UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2000

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from________ to _________

Commission File Number 0-22303

GULF ISLAND FABRICATION, INC.
(Exact name of registrant as specified in its charter)

LOUISIANA	72-1147390
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
583 THOMPSON ROAD, HOUMA, LOUISIANA	70363
(Address of principal executive offices)	(Zip Code)

(504) 872-2100
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No______

The number of shares of the Registrant's common stock, no par value per share, outstanding at November 8, 2000 was 11,681,300.

GULF ISLAND FABRICATION, INC.

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<TABLE>
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GULF ISLAND FABRICATION, INC.
CONSOLIDATED BALANCE SHEETS

<TABLE>
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	(Unaudited) September 30, 2000	December 31, 1999
	(in thousands)	
<S>	<C>	<C>
ASSETS		
Current assets:		
Cash and cash equivalents	$ 6,606	$ 4,535
Short-term investments	15,840	11,215
Contracts receivable, net	23,656	22,739
Contract retainage	263	3,251
Costs and estimated earnings in excess of billings on uncompleted contracts	2,350	3,438
Prepaid expenses	961	749
Inventory	1,315	1,227
Total current assets	50,991	47,154
Property, plant and equipment, net	42,165	43,664
Excess of cost over fair value of net assets acquired less accumulated amortization of $ 758,675 and $ 553,025 at September 30, 2000 and December 31, 1999, respectively	5,309	3,565
Other assets	853	666
Total assets	$ 99,318	$ 95,049
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 3,093	$ 4,167
Billings in excess of costs and estimated earnings on uncompleted contracts	4,957	6,473
Accrued employee costs	1,669	1,790
Accrued expenses	4,757	1,475
Income taxes payable	1,025	1,462
Total current liabilities	15,501	15,367
Deferred income taxes	3,584	3,064
Total liabilities	19,085	18,431
Shareholders' equity:		
Preferred stock, no par value, 5,000,000 shares authorized, no shares issued and outstanding	-	-
Common stock, no par value, 20,000,000 shares authorized, 11,681,300 and 11,638,400 shares issued and outstanding at September 30, 2000 and December 31, 1999, respectively	4,195	4,162
Additional paid-in capital	35,753	35,326
Retained earnings	40,285	37,130
Total shareholders' equity	80,233	76,618
Total liability and shareholders' equity	$ 99,318	$ 95,049

</TABLE>

The accompanying notes are an integral part of these statements.

GULF ISLAND FABRICATION, INC.
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

<TABLE>
<CAPTION>

	Three Months Ended September 30, 2000	Three Months Ended September 30, 1999	Nine Months Ended September 30, 2000	Nine Months Ended September 30, 1999
	(in thousands, except per share data)			
<S>	<C>	<C>	<C>	<C>
Revenue	$ 27,544	$ 29,034	$ 87,665	$ 87,469
Cost of revenue	25,159	25,393	80,282	75,589
Gross profit	2,385	3,641	7,383	11,880
General and administrative expenses	1,035	955	3,195	3,226
Operating income	1,350	2,686	4,188	8,654
Other income (expense):				
Interest expense	(18)	(11)	(25)	(46)
Interest income	373	203	985	470
Other - net	(68)	(39)	(169)	(29)
	287	153	791	395
Income before income taxes	1,637	2,839	4,979	9,049
Income taxes	617	1,105	1,824	3,435
Net income	$ 1,020	$ 1,734	$ 3,155	$ 5,614
Per share data:				
Basic earnings per share	$ 0.09	$ 0.15	$ 0.27	$ 0.48
Diluted earnings per share	$ 0.09	$ 0.15	$ 0.27	$ 0.48
Weighted-average shares	11,680	11,638	11,661	11,638
Effect of dilutive securities: employee stock options	96	77	89	54
Adjusted weighted-average shares	11,776	11,715	11,750	

11,692

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The accompanying notes are an integral part of these statements.

