



21st August 2019

Gulf Marine Services PLC (“the Company”)

Corporate & Board Update

Gulf Marine Services (GMS) provides the following update on management and directorate changes, trading expectations for Full Year 2019, and capital structure and covenants.

Management and Directorate Changes

Since announcement of the Group’s 2018 results earlier this year, the Company has been in the process of a fundamental governance and management overhaul with the replacement of the Chairman, the CFO and all but the most recently appointed non-executive Directors.

The Board today announces that Mr Duncan Anderson has resigned from the role of CEO and as a Board Director with immediate effect. Mr Anderson will remain available to assist the Board with an orderly handover of his duties and responsibilities.

Mr Tim Summers, formerly non-Executive Chairman, is taking over the interim role of Executive Chairman whilst the Company finds the best placed candidate to take the business into a new chapter.

2019 Trading

The Company had previously guided to overall 2019 trading being at similar levels to 2018. Over recent weeks, the Board and the Company’s new CFO have conducted a detailed review of the Company’s year-to-date financial performance and forecast activity levels for the fleet, particularly in relation to the Company’s large E-class vessels. The review has established that 2019 EBITDA will be lower than in 2018, in an expected range of \$45-\$48m.

The revised EBITDA forecast has been compiled following a vessel-by-vessel analysis and having made a prudent, revised assessment of the existing contractual and new business prospects. This is how the Company will be assessing its business going forward.

Looking ahead to 2020, the order book shows improvement, with almost half of the Company’s fleet already secured on firm contracts for the year, which is a stronger position than at the same point 12 months ago. Nevertheless, market conditions remain challenging, although

there are a number of material new tender opportunities which GMS is pursuing in the near term.

Capital Structure and Covenants

Management, the new Board and the Group's advisors, have been in negotiation with the Group's banks on resetting its capital structure and progress has been made. However, as anticipated previously, the Group confirms that, at the upcoming testing date, it will not meet the covenant to be tested with reference to the Company's 30 June 2019 half year financial results. The Company and its financial advisors continue to be in active and constructive discussions with its banking syndicate and individual lenders with a view to receiving a waiver or agreeing an amendment to the relevant covenants and to establish an appropriate long-term sustainable capital structure.

Tim Summers, Executive Chairman, commented:

"On behalf of the Board, I would like to thank Duncan for his years of service to the Group and we wish him well for the future.

"Whilst we are disappointed to reset guidance for 2019, GMS's underlying business remains sound and the new Board recognises the importance of building a track record of delivery for our shareholders.

"GMS has progressed significantly towards our objectives of governance, management, and cost improvements, and we continue to be in constructive negotiations with our banks on a new capital structure for the Company."

GMS will report Interim Results on Wednesday, 11th September 2019.

Enquiries

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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

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