SIEM SHIPPING INC.

REPORT FOR THE FOURTH QUARTER AND PRELIMINARY FULL YEAR 2012

18 February 2013 – SIEM SHIPPING INC. (the “Company”; OSE Symbol: SSI), announces its results for the twelve month period and quarter ended 31 December 2012, 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 2012

- Changed the name of listed Company from STAR Reefers Inc. to Siem Shipping Inc**.**
- Net income before impairment of USD0.3 million (2011: net loss USD24.9 million)
- Impairment charge relating to adjustment of fleet valuation of USD4.2 million (2011: USD99.1 million), including USD2.9 million for the fourth quarter (2011: USD86.8 million)
- EBITDA of USD13.3 million (2011: 0.1 million)
- Seven older, less efficient vessels sold for scrap
- Charter dispute resolved positively
- Chartered-out four Star First Vessels for 2 additional years until end of 2014 with an option for a third year until end of 2015
- Effective 1 July 2012, charter-in rates on 12 vessels renegotiated down in consideration of agreeing to extend the charter periods by three years
- Three vessels underwent ice-strengthening
- Increased contract backlog to USD550 million (2011: USD218 million)

Comparative Financial Statements (Year over Year)

In 2012, the Company reported a net income prior to impairment charges of USD0.3 million (2011: net loss USD24.9 million), or USD0.03 per share (net loss USD2.58 per share). After impairment charges of USD4.2 million (USD99.1 million) on older, less efficient vessels or vessels which have been or are likely to be scrapped, the Company reported a net loss of USD3.9 million (net loss USD124.0 million), or a net loss of USD0.40 per share (net loss USD12.85 per share).

Gross revenues were USD232.1 million (USD276.4 million) and net operating revenue after voyage and other expenses was USD144.6 million (USD155.1 million). The reduction in revenue was due to reduced rates and vessels being scrapped or in lay-up which was mitigated by the settlement of a charter dispute relating to the early re-delivery of three vessels. The capacity decreased by 15.1% to 213.9 million cbft. (251.8 million cbft).

Ship operating and administrative expenses were USD63.7 million (USD84.9 million) primarily due to scrapping of vessels.

Time charter and bareboat charter expenses decreased to USD67.6 million (USD70.0 million) primarily due to renegotiated charter-in rates on 12 vessels in consideration of agreeing to extend the charter periods by three years.

Depreciation and amortisation was USD10.6 million (USD20.2 million). The reduction is due to a lower depreciation base following the impairment of assets in 2011 and the sale of vessels.

Impairment charge and loss on sales of vessels were USD4.2 million (USD98.9 million).

Interest expense was USD2.0 million (USD2.3 million) primarily due to due to lower outstanding balances.

Other financial expenses were USD0.3 million (USD2.8 million), which included the mark-to-market of 5-year interest swaps for a loss of USD0.3 million (USD-1.9 million).

Comparative Financial Statements (Q4 over Q4)

During the quarter, the Company recorded a net loss prior to impairment charges of USD1.5 million (Q4 2011: net loss USD14.3 million), or a net loss of USD0.16 per share (net loss USD1.48 per share). After impairment charges of USD2.9 million (USD86.8 million), the Company reported a net loss of USD4.5 million (net loss USD101.1million), or a net loss of USD0.46 per share (net loss of USD10.48 per share).

Gross revenues were USD61.8 million (USD56.1 million) and net operating revenue after voyage and other expenses was USD35.2 million (USD28.6 million) as rates increased. Capacity employed for 3-month period was 55.8 million cbft (63.2 million cbft).

Ship operating and administrative expenses were USD17.5 million (USD19.8 million), primarily due to scrapping of vessels.

Time charter and bareboat charter expenses decreased to USD16.3 million (USD17.5 million) primarily due to renegotiated charter rates.

Depreciation and amortisation was USD2.6 million (USD4.8 million). The reduction is due to a lower depreciation base following the impairment of assets in 2011 and the sale of vessels.

Impairment charge and gain on sales of vessels were USD2.9 million (USD86.8 million).

Interest expense decreased to USD0.4 million (USD0.5 million) primarily due to lower outstanding loan balances. Other financial items were an income of USD0.1 million (USD-0.2 million).

