

28 May 2019

Gulf Marine Services PLC
(‘Gulf Marine Services’, ‘GMS’, ‘the Company’ or ‘the Group’)

TRADING 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 update for the period 1 January 2019 to 27 May 2019, ahead of its Annual General Meeting today.

As reported in March, the Group is implementing a comprehensive plan to address its governance, operational and capital structure challenges.

Steps have been taken to strengthen the Board with the announcement of five new appointments. Independent Non-Executive Chairman Tim Summers joined the Board on 1 April 2019 and Non-Executive Director Mo Bississo joined on 1 March 2019. Senior Independent Non-Executive Director Mike Turner CBE and Independent Non-Executive Director David Blewden will both join GMS on 1 June 2019. In addition, the Group recently announced the appointment of Chief Financial Officer Steve Kersley with effect from 9 June 2019. Mr Kersley will be based in Abu Dhabi and will also join the Board as an Executive Director, after which the Board will comprise seven members including Chief Executive Officer Duncan Anderson and Independent Non-Executive Director Dr Shona Grant.

Cost savings across the business are being made, and GMS is on track to deliver the US\$ 6 million target of annualised savings by 2020. The Group continues to engage in a constructive dialogue with its banking syndicate to deliver a refinancing solution that establishes an appropriate long-term sustainable capital structure.

Operationally, the Group is pleased to announce a three-year contract award for one of its K-Class vessels in the MENA region. In addition, a six-month extension has been exercised for an S-Class vessel, and a further four-month extension for a K-Class vessel. The secured backlog¹ (comprising firm and extension options) is US\$ 218.8 million as at 27 May 2019 (1 March 2019: US\$ 239.2 million).

Customer enquiries are strengthening in the Middle East, with opportunities for the GMS fleet emerging in all of the Group’s principal markets in the region (UAE, Saudi Arabia and Qatar). Utilisation of the fleet has remained stable in Q1 2019 at a rate² including time for new contract mobilizations of 72% (31 December 2018: 69%).

The Group’s net debt level was unchanged (being bank borrowings less cash) at 1 May 2019 at US\$ 400.4 million (31 December 2018: US\$ 400.5 million).

Duncan Anderson, Chief Executive Officer of GMS, said:

“Underlying activity in the market is encouraging, with an improving pipeline of opportunities for the GMS fleet. We are participating in both short and long-term contract tenders and remain focused on the effective deployment of our vessels at appropriate operating margins. Our view of trading levels for 2019 remains consistent with previous guidance.”

- Ends -

¹Backlog represents firm contracts and extension options held by clients. Backlog equals (charter day rate x remaining days contracted) + ((estimated average Persons On Board x daily messing rate) x remaining days contracted) + contracted remaining unbilled mobilisation and demobilisation fees.

²Calendar days takes base days at 365 and only excludes periods of time for construction and delivery time for newly constructed vessels.

This announcement contains inside information and is provided in accordance with the requirements of Article 17 of the EU Market Abuse Regulation.

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Notes to Editors:

Gulf Marine Services PLC, a company listed on the London Stock Exchange, was founded in Abu Dhabi in 1977 and has become the world’s leading provider of advanced self-propelled self-elevating support vessels (SESVs). The fleet serves the oil, gas and renewable energy industries from its offices in the United Arab Emirates, Saudi Arabia and the United Kingdom. The Group’s assets are capable of serving clients’ requirements across the globe, including those in the Middle East, South East Asia, West Africa and Europe.

The GMS fleet of 13 SESVs 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 categorised by size – Small, Mid-Size and Large Class – with these capable of operating in water depths of 45m to 80m depending on leg length. The vessels are four-legged 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 (for up to 300 people) that can be adapted to the requirements of the Group's clients. In addition, an innovative well workover cantilever system commissioned on a Large Class SESV in 2017 allows GMS to increase the well intervention activities it can offer from the vessel and to supplant higher cost non-propelled drilling rigs.

Gulf Marine Services PLC's Legal Entity Identifier is 213800IGS2QE89SAJF77

www.gmsuae.com

Disclaimer

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