

Gulf Marine Services PLC

OPERATIONAL UPDATE

Gulf Marine Services (LSE: GMS), the leading provider of advanced self-propelled self-elevating support vessels (SESVs) serving the offshore oil, gas and renewable energy sectors, provides the following operational update for the period 1 January 2017 to 15 May 2017, ahead of its AGM today.

GMS continues to focus on maximising vessel utilisation¹ in the current market environment and has achieved a rate of 56% for Q1 2017, an improving level compared to that seen for Q4 2016 of 46%. The secured backlog (comprising firm and extension options) as at 1 May 2017 has increased to US\$ 251.3 million (31 December 2016 US\$ 174.8 million).

As previously announced in 2017, a 36-month contract (including options) was awarded for one of the Group's Mid-Size Class vessels in the MENA region to support well intervention activities for a national oil company and this commenced in Q1 2017. Two new long-term contracts for Large Class vessels in Europe were also announced in 2017 to support wind farm projects for an international energy company. These are scheduled to commence in Q2 2018, one contract has a charter period of 26 months (including options) and the other 15 months (including options).

Development of New Services

The cantilever system on the Group's new Large Class vessel GMS Evolution is scheduled to be ready for operations in June 2017 following the completion of sea trials. Commissioning is well-advanced and progressing as expected. The cantilever system will allow GMS to provide a greater range of well intervention services from the vessel and to compete for well workover activity that was previously only able to be carried out from more expensive and less efficient non-propelled jackup drilling rigs.

Financial Position

The Group had a net debt level (being bank borrowings less cash) at 1 May 2017 of US\$ 369.9 million. Deleveraging is progressing as planned with year end net debt expected to be in line with previous guidance. Our progress in securing contracts and underlying trading are in line with expectations for 2017.

Duncan Anderson, Chief Executive Officer of GMS, said:

“We are encouraged by our recent contract awards and the continued strengthening of tender activity in our core regions of Europe and the Middle East. It is also reassuring to see activity within the European renewable energy market returning, where we have gained a new client following the award of two long-term charters commencing in Q2 2018.

“All of this is helpful as we seek further improvement in vessel utilisation and we are encouraged with the levels being achieved for our Large Class and Mid-Size Class vessels in this regard. There is clearly more to do, and we are confident that much higher utilisation levels will again be achievable for our fleet. We expect the pace of recovery to build momentum, with utilisation increasing ahead of day rates.

“The strategic expansion of our fleet and services, and the cantilever capability in particular, has ensured we can offer our clients flexible and cost-effective support solutions for a diverse range of offshore operations. GMS continues to be very well-positioned to maximise new opportunities as the market recovers, while recognising that the actual timing of contract awards, and accordingly the trajectory of improvement, is dependent on our clients’ own operational requirements.”

¹ Utilisation is defined as the percentage of available days in a relevant period during which an SESV is under contract and in respect of which a customer is paying a day rate for the charter of the SESV.

Enquiries

For further information please contact:

Gulf Marine Services PLC

Duncan Anderson

John Brown

Tel: +971 (2) 5028888

Anne Toomey

Tel: +44 (0) 1296 622736

Brunswick

Patrick Handley – UK

Will Medvei – UK

Tel: +44 (0) 20 7404 5959

Jade Mamarbachi - UAE

Tel: +971 (0) 50 600 3829

Notes to Editors:

Gulf Marine Services PLC (‘GMS’, ‘the Company’ or ‘the Group’), a company listed on the London Stock Exchange, was founded in Abu Dhabi in 1977 and has become the leading provider of advanced self-propelled self-elevating support vessels (SESVs) in the world. The fleet serves the oil, gas and renewable energy industries from its offices in the United Arab Emirates, Saudi Arabia, Malaysia and the United Kingdom. The Group’s assets are capable of serving clients’

requirements across the globe, including the Middle East, South East Asia, West Africa and Europe.

The GMS SESV fleet of 15 vessels is amongst the youngest in the industry, with an average age of eight years. The vessels support GMS' clients in a broad range of offshore oil and gas platform refurbishment and maintenance activities, well intervention work and offshore wind turbine maintenance work (which are opex-led activities), as well as offshore oil and gas platform installation and decommissioning and offshore wind turbine installation (which are capex-led activities).

The SESVs are four-legged vessels and are self-propelled, which means they do not require tugs or similar support vessels for moves between locations in the field; this makes them significantly more cost-effective and time-efficient than conventional offshore support vessels without self-propulsion. They have a large deck space, crane capacity and accommodation facilities that can be adapted to the requirements of the Group's clients. A well workover cantilever system that has been developed for the Large Class vessels will be available to clients for the first time in 2017. Developed in partnership with leading Norwegian designer Dwellop A.S., the innovative cantilever allows GMS to significantly increase the level and type of well intervention activities that can be carried out from these vessels to include operations that have traditionally been performed by more expensive non-propelled drilling rigs.

The fleet is categorised by size into Large Class vessels (operating in water depth of up to 80m, with crane capacity of up to 400 tonnes and accommodation for up to 300 people), Mid-Size Class vessels (operating in water depth up to 55m, with crane capacity of up to 150 tonnes and accommodation for up to 300 people) and Small Class vessels (operating in water depth of up to 45m, with crane capacity of up to 45 tonnes and accommodation for up to 300 people).

Demand for GMS' vessels is predominantly driven by their premium and cost-effective capabilities, underpinned by the need to maintain ageing oil and gas infrastructure and the increasing use of enhanced oil recovery techniques to offset declining production profiles.

www.gmsuae.com

Disclaimer

The content of the Gulf Marine Services PLC website should not be considered to form a part of or be incorporated into this announcement.

Cautionary Statement

This announcement includes statements that are forward-looking in nature. All statements other than statements of historical fact are capable of interpretation as forward-looking statements. These statements may generally, but not always, be identified by the use of words such as 'will',

'should', 'could', 'estimate', 'goals', 'outlook', 'probably', 'project', 'risks', 'schedule', 'seek', 'target', 'expects', 'is expected to', 'aims', 'may', 'objective', 'is likely to', 'intends', 'believes', 'anticipates', 'plans', 'we see' or similar expressions. By their nature these forward-looking statements involve numerous assumptions, risks and uncertainties, both general and specific, as they relate to events and depend on circumstances that might occur in the future.

Accordingly, the actual results, operations, performance or achievements of the Company and its subsidiaries may be materially different from any future results, operations, performance or achievements expressed or implied by such forward-looking statements, due to known and unknown risks, uncertainties and other factors. Neither Gulf Marine Services PLC nor any of its subsidiaries undertake any obligation to publicly update or revise any forward-looking statement as a result of new information, future events or other information. No part of this announcement constitutes, or shall be taken to constitute, an invitation or inducement to invest the Company or any other entity, and must not be relied upon in any way in connection with any investment decision. All written and oral forward-looking statements attributable to the Company or to persons acting on the Company's behalf are expressly qualified in their entirety by the cautionary statements referred to above.