Statement of Financial Position

Shareholders' equity was USD153.7 million at 31 December 2012 (31 December 2011: USD157.6 million), or USD15.93 per share (31 December 2011: USD16.34 per share).

Following the sales of vessels in 1H 2012, Siem Shipping made repayments and prepayments of debt of USD15.6 million, reducing interest-bearing debt from USD52.0 million at year-end 2011 to USD36.4 million at 31 December 2012. The next scheduled instalment (USD6.1 million) is due in April 2013. The cash position during 2012 increased from USD7.2 million year-end 2011 to USD13.6 million. In addition to the liabilities on the balance sheet, Siem Shipping has significant long-term charter commitments.

Market

Full Year

2012 has been a challenging year for the reefer industry and, for the first time in a decade, there was no high season. In Q1 2012, the average market rates were 39 cents per cubic feet per 30 days ("cents"), down more than 50% on the same period in 2011 (85 cents). The highest fixture concluded in March was a short charter at 80 cents and all other fixtures struggled to reach 50 cents compared with rates of 110 cents in March 2011. The market in the early part of the year was characterised by few requirements for spot tonnage and fierce competition from the container lines which have been willing to set-up new services at uneconomical freight rates. The dramatic increase in fuel costs since Q4 2011 further eroded operating margins.

By May 2012, as bunker prices fell around 15% and the effects of lay-up and scrapping of vessels began to take effect, a state of market equilibrium was reached. The average market rate in Q2 2012 was 48 cents (Q2 2011: 37 cents), which is the first time that rates in Q2 exceeded those in Q1. For the first half of 2012, the average rate was 43 cents, down 30% on the same period in 2011 (61 cents)..

Throughout 2012, poor climatic conditions in Ecuador led to a shortfall of approximately 1,000,000 cartons of bananas per week equivalent to a loss of around 4 sailings per week if booked on specialised reefers. In June 2012, the Ecuadorian Government officially imposed a high fixed export price for bananas which further depressed trading activity.

For Chilean-origin fruits, poor sales prices in USA resulted in 9% less fruit moving to US West Coast and 3% less fruit moving to US East Coast relative to the same period in 2011.

Argentinean deciduous exports were down by 20% on volume due to high domestic inflation (30%). However, conventional reefers have been able to maintain their position to Russia.

Container competition for specialised reefers remains fierce but the announcement by the world's largest container line in September that it intended to impose an across-the-board USD1,500 per container General Rate Increase on all reefer cargo in order to meet the cost of providing the required equipment and service levels shed a new light on the nature of that competition. All the major container lines have since followed this lead.

The Banex Group has for the past few years been serviced by a major container line for weekly transportation of bananas into St. Petersburg. In June 2012, the Company was able to capture this business for the specialised reefer mode, indicating that superior and flexible service can be provided by Siem Shipping at competitive prices.

During 2012, 69 vessels, in the specialised reefer industry fleet with total capacity 27.8 million cbft. were scrapped, representing approximately 10% of the fleet by capacity. Typically the vessels sold for demolition were older and less fuel efficient and had previously been employed in spot banana trading. Their absence from the positioning area around the Panama Canal has had a positive impact on the market.

4th Quarter
The average spot rate for larger reefer vessels in Q4 2012 was 38 cents, up 72% on same period last year (Q4 2011: 22 cents), and closer to the historic Q4 average rate. Although the rates fixed were significantly higher than the same period in 2011, the market was characterised by a low number of fixtures as both owners and charterers sought contract coverage instead of relying on the uncertain spot market.

Operational Issues
For the whole of 2012, the Company recorded unplanned operational off-hire of 0.2% (2011: 1.9%). During Q3, 3 vessels which had been in layup were re-activated and underwent ice-strengthening for trading in Russia.

During Q3 2012, the Spanish authorities decided to discontinue their case on 2011 allegation of pollution against the Afric Star after their evidence was demonstrated to be defective.

Our in-house ship management company, STAR Reefers Poland, now manages the total fleet of 20 owned and one bareboat chartered vessel. The performance statistics of STAR Reefers Poland have proven to be markedly superior to those the Company experienced with third party managers in the past.

Settlement of Charter Dispute
The Company has achieved a mutually satisfactory solution to its charter dispute. All parties worked hard to achieve a constructive and amicable solution.

