

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

POSTING OF 2015 ANNUAL REPORT AND NOTICE OF ANNUAL GENERAL MEETING

The Company advises that the 2015 Annual Report for the year ended 31 December 2015, including the Notice of Annual General Meeting and Form of Proxy, has been mailed to its shareholders. The 2015 Annual Report is available on the Company's website at <http://www.gmsuae.com/investor-relations/results-and-presentations>. The Company will hold its AGM on Wednesday, 11 May 2016.

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 2015 Annual Report. The appendices should be read in conjunction with the Company's Preliminary Results Announcement, issued at 07:00 on 22 March 2016, RNS Number 8198S. This material is not a substitute for reading the full 2015 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 2015 Annual Report.

These responsibilities are for the full 2015 Annual Report and not the extracted information presented in this announcement or otherwise.

“We confirm that to the best of our 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;
- so far as each Director is aware, there is no relevant information, (including known or suspected non-compliance with laws or regulations), which would be needed by the Company's external auditor in connection with preparing its audit report (which appears on pages 68 to 71 of the 2015 Annual Report), of which the external auditor is not aware; and each Director, in accordance with section 418(2) of the Companies Act 2006, has taken all reasonable steps that he ought to have taken as a Director to make himself aware of any such information and to ensure that the external auditor is aware of such information;
- all transactions have been recorded and are reflected in the financial statements;
- the strategic report includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, 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
21 March 2016

John Brown
Chief Financial Office
21 March 2016

Appendix B

Principal Risks and Uncertainties

The following has been extracted from pages 21 to 23 of the 2015 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
STRATEGIC	
<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 market-place 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 major client or a reduction in activity of a major client could impact our performance.</p>	<p>Opex v Capex The Group provides cost-effective services mainly in the Opex phase of oil companies' budgets, supporting long-term oil production which tends to be much less cyclical than Capex phase work.</p> <p>Focus on low cost of production areas such as MENA 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. Our NOC clients in these regions tend to be less sensitive to varying oil prices than other types of oil companies.</p> <p>Backlog visibility We focus on long-term and recurring client contracts such that operating margins can generally be forecast with reasonable accuracy, providing visibility of future earnings. Secured backlog at the end of 2015 is US\$ 579.6 million.</p> <p>Market and operational familiarity We believe that the Group continues to have a competitive edge over most other market participants through our operational expertise and the quality of our offshore solutions.</p> <p>Construction and modification flexibility for clients Our vessels are built to be as flexible as possible allowing us to compete for a wide share of the market helping us to maintain high utilisation and charter day rates.</p>
COMMERCIAL	
<p>The reliance of the Group on a limited number of blue chip clients may expose us to losses in the event of client relationship disruptions.</p>	<p>Strong client relationships The Group has a clear record of established long term relationships in the MENA region, which helps provide an excellent understanding of our</p>

<p>The Group may not be able to win new contracts or retain existing contracts including clients not opting to exercise contractual option periods because of the actions of competitors. This could lead to lower vessel utilisation or lower charter day rates causing profit margins to fall.</p>	<p>clients' requirements and standards.</p> <p>Flexibility and innovation We seek to continually improve our offering through innovation including new vessel designs and specification improvements by responding directly to client feedback.</p> <p>Tender approach We 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>Growth and expansion The Group has plans to further expand the fleet, subject to market demand. Furthermore the Group has expansion of its geographical footprint as one of its strategic aims as it seeks to diversify into other markets. Also we are further expanding the range of well activities that our vessels can perform.</p>
<p>HEALTH, SAFETY, SECURITY, ENVIRONMENT AND QUALITY</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 our offshore operations. We have a fundamental obligation to protect our people and recognise the implications of poor safety procedures.</p>	<p>Safety awareness Safety and assurance continue to be a top priority and are underpinned by our HSSEQ management system and strong safety-focused culture. Management ensures appropriate safety practices and procedures, disaster recovery plans and the insurance coverage of all commercial contracts both prior to acceptance and during contract delivery.</p> <p>Training and compliance Our employees undergo continuous training and sensitisation on operational best practice.</p> <p>Scheduled maintenance The Group follows regular maintenance schedules on its vessels and the condition of the vessels is consistently monitored.</p>
<p>FINANCIAL</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 and service our financial obligations.</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>Key performance indicators (KPIs) Transparent KPIs are used for reporting to track progress. The KPIs are reviewed regularly to ensure Management has all the necessary information to make timely financial decisions.</p> <p>Availability of funding The Group completed a refinancing process in 2015, which has provided assurance on adequate funding for working capital and future capex projects.</p> <p>Policies and procedures We adhere to Group-wide financial and</p>

	<p>accounting policies which underpin our approach to risk management.</p> <p>Management and Board reporting The Management and the Board regularly monitor the Group's debt obligations and funding requirements and seek to ensure that sufficient funds are 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>COMPLIANCE AND REGULATION</p>	
<p>Non-compliance with anti-bribery and corruption regulations could damage stakeholder relations and lead to reputational and financial loss.</p> <p>Failure to appropriately identify and comply with laws and regulations and other regulatory statutes in new and existing markets could lead to regulatory investigations.</p>	<p>Code of conduct 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.</p> <p>Due diligence Prior to venturing into new markets, the Group performs substantial due diligence work and obtains an understanding of the governing laws and regulations. Group legal and external counsel support are utilised as necessary.</p>
<p>OPERATIONAL</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 management. Failure to deliver the expected operational performance could result in reputational damage, litigation, reduced profit margins or loss of clients.</p> <p>Changes in the political regimes, civil and political unrest or sanctions in the jurisdictions in which we operate could adversely affect our operations.</p>	<p>Vessel monitoring 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 preventative maintenance.</p> <p>Emergency plans and insurance For all our major assets and areas of operation, the Group maintains emergency preparedness plans. We regularly review the insurance coverage over the Group's assets to ensure adequate cover is in place.</p> <p>Constant review The Group remains vigilant to potential changes and risks and may engage with governments and legal counsel to ensure a comprehensive view of our stakeholders is presented. The Group constantly monitors the ever-changing political landscape in the regions that are considered volatile or unpredictable.</p>
<p>INVESTMENTS</p>	
<p>Delays in completion, or errors in assessing the impact of new strategic expansion projects could result in decreased margins and market share.</p>	<p>Board oversight The Board has oversight of approving and monitoring strategic projects.</p> <p>Project management Extensive project management controls and</p>

	processes are adhered to throughout project life cycles.
PEOPLE	
<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>Failure to attract, develop and retain sufficient competent crew to support our clients' needs could result in operational issues on-board vessels.</p>	<p>Succession planning The Group maintains detailed management succession plans for key personnel which are monitored by the Group HR team. The current macroeconomic environment has resulted in a wider talent pool available for certain roles within the Group.</p> <p>Learning and development The Group is committed to providing bespoke training and development paths for key personnel and invests heavily in learning and development with a major focus on regular training for our safety critical, senior operational and management roles.</p> <p>Competitive remuneration packages The Group has a competitive remuneration structure that aims to attract, motivate and retain suitably qualified personnel through performance-based reward practices.</p>

For further information please contact:

Gulf Marine Services PLC

Duncan Anderson
John Brown
Tel: +971 (2) 5028888
Anne Toomey
Tel: +44 (0) 1296 622736

Bell Pottinger

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

www.gmsuae.com

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