

NEWS RELEASE

For further information contact:

Kerry J. Chauvin
Chief Executive Officer
(985) 872-2100

Robin A. Seibert
Chief Financial Officer
(985) 872-2100

FOR IMMEDIATE RELEASE

SEPTEMBER 4, 2008

GULF ISLAND FABRICATION, INC. HOUMA FACILITY SUSTAINED MINIMAL DAMAGE AFTER HURRICANE GUSTAV

Houma, LA – Gulf Island Fabrication, Inc. (NASDAQ: GIFI) today reported it sustained very minimal damage at its Houma facilities from Hurricane Gustav that moved through the Gulf Coast Monday. The Company's Texas facilities were not affected by the hurricane and remains fully operational.

Local officials will allow residents to return to the area beginning tomorrow, Friday, September 5, 2008. As utility services, such as electric power, water and natural gas is restored to the area, office and essential yard personnel will begin performing various tasks to return the Corporate headquarters and all the Company's operating facilities (Gulf Island, L.L.C., Dolphin Services, L.L.C. and Southport, L.L.C.) to pre-Hurricane Gustav operations.

We request that if any customer, vendor, supplier, investor or related business associate has any questions, concerns or needs, please contact us. Due to the extra burden on the communications systems in our area you may not be able to reach your regular Company contact, please call our Texas office at 361-775-4600 for any information.

Gulf Island Fabrication, Inc., based in Houma, Louisiana, is a leading fabricator of offshore drilling and production platforms, hull and/or deck sections of floating production platforms and other specialized structures used in the development and production of offshore oil and gas reserves. These structures include jackets and deck sections of fixed production platforms; hull and/or deck sections of floating production platforms (such as tension leg platforms ("TLPs")), "SPARs, FPSOs", piles, wellhead protectors, subsea templates and various production, compressor and utility modules, offshore living quarters, tanks and barges. The Company also provides offshore interconnect pipe hook-up, inshore marine construction, manufacture and repair of pressure vessels, heavy lifts such as ship integration and TLP module integration, loading and offloading of jack-up drilling rigs, semi-submersible drilling rigs, TLPs, SPARs, or other similar cargo, onshore and offshore scaffolding, piping insulation services, and steel warehousing and sales.