

NEWS RELEASE

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FOR IMMEDIATE RELEASE
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GULF ISLAND FABRICATION, INC. **REPORTS THIRD QUARTER EARNINGS**

Houma, LA – Gulf Island Fabrication, Inc. (NASDAQ: GIF1) today reported net income of \$2.2 million (\$.18 diluted EPS) on revenue of \$37.5 million for its third quarter ended September 30, 2005, compared to net income of \$1.7 million (\$.14 diluted EPS) on revenue of \$35.8 million for the third quarter ended September 30, 2004. Net income for the first nine months of 2005 was \$10.3 million (\$.83 diluted EPS) on revenue of \$147.1 million, compared to net income of \$9.2 million (\$.76 diluted EPS) on revenue of \$128.0 million for the first nine months of 2004.

The company had a revenue backlog of \$105.7 million and a labor backlog of approximately 1.4 million man-hours remaining to work, which consist of work remaining at September 30, 2005 and commitments received since September 30, 2005.

SELECTED BALANCE SHEET INFORMATION

(in thousands)

	September 30, 2005	December 31, 2004
Cash and short-term investments	\$ 41,878	\$ 40,397
Total current assets	98,140	91,290
Property, plant and equipment, at cost, net	58,748	60,346
Total assets	157,538	152,285
Total current liabilities	12,172	16,076
Debt	0	0
Shareholders' equity	136,156	126,584
Total liabilities and shareholders' equity	157,538	152,285

The management of Gulf Island Fabrication, Inc. will hold a conference call today, October 26, 2005, at 9:00 a.m. Central Time (10:00 a.m. Eastern Time) to discuss the Company's financial results for the quarter ended September 30, 2005. The call is accessible by webcast (www.gulfisland.com) through CCBN and by dialing 1.800.474.8920. A digital rebroadcast of the call is available two hours after the call and ending November 4, 2005 by dialing 1.888.203.1112, replay passcode: 6724442.

Gulf Island Fabrication, Inc., based in Houma, Louisiana, is a leading fabricator of offshore drilling and production platforms, offshore living quarters and other specialized structures used in the development and production of offshore oil and gas reserves. The Company also offers offshore interconnect pipe hook-up, inshore marine construction, manufacture and repair of pressure vessels, and steel warehousing and sales.