Fleet Changes, Deployment and Contract Backlog
Siem Shipping entered into a contract in June 2012 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. The service employs 7 vessels, some of which have undertaken ice-strengthening in order to qualify for the trade.

The Company has chartered out four of its Star First series vessels for a further two years until the end of 2014 at rates which generate a positive return. The agreement also includes an option for charterer to extend the charters for a third year. These vessels have been chartered-out since they were delivered from the yard under a ten-year charter-in agreement to Siem Shipping about six years ago.

The Company has decided to lengthen and rejuvenate the 4 C-Class vessels based on seven-year charter commitment from an existing client. The project, which is estimated to cost around USD10 million per vessel, includes inserting a container hold and new cranes to make the vessels more flexible and competitive.

At 31 December 2012, 78% of the Company’s fleet capacity for the 2013 had been fixed and the balance is exposed to the spot market.

The contract backlog at 31 December 2012 is USD550 million (2011: USD218 million).

Subsequent Events
In January 2013, the Company secured USD35 million of financing of the lengthening of the 4 C-Class vessels from Siem Industries, 76.1% owner of Siem Shipping. The 3.5 years unsecured loan 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. The balance of the investment will be financed by internally-generated funds.

Outlook

The mood in the Reefer Market, as experienced at the recent Berlin Fruit Fair, is more positive. Spot rates for reefers in January 2013 were up by around 38 cents compared to the same time last year and there is a positive outlook for February 2013 as higher banana volumes are expected.

The pricing policies aggressively pursued by the major container lines over the past few years have now been exposed as predatory policies designed to squeeze-out the specialist reefer operators. Last year, a major container line announced that it was making an across-the-board rate increase of USD1,500 per FEU reefer container, which was generally adopted by the other leading container lines - a strong indication that the rates which they have been charging over the past few years in their attempt to win market share from specialised reefer operators were unsustainable.

There has never been any serious doubt that a modern specialised reefer can deliver a higher quality and more predictable service than the general service provided by third party container lines. The issue has been price and now, as the price gap closes, it is possible that many end-users will no longer be prepared to accept the lower quality service provided by the container lines. The specialised fleets' share of global reefer trade remains strong at 25% despite only controlling 10% of the worldwide available reefer space

During 2012, the supply/demand balance of the specialist reefer fleet has improved following the removal of 69 vessels from the market, equal to 28 million cbft. or approximately 10% of the total fleet. There are now fewer older vessels accepting business at loss-making rates. In order for the specialised reefer industry to return to acceptable levels of long-term profitability and to provide customers with high standards of service, the vessel owners need to be decisive and continue to weed out the older and uneconomic vessels.

The Company's strategy is to maintain its position as a leading specialist reefer operator and to provide our customers with a high quality service. STAR Reefers now controls a fleet of 33 vessels with a capacity of 19 million cbft.

15 February 2013
The Board of Directors of Siem Shipping Inc.

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

SIEM SHIPPING INC. GROUP - 4th QUARTER 2012

STATEMENTS OF COMPREHENSIVE INCOME *(in $ thousand)*	**2012 4Q** Unaudited	**2011 4Q** Unaudited	**2012 Jan-Dec** Unaudited	**2011 Jan-Dec** Audited
Gross revenue	$ 61,787	$ 56,110	$ 232,088	$ 276,444
Voyage expenses and other operating revenue	-26,577	-27,470	-87,501	-121,382
Net operating revenue	**35,210**	**28,640**	**144,587**	**155,062**
Ship operating and admin. expenses	-17,534	-19,801	-63,746	-84,914
Time charter hire	-15,847	-17,166	-65,944	-68,547
Op. income bef. depr. and bare-boat hire	**1,829**	**-8,327**	**14,897**	**1,601**
Bareboat charter hire	-409	-374	-1,627	-1,482
Depreciation and amortisation	-2,591	-4,826	-10,552	-20,179
Impairment charges	-2,941	-86,791	-4,172	-99,102
Operating income	**-4,112**	**-100,318**	**-1,454**	**-119,162**
Interest expense	-431	-522	-2,011	-2,294
Other financial items net	88	-227	-336	-2,761
Profit / Loss on sale of vessels	-	-	-61	239
Net financial items	**-343**	**-749**	**-2,408**	**-4,816**
Net income / (-loss) before tax	**-4,455**	**-101,067**	**-3,862**	**-123,978**
Taxes	-7	-10	-27	-30
Net income / (-loss)	**$ -4,462**	**$ -101,077**	**$ -3,889**	**$ -124,008**
Other comprehensive income	-	-	-	-
Total comprehensive income / (-loss)	**$ -4,462**	**$ -101,077**	**$ -3,889**	**$ -124,008**
Earnings / (-loss) per share, basic and diluted (amounts in $)	-0.46	-10.48	-0.40	-12.85
Wtd. avg. common shares outstanding	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

