

Gulf Marine Services PLC
 (“Gulf Marine Services”, “GMS”, “the Company” or “the Group”)

INTERIM MANAGEMENT STATEMENT

Gulf Marine Services (LSE:GMS), the leading provider of advanced self-propelled self-elevating support vessels (SESV) serving the offshore oil, gas and renewable energy sectors, today publishes its Interim Management Statement for the period 1 July to 4 November 2014.

Highlights

- **New build programme on track to deliver 66% increase in fleet size by 2016**
- **Recent contract wins have increased secured backlog to \$547 million**
- **Full year results are anticipated to remain in line with expectations**

GMS’ solid performance has continued. We have sustained high utilisation across the entire fleet with 95% being achieved up to the end of Q3 2014 and charter day rates being maintained at good levels.

The current secured backlog (as shown in the table below) of \$547 million provides good visibility on future earnings. Our existing SESV fleet (including the Pepper delivery) is already contracted out for more than 85% of the charter time available to it in 2015.

¹ Secured backlog as at 1 November 2014: (\$ millions)	Firm	Options	Total
Large Class	82	130	212
Small Class	187	147	334
Other	1	-	1
Total	270	277	547

¹ Secured backlog consists of firm contracts and options held by clients. Over 90% of client-held options have been exercised in the period since 2007. An updated schematic summary of the backlog by vessel is available at: <http://www.gmsuae.com/investor-relations/results-and-presentations/>

As announced on 30 October 2014, we are pleased to confirm a major new contract award for one of our Large Class vessels to support well service and maintenance work in the Dutch sector of the North Sea. The four-year charter (two years firm with two 12-month options) for an international oil company will commence in Q2 2015.

During the period, we also announced the first contracts for two of our new build SESVs. GMS Enterprise, a Large Class vessel, commenced its charter immediately following build completion in September. Pepper, an Enhanced Small Class vessel, is currently under construction and is expected to directly commence its first charter in Q1 2015 following delivery.

Our new build programme continues to progress well and on schedule. The next three vessels to be built at the Group's facilities in Abu Dhabi are Mid-Size Class vessels. The hull of GMS Shamal has been constructed and is due to arrive at GMS' yard later this month. The keel of GMS Scirocco has been laid and this vessel will arrive at the yard in Q1 2015. The procurement of long lead items for GMS Sharqi has commenced.

GMS has long-term confidence in the Saudi Arabian market and has agreed, subject to the normal regulatory approvals by the relevant government authorities, to increase its ownership in its KSA joint venture to 75% by purchasing a 15% interest from its existing partner, who will at the same time sell their remaining 25% stake to a KSA conglomerate.

Financial Position

The Group has a strong balance sheet and robust cash-generating position. As at the end of Q3 2014, the Group had net debt of approximately \$180 million (cash of \$84 million, bank debt of \$264 million) together with undrawn bank facilities of \$110 million.

Results for the full year are anticipated to remain in line with expectations.

Duncan Anderson, Chief Executive Officer of GMS, said:

"As we discussed in our Interim Results, demand for our SESVs across the MENA region is excellent and the market for our assets in Europe also remains strong with our entire fleet of ten SESVs currently chartered. Our backlog has increased by nearly 50% since August with recent contract wins. Our clients are responding to the low-cost benefits that our SESV solution provides them, which is increasingly relevant in the current oil price environment. The outlook, driven by our core brownfield (opex-focused) oil and gas client base, underpins our expectation of continued strong demand going forward. This, together with our ongoing new build programme, will help to maximise opportunities with existing and new clients."

Enquiries

For further information please contact:

Gulf Marine Services PLC

Duncan Anderson
John Brown
Anne Toomey
Tel: +44 (0) 7478710355

Bell Pottinger

Philip Dennis
Rollo Crichton-Stuart
Tel: +44 (0)20 3772 2500

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 one of the leading providers of self-propelled self-elevating support vessels (SESV) in the world. 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 the Middle East, South East Asia, West Africa and Europe.

GMS has an ongoing new build programme which will increase the fleet size by 66% to 15 vessels during the period 2014 to the end of 2016, in response to continued strong customer demand and an anticipated growing market in the foreseeable future.

The Group's SESV fleet, currently comprising ten vessels, is technically advanced and amongst the youngest in the industry, with an average age of eight years.

The SESVs are four-legged vessels that move independently, with no requirement for anchor handling or tug support. They have a large deck space, crane capacity and accommodation facilities that can be adapted to the requirements of the Group's clients.

These 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) and offshore oil and gas platform installation and offshore wind turbine installation (which are Capex-led activities).

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) 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). A third class, the 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) will be added to the fleet in 2015.

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

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