

9 April 2015

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

**Posting of 2014 Annual Report and Notice of Annual General Meeting**

The Company advises that the 2014 Annual Report, including the Notice of Annual General Meeting, and Form of Proxy have been mailed to its shareholders. The 2014 Annual Report is available on the Company's website at <http://www.gmsuae.com/investor-relations/results-and-presentations>.

In accordance with Listing Rule 9.6.1, copies of these documents have been submitted to the UK Listing Authority via a National Storage Mechanism and will shortly be available to the public for inspection at <http://www.morningstar.co.uk/uk/NSM>.

In accordance with Disclosure and Transparency Rule 6.3.5, additional information is set out in the appendices to this announcement. This information is extracted from the 2014 Annual Report. The appendices should be read in conjunction with the Company's Preliminary Results Announcement, issued on 24 March 2015. This material is not a substitute for reading the full 2014 Annual Report.

**Appendix A**

**Statement of Directors' Responsibilities**

The following responsibility statement is repeated here solely for the purpose of complying with DTR 6.3.5. This statement relates to and is extracted from page 65 of the 2014 Annual Report.

These responsibilities are for the full 2014 Annual Report and not the extracted information presented in this announcement or otherwise.

“The Directors consider that to the best of their knowledge:

- the financial statements, prepared in accordance with the relevant financial reporting framework, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole;
- the strategic report includes a fair review of the development and performance of the business and the position of the Company and the Group, together with a description of the principal risks and uncertainties that they face; and
- the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's performance, business model and strategy.

**Duncan Anderson**  
Chief Executive Officer

**John Brown**  
Chief Financial Officer”

**Appendix B**

**Principal Risks and Uncertainties**

The following has been extracted from pages 21 to 23 of the 2014 Annual Report:

The principal risks and uncertainties facing the Group in the short to medium term are set out below, together with the principal mitigation measures. These risks are not intended to be an exhaustive analysis of all risks that may arise in the ordinary course of business or otherwise.

Risk Profile	Mitigation, Monitoring and Assurance
<b>STRATEGIC</b>	
<p>The macroeconomic environment influences the demand for our services. A sustained period of low oil prices could affect the demand for the Group's oil extraction support services. This could lead to lower utilisation or lower charter day rates causing profit margins to fall.</p> <p>Significant changes in the marketplace as a result of the actions of our competitors or the entrance of new competitors may jeopardise our market share or adversely affect utilisation levels or charter day rate levels achieved.</p> <p>Over-exposure to any one geographic market or loss of a significant business partner could impact our performance.</p>	<p><b>Opex v Capex</b> The Group provides cost-effective services almost entirely in the Opex phase of oil companies' budgets, supporting long-term oil production which tends to be much less cyclical than Capex phase work. This helps to insulate the Group from falls in demand for our services due to low oil prices. Additionally, our clients are mainly NOCs who tend to be less sensitive to varying outputs of oil as they generally act to address macroeconomic concerns in their country.</p> <p><b>Focus on low cost of production areas such as MENA</b> A larger share of the Group's client base and revenues are generated in the MENA region, where the cost of oil production is significantly lower than in other parts of the world such that the effects of a sustained low oil price have less impact than in other regions.</p> <p>The well services we provide from our SESVs are more cost-effective than those provided by other solutions such as drilling rigs. This helps ensure our offering remains attractive even during times when our clients may be suffering from lower margins when energy prices are lower.</p> <p><b>Backlog visibility</b> We focus on long-term and recurring client contracts with a stable cost base such that operating margins can generally be forecast with reasonable accuracy, providing visibility of future earnings.</p> <p><b>Market and operational familiarity</b> We believe that the Group continues to have a competitive edge over most other market participants through operational experience and remains a leading operator of SESVs in the MENA region and one of the largest operators in the world.</p> <p><b>Construction and modification flexibility tailored to client needs</b> Our vessels are built to be as flexible as possible thus allowing us to compete for a wider share of the market than some of our competitors.</p>
<b>PEOPLE</b>	
<p>The Group's success depends on our ability to attract and retain sufficiently qualified and experienced personnel, particularly at senior management levels.</p> <p>The staffing requirements have been increasing for the Group as we continue to deliver and operate new build vessels as part of our fleet expansion programme. The Group therefore needs to recruit more suitably qualified personnel to operate the expanding fleet.</p> <p>Failure to attract, develop and retain sufficient competent crew to support our clients' needs could result in vessels being off hire.</p>	<p>The Group maintains detailed management succession plans for shore-based personnel which are monitored by the Group HR team. Resource gaps are filled via internal development programmes and/or external recruitment. Succession planning for general promotion within the fleet is carried out for key positions.</p> <p>We offer appropriate training and development programmes which include GMS bespoke training for our safety critical roles.</p> <p>Through regular monitoring and reviewing of our staffing needs, we strive to identify and nurture the best talent.</p>