STATEMENTS OF FINANCIAL POSITION *(in $ thousand)*	**2012 31 Dec** Unaudited	**2011 31 Dec** Audited
ASSETS		
Tangible non-current assets		
Vessels	$ 174,069	$ 188,181
Other non-current assets	194	287
Other non-current assets		
Pension funds	213	197
Current assets:		
Inventory	11,465	16,762
Non-current asset held for sale	1,600	13,029
Receivables and other current assets	21,668	16,954
Bank deposits	13,602	7,194
Total assets	**$ 222,811**	**$ 242,604**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' Equity:		
Share capital	$ 96	$ 96
Additional paid-in capital	78,687	78,687
Retained earnings	74,946	78,835
Total Shareholders' equity	**153,729**	**157,618**
Interest bearing debt, long-term	23,887	38,503
Interest bearing debt, short-term	11,944	12,833
Other short-term debt	33,251	33,650
Total liabilities	**69,082**	**84,986**
Total Shareholders' equity and liabilities	**$ 222,811**	**$ 242,604**

STATEMENTS OF CASH FLOWS

(in $ thousand)	2012 4Q Unaudited	2011 4Q Unaudited	2012 Jan-Dec Unaudited	2011 Jan-Dec Audited
Profit / (-loss) before tax	$ -4,482	$ -101,067	$ -3,889	$ -123,978
Depreciation and amortisation	2,589	$ 4,826	10,550	20,179
Impairment charges	2,941	$ 86,791	4,172	99,102
Net drydocking costs	-789	$ 269	2,497	1,537
Other	2,421	$ -2,398	-546	-1,674
Cash flow from operating activities	2,680	-11,579	12,784	-4,834
Sales of vessels	-	$ 1,993	11,406	12,009
Other	-2,067	$ 7	-2,100	-130
Cash flow from investing activities	-2,067	2,000	9,306	11,879
Repaid interest bearing debt	-	$ -	-15,610	-13,000
Net changes in financing fees	-12	$ -6	-72	-251
Cash flow from financing activities	-12	-6	-15,682	-13,251
Net change in cash	**$ 601**	**$ -9,585**	**$ 6,408**	**$ -6,206**
Cash at beginning of period	13,001	16,779	7,194	13,400
Cash at end of period	**$ 13,602**	**$ 7,194**	**$ 13,602**	**$ 7,194**

STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(in $ thousand)	2012 Jan-Dec Unaudited	2011 Jan-Dec Audited
Shareholders' equity at beginning of period	**$ 157,618**	**$ 281,626**
- Net profit for the period	-3,889	-124,008
Shareholders' equity at end of period	**$ 153,729**	**$ 157,618**

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 2012 and 2011 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 2011. The consolidated condensed financial statements should be read in conjunction with the 2011 annual financial statements, which include a full description of the Group's accounting policies.

3 Tangible assets

(in $ thousand)	31 Dec 12	31 Dec 11
Book value beginning of year	188,468	334,131
Additions	4,695	3,964
Disposal	-	-12,612
Reclassification - Assets held for sale	-1,600	-13,029
Depreciation and amortisation of dry docking for the period	-14,358	-24,884
Impairment	-2,941	-99,102
Book value end of period	174,263	188,468

4 Interest bearing debt

(in $ thousand)	ABN AMRO Syndicate
Balance (including financing fees) 31 December 2011	51,336
Repaid debt	-15,610
Financing fees	105
Balance (including financing fees) 31 December 2012	35,831

5 Charter commitments

From 1 September 2012

(in $ thousand)	2013	2014-2023	Total
Long-term charters	65,271	490,470	555,741

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.

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

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