GULF ISLAND FABRICATION, INC.
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

<TABLE>
<CAPTION>

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings	Total Shareholders' Equity
	(in thousands, except share data)				
Balance at January 1, 2000	11,638,400	$ 4,162	$ 35,326	$ 37,130	$ 76,618
Exercise of stock options	42,900	33	304	-	337
Income tax benefit from exercise of stock options	-	-	123	-	123
Net income	-	-	-	3,155	3,155
Balance at September 30, 2000	11,681,300	$ 4,195	$ 35,753	$ 40,285	$ 80,233

</TABLE>

The accompanying notes are an integral part of these statements.

GULF ISLAND FABRICATION, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

<TABLE>
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	Nine Months Ended September 30, 2000	1999
	(in thousands)	
Cash flows from operating activities:		
Net income	$ 3,155	$ 5,614
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	3,358	3,475
Amortization	206	206
Deferred income taxes	520	1,247
Changes in operating assets and liabilities:		
Contracts receivable	(917)	19,242
Contract retainage	2,988	2,775
Costs and estimated earnings in excess of billings on uncompleted contracts	1,088	(16)
Prepaid expenses, inventory and other assets	(300)	320
Accounts payable	(1,074)	(2,418)
Billings in excess of costs and estimated earnings on uncompleted contracts	(1,516)	(5,339)
Accrued employee costs	(121)	(1,954)
Accrued expenses	1,332	657
Income taxes payable	(437)	1,520

Net cash provided by operating activities	8,282	25,329
Cash flows from investing activities:		
Capital expenditures, net	(1,859)	(2,783)
Purchase of short-term investments	(4,625)	(11,076)
Other	(187)	(104)
Net cash used in investing activities	(6,671)	(13,963)
Cash flows from financing activities:		
Principal payments on notes payable	-	(3,000)
Proceeds from exercise of stock options	460	-
Net cash provided by (used in) financing activities	460	(3,000)
Net increase in cash and cash equivalents	2,071	8,366
Cash and cash equivalents at beginning of period	4,535	2,808
Cash and cash equivalents at end of period	$ 6,606	$ 11,174
Supplemental cash flow information:		
Interest paid	$ 25	$ -
Income taxes paid	$ 1,616	$ 659

</TABLE>

The accompanying notes are an integral part of these statements.

GULF ISLAND FABRICATION, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

FOR THE THREE MONTH AND NINE MONTH
PERIODS ENDED SEPTEMBER 30, 2000 AND 1999

NOTE 1 - ORGANIZATION AND SIGNIFICANT ACCOUNTING PRINCIPLES

Gulf Island Fabrication, Inc. (the "Company"), together with its subsidiaries, is a leading fabricator of offshore drilling and production platforms and other specialized structures used in the development and production of offshore oil and gas reserves. Structures and equipment fabricated by the Company include jackets and deck sections of fixed production platforms; hull and deck sections of floating production platforms (such as tension leg platforms); piles; wellhead protectors; subsea templates; and various production, compressor and utility modules; and offshore living quarters. The Company, located in Houma, Louisiana, also provides services such as offshore interconnect pipe hook-up; inshore marine construction; manufacture and repair of pressure vessels; and steel warehousing and sales. Gulf Island Fabrication, Inc.'s principal markets are concentrated in the offshore regions of the Gulf of Mexico. The consolidated financial statements include the accounts of Gulf Island Fabrication, Inc. and its subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

The information presented at September 30, 2000 and for the three months and nine months ended September 30, 2000 and 1999, is unaudited. In the opinion of the Company's management, the accompanying unaudited financial statements contain all adjustments (consisting of normal recurring adjustments) that the Company considers necessary for the fair presentation of the Company's financial position at September 30, 2000 and the results of its operations for the three months and nine months ended September 30, 2000 and 1999, and its cash flows for the nine months ended September 30, 2000 and 1999. The results of operations for the three months and nine months ended September 30, 2000 are not necessarily indicative of the results that may be expected for the year ending December 31, 2000.

