

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

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 July to 20 November 2017.

Levels of tender activity for all GMS vessel classes are improving in the oil and gas sector in the Middle East, although the precise timing of contract awards will continue to be dependent on clients’ own operational requirements. The continued development of the offshore renewables industry in Europe should also help future demand for the Group’s fleet.

The Group continues to focus on maximising vessel utilisation¹. The Large and Mid-Size Class vessels have achieved a utilisation level of 74% for the nine-month period to the end of Q3 2017. Utilisation for the combined fleet was 55% for the same period. The secured backlog² (including options) as at 31 October 2017 was US\$ 171.9 million (31 October 2016: US\$ 137.3 million).

At 31 October 2017, the Group had net debt (being bank borrowings less cash) of US\$ 381.3 million (31 October 2016: US\$ 363.7 million) together with undrawn bank facilities of US\$ 50.0 million. Total borrowings were reduced in August 2017 by US\$ 38.8 million following the return of a leased Small Class vessel. Underlying trading remains in line with expectations for 2017.

Duncan Anderson, Chief Executive Officer of GMS, said:

“We are particularly encouraged by the improvements in levels of tender activity for all our vessel classes in our core markets in the Middle East. The return of the renewables market in Europe also bodes well for the future. The demand for our Large and Mid-Size Class SESVs is especially pleasing. We already have contracts in place so that by Q2 2018 six out of seven of these vessels will be on hire and we believe the remaining vessel will be chartered in due course. Preparations are well underway for a busy first quarter of mobilisations next year. We are also seeing a rise in tendering for our Small Class SESVs and are confident utilisation will increase for these vessels as the market improves.

“Our SESV fleet is one of the youngest and most technologically advanced in the world and we are well-positioned to capitalise on the strengthening market environment and improving oil price.”

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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.

² Secured backlog consists of firm contracts and options held by clients.

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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 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 14 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. In addition, an innovative well workover cantilever system was successfully commissioned on a Large Class SESV in 2017. The cantilever allows GMS to 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.

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

www.gmsuae.com

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