

Gulf Island Fabrication, Inc. Reports Third Quarter Earnings

HOUMA, La .-- (BUSINESS WIRE) --

Gulf Island Fabrication, Inc. (NASDAQ: GIFI) today reported net income of \$10.0 million (\$.70 diluted EPS) on revenue of \$124.9 million for its third quarter ended September 30, 2007, compared to net income of \$10.0 million (\$.72 diluted EPS) on revenue of \$89.7 million for the third quarter ended September 30, 2006. Net income for the first nine months of 2007 was \$22.3 million (\$1.56 diluted EPS) on revenue of \$371.8 million, compared to net income of \$17.6 million (\$1.27 diluted EPS) on revenue of \$236.2 million for the first nine months of 2006.

The company had a revenue backlog of \$245.2 million and a labor backlog of approximately 2.7 million man-hours remaining to work, which consist of work remaining at September 30, 2007 and commitments received since September 30, 2007.

SELECTED	BALANCE	SHEET	INFORMATION						
(in thousands)									

	September 30, 2007		December 31, 2006
Cash and short-term investments	\$	4,178	\$ 10,302
Total current assets	Υ	140,130	94,765
Property, plant and equipment, at cost, net		178,962	155,440
Total assets		319,793	251,448
Total current liabilities		77,112	40,214
Debt		10,990	0
Shareholders' equity		220,917	200,756
Total liabilities and shareholders' equity		319,793	251,448

The management of Gulf Island Fabrication, Inc. will hold a conference call tomorrow October 26, 2007 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, 2007. The call is accessible by webcast (www.gulfisland.com) through CCBN and by dialing 1.888.668.1642. A digital rebroadcast of the call is available two hours after the call and ending November 2, 2007 by dialing 1.888.203.1112, replay passcode: 6249930.

Gulf Island Fabrication, Inc., based in Houma, Louisiana, 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", piles, wellhead protectors, subsea templates and various production, compressor and utility modules, offshore living quarters, 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, TLP's, 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)

	Th				Nine Months Ended September 30,			
		2007	2006 	_	2007		2006	
Revenue Cost of revenue	\$		\$89,733 72,843					
Gross profit General and administrative		17 , 996	16,890		40,649		31,418	
expenses		2,771	2 , 585		7 , 888		6 , 787	
Operating income		15,225	14,305		32,761		24,631	
Other income (expense): Interest expense Interest income Other		63	(173) 98 77		343		271	
		44	2	_	300		871	
Income before income taxes		15,269	14,307		33,061	_	25 , 502	
Income taxes		5,229	4,267		10,745		7,905	
Net income	\$ ==	10,040	\$10,040	\$	22 , 316 ======	\$	17 , 597 ======	
Per share data:								
Basic earnings per share:	\$	0.71	\$ 0.72 =====	\$	1.58	\$	1.28	
Diluted income per share:	\$	0.70	\$ 0.72 ======	\$	1.56 ======	\$	1.27	
Weighted-average shares Effect of dilutive		14,170	13,948		14,150		13,743	
securities: employee stock options		114	92		122		110	
Adjusted weighted-average shares		14,284	14,040		14,272		13,853	
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Depreciation and amortization included in expense above	\$ 3,537	\$ 3,331	\$ 1	10,456	\$ 9,267
Cash dividend declared per common share	\$ 0.10	\$ 0.075	\$	0.30	\$ 0.225

Source: Gulf Island Fabrication, Inc.