	<p>The Group has a competitive remuneration structure that aims to attract, motivate and retain suitably qualified personnel through performance-based reward practices.</p>
<p><b>SAFETY AND ASSURANCE</b></p>	
<p>The Group may suffer commercial and reputational damage as a result of an environmental or safety incident involving our employees, visitors or contractors.</p> <p>Our operations have an inherent safety risk due to operating off shore. We have a fundamental obligation to protect our people and recognise the implications of poor safety procedures.</p>	<p>Safety and assurance continues to be a top priority and is underpinned by our HSSEQ management system and strong safety-focused culture within the Group.</p> <p>Our employees undergo continuous training and sensitisation on operational best practice. As such we are an ISO 9001, ISO 14001 and OHSAS 18001 certified company. The Group undergoes regular independent audits confirming our adherence to these standards.</p> <p>Management reviews safety practices and procedures, disaster recovery plans and the insurance coverage of all commercial contracts prior to acceptance.</p> <p>The Group follows regular maintenance schedules on its vessels and the condition of the vessels is consistently monitored.</p>
<p><b>FINANCIAL</b></p>	
<p>Macro and micro economic events, such as a low oil price, may impact our ability to raise finance, achieve forecast, effectively manage our working capital, or may hamper management's ability to make effective decisions or report on our financial position.</p> <p>The Group utilises external funding in financing major projects, and inability to obtain the required funding may hamper the successful undertaking of capital intensive projects.</p> <p>Failure of the Group to service the debts and comply with debt covenants could result in negative repercussions for the Group.</p>	<p>We adhere to Group-wide financial and accounting policies which underpin our approach to risk management. This includes regular preparation of budgets and forecasts allowing constant monitoring of changes in the macro and micro economic environment and the impact these changes may have on the Group.</p> <p>An extensive review and approval process is carried out for significant capital commitments, acquisitions and disposals.</p> <p>The Management and the Board regularly monitor the Group's debt obligations and funding requirements and seek to ensure that sufficient funding is always in place to meet the needs of the business as well as maintaining significant headroom over debt covenants thus minimising the risk of breach.</p>
<p><b>COMMERCIAL</b></p>	
<p>There is a risk that the Group may not be able to win new or retain existing contracts, resulting in lower vessel utilisation.</p> <p>Customers may opt not to exercise the contractual option periods resulting in gaps between long-term contracts.</p> <p>The Group provides services to a limited number of clients including IOCs and NOCs. The reliance of the Group on a limited number of blue chip customers may expose us to losses in the event of disruptions in client relationships.</p>	<p>The Group has a clear record of established relationships in the MENA region, some going back over thirty years, which has resulted in an excellent understanding of our clients' requirements and standards. Our vessels are then designed to maximise as many of these requirements as the limits of the design will permit.</p> <p>We seek to continually improve our offering through innovation including new vessel designs and specification improvements by responding directly to client feedback and modifying designs as appropriate.</p> <p>In order to offer a degree of protection from clients not exercising options the Company will compete in tenders for all vessels nearing the end of their firm contracts, ensuring that, if a client chooses not to exercise their option, no other opportunities would be missed.</p>

	<p>We seek to continually improve our offering through innovation including new vessel designs and specification improvements by responding directly to client feedback and modifying designs as appropriate. The Group's vessels will be contracted for the greater part of the forthcoming financial year as evidenced by the Group's strong order book of contracts and options.</p> <p>The Group views expanding its geographical footprint as one of its strategic aims and seeks to diversify into other markets. We recently entered into a strategic business partnership in South East Asia.</p>
<p><b>FLEET EXPANSION</b></p>	
<p>The Group may fail to appropriately identify laws and regulations and other regulatory statute in new jurisdictions where it intends to expand its business.</p> <p>Non-compliance with anti-bribery and corruption regulations could damage stakeholder relations and lead to reputational and financial loss.</p>	<p>The Group closely monitors all capital projects which are undertaken by a team of experienced marine industry engineers and project managers. We execute regular budgeting, forecasting and monitoring processes over capital projects.</p> <p>In order to mitigate the risk of project delays and price fluctuations the Group procures significant components well in advance of lead times or locks option prices with suppliers for future orders.</p> <p>The Group has significant experience in the construction of SESVs and, as a result of building them in our own yard facility, have the flexibility to modify the specification to ensure the vessels meet client needs in a cost effective and time efficient manner.</p>
<p><b>COMPLIANCE</b></p>	
<p>The Group may fail to appropriately identify laws and regulations and other regulatory statute in new jurisdictions where it intends to expand its business.</p> <p>Non-compliance with anti-bribery-and corruption regulations could damage stakeholder relations and lead to reputational and financial loss.</p>	<p>Prior to venturing into new markets, the Group performs substantial due diligence work and obtains an understanding of the governing laws and regulations. The Group engages third parties to help assist in performing the respective due diligence work.</p> <p>The Group has a Code of Conduct which employees are required to comply with when conducting business on behalf of the Group; this includes anti-bribery and corruption policies. Assessment of anti-bribery and corruption risks form an integral part of the decision-making process when entering new countries or negotiating with potential partners and major suppliers. If significant concerns arise, further research and assessment will be performed and may involve appropriate third parties, to establish whether potential issues are such that GMS must decline the opportunity under UK law.</p> <p>The Group operates an anonymous whistleblowing hotline which offers a confidential platform for reporting suspected ethical breaches or concerns. All suspected breaches are investigated and the Board is informed of any significant issues.</p>
<p><b>OPERATIONAL</b></p>	
<p>There is a risk that the Group's assets may not be fit for purpose or may fail to operate in the manner intended by the management. Failure to deliver the expected operational performance could result in reputational damage, litigation or loss of clients.</p>	<p>The Group constantly monitors the condition of the vessels and other equipment which undergo mandatory dry docking within the specified timeframes. The Group has policies and procedures in place such as the Planned Maintenance System to ensure that the vessels undergo regular maintenance. The vessels are subject</p>

Changes in the political regimes, civil and political unrest or sanctions in the jurisdictions in which we operate could adversely affect our operations.

to periodic audits from third parties and the structural integrity of the vessels is certified.

For all our major assets, the Group maintains emergency preparedness plans. We regularly review the insurance coverage over the Group's assets, ensuring these are comprehensively covered.

The Board constantly monitors the ever-changing political landscape in the regions that are considered volatile or unpredictable.

The Group remains vigilant to potential changes and risks and as such the Group considers it a priority to engage with governments and continued legal counsel to ensure a comprehensive view of our stakeholders is presented.

For further information please contact:

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