**$ 222,811**

STATEMENTS OF CASH FLOWS

(in $ thousand)	2013 2Q Unaudited	2012 2Q Unaudited	2013 Jan-June Unaudited	2012 Jan-June Unaudited	2012 Jan-Dec Audited
Profit / (-loss) before tax	$3,228	$1,915	$4,697	$1,884	$ -3,889
Depreciation and amortisation	2,586	2,571	5,216	5,389	10,550
Impairment charges	300	-4,400	300	1,231	4,172
Net drydocking costs	-1,111	1,516	-383	2,922	2,497
Other	-2,249	11,925	-5,289	693	-546
Cash flow from operating activities	2,754	13,527	4,541	12,119	12,784
Sales of vessels	-	6,007	-	11,406	11,406
Capital expenditure vessels	-6,328	-17	-9,511	-17	-2,100
Cash flow from investing activities	-6,328	5,990	-9,511	11,389	9,306
New interest bearing debt	15,000	-	15,000	-	
Repaid interest bearing debt	-6,065	-10,310	-6,065	-15,610	-15,610
Net changes in financing fees	-32	-44	-62	-60	-72
Cash flow from financing activities	8,903	-10,354	8,873	-15,670	-15,682
Net change in cash	**$ 5,329**	**$ 9,163**	**$ 3,903**	**$ 7,838**	**$ 6,408**
Cash at beginning of period	12,176	5,869	$ 13,602	$ 7,194	7,194
Cash at end of period	**$ 17,505**	**$ 15,032**	**$ 17,505**	**$ 15,032**	**$ 13,602**

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(in $ thousand)	2013 Jan-June Unaudited	2012 Jan-June Unaudited	2012 Jan-Dec Audited
Shareholders' equity at beginning of period	**$153,729**	**$157,618**	**$ 157,618**
- Net profit for the period	4,682	1,870	-3,889
Shareholders' equity at end of period	**$158,411**	**$159,488**	**$ 153,729**

Notes to the Accounts

1 Basis for preparation

The consolidated financial statements have been prepared in accordance with IAS 34 "Interim Financial Reporting". The interim financial information for 2013 and 2012 are unaudited.

2 Significant accounting policies

The accounting policies used in the preparation of the financial statements are consistent with those disclosed in the annual financial statements for the year ended 31 December 2012. The consolidated condensed financial statements should be read in conjunction with the 2012 annual financial statements, which include a full description of the Group's accounting policies.

3 Tangible assets

(in $ thousand)	30 June 13	30 June 12	31 Dec 12
Book value beginning of year	174,263	188,468	188,468
Additions	11,973	212	4,695
Reclassification - Assets held for sale	0	0	-1,600
Depreciation and amortisation of dry docking for the period	-6,672	-7,257	-14,358
Impairment	0	0	-2,941
Book value end of period	179,563	181,422	174,263

4 Interest bearing debt

(in $ thousand)	Siem Industries Loan	ABN AMRO Syndicate	Total
Balance (including financing fees) 31 December 2012	0	35,831	35,831
New debt	15,000	0	15,000
Repaid debt	0	-6,065	-6,065
Financing fees	-461	92	-369
Balance (including financing fees) 30 June 2013	14,539	29,858	44,397
Balance (including financing fees) 30 June 2012	0	35,750	35,750

5 Charter commitments

From 1 July 2013 *(in $ thousand)*	2013	2014	2015-2023	Total
Long-term charters	32,636	65,130	425,340	523,106

6 Related parties

The Company continue to lease office space from other Siem Group companies, shares joint office facilities with other companies in the Siem Group in the Cayman Islands and benefit from financial guarantees provided by Siem Industries. Siem Car Carriers AS (Group) is indirectly owned 100% by Siem Industries. Siem Shipping provides management services to Siem Car Carriers on an arm's length basis.

In January 2013, the Company secured USD35 million of financing for the lengthening of the 4 C-Class vessels (*Caribbean Star*, *Costa Rican Star, Cote D'Ivoirian Star,* and *Colombian Star*) from Siem Industries Inc.
The loan is a 3.5 year unsecured loan, which carries an interest of 3-Month Libor plus a margin of 8.5% p.a. and the other terms and conditions are more flexible and favourable to Siem Shipping than indicative offers from other potentially available financing sources.

Also download our web page www.star-reefers.com

For further information please contact
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Responsibility Statement

We confirm, to the best of our knowledge, that the condensed set of financial statements for the period 1 January to 30 June 2013 has been prepared in accordance with IAS 34 – Interim Financial Reporting, and gives a true and fair view of Siem Shipping's assets, liabilities, financial position and profit and loss as a whole. We also confirm, to the best of our knowledge, that the interim report includes a fair review of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, a description of the principal risks and uncertainties for the remaining six months of the financial year, and major related parties transactions.

25 July 2013

Ole Martin Siem (Chairman)

Kristian Siem (Board member)

Michael Delouche (Board Member)

Per Chr. Haukenes (Board member)

Harald Kuznik (Board Member)

Simon Stevens (CEO)