

NEWS RELEASE

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FOR IMMEDIATE RELEASE
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GULF ISLAND FABRICATION, INC. REPORTS THIRD QUARTER EARNINGS

Houston, TX – Gulf Island Fabrication, Inc. (NASDAQ: GIFL) today reported net income of \$7.6 million (\$0.52 earnings per share) on revenue of \$118.0 million for its third quarter ended September 30, 2014, compared to net income of \$4.3 million (\$0.30 earnings per share) on revenue of \$129.2 million for the second quarter ended June 30, 2014.

The company had a revenue backlog of \$252.9 million and a labor backlog of approximately 2.0 million man-hours at September 30, 2014, including commitments received through October 23, 2014, compared to a revenue backlog of \$223.8 million and a labor backlog of 2.1 million man-hours reported as of June 30, 2014.

SELECTED BALANCE SHEET INFORMATION (in thousands)

| | September 30, 2014 | December 31, 2013 |
|---|-----------------------|----------------------|
| Cash and cash equivalents | \$ 26,707 | \$ 36,569 |
| Total current assets | 159,967 | 201,996 |
| Property, plant and equipment, at cost, net | 230,574 | 223,555 |
| Total assets | 391,207 | 426,234 |
| Total current liabilities | 66,905 | 112,275 |
| Debt | - | - |
| Shareholders' equity | 287,415 | 275,562 |

The management of Gulf Island Fabrication, Inc. will hold a conference call on Friday, October 24, 2014, at 9:00 a.m. Central Time (10:00 a.m. Eastern Time) to discuss the Company's financial results for the quarter ended September 30, 2014. The call is accessible by webcast (www.gulfisland.com) through CCBN and by dialing 1.888.213.3754. A digital rebroadcast of the call is available two hours after the call and ending October 31, 2014 by dialing 1.888.203.1112, replay passcode: 1782080.

Gulf Island Fabrication, Inc., based in Houston, Texas, with fabrication facilities located in Houma, Louisiana, and San Patricio County, Texas, is a leading fabricator of offshore drilling and production platforms, hull and/or deck sections of floating production platforms and other specialized structures used in the development and production of offshore oil and gas reserves. These structures include jackets and deck sections of fixed production platforms; hull and/or deck sections of floating production platforms (such as tension leg platforms "TLPs", "SPARs", "FPSOs", and "MinDOCs"), piles, wellhead protectors, subsea templates and various production, compressor and utility modules, offshore living quarters, towboats, liftboats, tanks and barges. The Company also provides offshore interconnect pipe hook-up, inshore marine construction, manufacture and repair of pressure vessels, heavy lifts such as ship integration and TLP module integration, loading and offloading of jack-up drilling rigs, semi-submersible drilling rigs, TLPs, SPARs, or other similar cargo, onshore and offshore scaffolding, piping insulation services, and steel warehousing and sales.

GULF ISLAND FABRICATION, INC.
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(in thousands, except per share data)

| | Three Months Ended September 30, | | Three Months Ended June 30, | | Nine Months Ended September 30, | |
|---|-------------------------------------|-----------------|--------------------------------|------------------|------------------------------------|------------------|
| | 2014 | 2013 | 2014 | 2014 | 2014 | 2013 |
| Cost of revenue | \$ 118,020 | \$ 168,191 | \$ 129,169 | \$ 381,879 | \$ 473,188 | \$ 447,752 |
| Gross profit | 103,367 | 159,136 | 118,847 | 348,131 | 25,436 | 8,957 |
| General and administrative expenses | 14,653 | 9,055 | 10,322 | 33,748 | 10,553 | 16,479 |
| Operating income | 3,307 | 3,749 | 3,873 | 23,195 | 16,479 | 16,479 |
| Other income (expense): | | | | | | |
| Interest expense | (23) | (43) | (25) | (72) | (167) | (167) |
| Interest income | 1 | 2 | 2 | 6 | 3 | 3 |
| Other income (expense) | (2) | (15) | 8 | (98) | (58) | (58) |
| | (24) | (56) | (15) | (164) | (222) | (222) |
| Income before income taxes | 11,322 | 5,250 | 6,434 | 23,031 | 16,257 | 16,257 |
| Income taxes | 3,736 | 1,974 | 2,124 | 7,600 | 5,915 | 5,915 |
| Net income | <u>\$ 7,586</u> | <u>\$ 3,276</u> | <u>\$ 4,310</u> | <u>\$ 15,431</u> | <u>\$ 10,342</u> | <u>\$ 10,342</u> |
| Per share data: | | | | | | |
| Basic earnings per share - common shareholders | <u>\$ 0.52</u> | <u>\$ 0.23</u> | <u>\$ 0.30</u> | <u>\$ 1.05</u> | <u>\$ 0.72</u> | <u>\$ 0.72</u> |
| Diluted earnings per share - common shareholders | <u>\$ 0.52</u> | <u>\$ 0.23</u> | <u>\$ 0.30</u> | <u>\$ 1.05</u> | <u>\$ 0.72</u> | <u>\$ 0.72</u> |
| Weighted-average shares | 14,506 | 14,462 | 14,500 | 14,501 | 14,458 | 14,458 |
| Effect of dilutive securities: employee stock options | - | 6 | - | - | 5 | 5 |
| Adjusted weighted-average shares | <u>14,506</u> | <u>14,468</u> | <u>14,500</u> | <u>14,501</u> | <u>14,463</u> | <u>14,463</u> |
| Depreciation and amortization included in expense above | <u>\$ 6,735</u> | <u>\$ 6,370</u> | <u>\$ 6,579</u> | <u>\$ 19,693</u> | <u>\$ 18,746</u> | <u>\$ 18,746</u> |
| Cash dividend declared per common share | <u>\$ 0.10</u> | <u>\$ 0.10</u> | <u>\$ 0.10</u> | <u>\$ 0.30</u> | <u>\$ 0.30</u> | <u>\$ 0.30</u> |