

NEWS RELEASE

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FOR IMMEDIATE RELEASE
WEDNESDAY, April 26, 2006

GULF ISLAND FABRICATION, INC. **REPORTS FIRST QUARTER EARNINGS**

Houma, LA – Gulf Island Fabrication, Inc. (NASDAQ: GIFI) today reported net income of \$2.2 million (\$.16 diluted EPS) on revenue of \$57.4 million for its first quarter ended March 31, 2006, compared to net income of \$3.5 million (\$.28 diluted EPS) on revenue of \$54.2 million for the first quarter ended March 31, 2005.

The operations of Gulf Marine Fabricators, which was acquired on January 31, 2006, contributed \$9.6 million of revenue, \$9.8 million of cost-of-revenue, and \$658,000 of general and administrative expenses, to the Consolidated Statements of Income for the three months ended March 31, 2006.

Included in the Consolidated Statements of Income for the three months ended March 31, 2006, under other income (expense), is the \$983,000 gain resulting from the sale of the Company's interest in MinDOC, L.L.C., effective January 23, 2006.

The company had a revenue backlog of \$230.0 million and a labor backlog of approximately 2.7 million man-hours remaining to work, which consist of work remaining at March 31, 2006 and commitments received since March 31, 2006.

SELECTED BALANCE SHEET INFORMATION

(in thousands)

	March 31, 2006	December 31, 2005
Cash and short-term investments	\$ 5,451	\$ 35,901
Total current assets	91,290	103,412
Property, plant and equipment, at cost, net	138,002	59,744
Total assets	233,614	163,806
Total current liabilities	25,503	16,271
Debt	19,000	0
Shareholders' equity	180,325	138,265
Total liabilities and shareholders' equity	233,614	163,806

The management of Gulf Island Fabrication, Inc. will hold a conference call today April 26, 2006 at 9:00 a.m. Central Time (10:00 a.m. Eastern Time) to discuss the Company's financial results for the quarter ended March 31, 2006. The call is accessible by webcast (www.gulfisland.com) through CCBN and by dialing **1.800.310.7032**. **A digital rebroadcast of the call is available two hours after the call and ending May 5, 2006 by dialing 1.888.203.1112, replay passcode: 6455288.**

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; steel warehousing and sales; onshore and offshore scaffolding and piping insulation services.

GULF ISLAND FABRICATION, INC.
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(in thousands, except per share data)

	Three Months Ended March 31,	
	2006	2005
Revenue	\$ 57,369	\$ 54,232
Cost of revenue	52,974	47,725
Gross profit	4,395	6,507
General and administrative expenses	2,169	1,372
Operating income	2,226	5,135
Other income (expense):		
Interest expense	(177)	(27)
Interest income	125	287
Other	983	(3)
	931	257
Income before income taxes	3,157	5,392
Income taxes	1,003	1,889
Net income	\$ 2,154	\$ 3,503
Per share data:		
Basic earnings per share:	\$ 0.16	\$ 0.29
Diluted income per share:	\$ 0.16	\$ 0.28
Weighted-average shares	13,365	12,197
Effect of dilutive securities: employee stock options	153	134
Adjusted weighted-average shares	13,518	12,331
Depreciation and amortization included in expense above	\$ 2,869	\$ 1,553
Cash dividend declared per common share	\$ 0.075	\$ 0.075