In the opinion of management, the financial statements included herein have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. For further information, refer to the consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 1999.

NOTE 2 - NOTES PAYABLE

Effective September 21, 2000, the Company's existing bank credit facility was amended and restated in order, among other reasons, to extend the maturity date to

December 31, 2002. The credit facility provides for a revolving line of credit (the "Revolver") of up to $20.0 million that bears interest equal to, at the Company's option, the prime lending rate established by Bank One Corporation or LIBOR plus 1.5%. The Revolver is secured by a mortgage on the Company's real estate, equipment and fixtures. The Company pays a fee quarterly of three-sixteenths of one percent per annum on the weighted-average unused portion of the line of credit. The Company is required to maintain certain covenants, including balance sheet and cash flow ratios. At September 30, 2000, the Company was in compliance with these covenants and had no outstanding borrowings under the Revolver.

NOTE 3 - CONTINGENCIES

The Louisiana Department of Environmental Quality (the "LDEQ") has required the Company to update its reports and modify its state air permit with respect to emissions from chemicals that are components of the steel and paint used by Gulf Island, L.L.C. in its fabrication operations, and Gulf Island L.L.C. has done so. The LDEQ has advised the Company that it is considering the assessment of a penalty for exceeding permitted limits and inaccurate reporting. Gulf Island, L.L.C. does not believe that any actions of the LDEQ in this matter will be material to its financial position or require any changes to its operations other than the monitoring of the content of certain purchased materials, the cost of which is expected to be negligible.

The Company is one of four defendants in a lawsuit in which the plaintiff claims that the Company improperly installed certain attachments to a jacket that it had fabricated for the plaintiff. The plaintiff, which has recovered most of its out-of-pocket losses from its own insurer, sought to recover from the four defendants the remainder of its claimed out-of-pocket losses (approximately $1 million) and approximately $65 million for economic losses which it alleges resulted from the delay in oil and gas production that was caused by these events. The trial court has issued a judgement, which has been appealed by the plaintiff, the effect of which has been to prevent plaintiff's recovery of any damages from the defendants, including the Company. In connection with the judgement, the parties have entered into agreements that eliminate the possibility of plaintiff's recovery of any out-of-pocket damages and preserve for appeal only those questions bearing on plaintiff's recovery of its economic losses from delay in production and on defendants' efforts to get a judgement against plaintiff's underwriters for coverage of any potential liability to plaintiff and for attorneys' fees and costs. The Company continues to defend the case vigorously, leaving open the possibility of reasonable settlement. After consultation with legal counsel, the Company does not expect that the ultimate resolution of this matter will have a material adverse effect on the financial position or results of operations of the Company, although no assurances can be given as to the ultimate outcome of the claims.

The Company is subject to other claims arising primarily in the normal conduct of its business. While the outcome of such claims cannot be determined, management does not expect that resolution of these matters will have a material adverse effect on the financial position or results of operations of the Company.

NOTE 4 - NEW ACCOUNTING STANDARD

In December 1999, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin ("SAB") 101, "Revenue Recognition in Financial Statements." This document expresses the views of the SEC in applying generally accepted accounting principles to the revenue recognition process. In June 2000, the SEC issued SAB 101B, "Deferral of the Effective Date of SAB 101," which deferred the effective date of SAB 101 to the fourth fiscal quarter of fiscal years beginning after December 15, 1999. The Company has evaluated the impact of adoption of the SAB and does not anticipate that adoption of the views expressed in this document will have a material impact on the methodology the Company uses to recognize revenue.

In June 1998, Statement of Financial Accounting Standards ("SFAS") No. 133, "Accounting for Derivative Instruments and Hedging Activities" was issued and is effective for the Company beginning January 1, 2001. SFAS 133, as amended, establishes accounting and reporting standards for recognition and measurement of derivative instruments, including derivative instruments embedded in other contracts, and for hedging activities. The Company is required to and will adopt SFAS 133 in the first quarter of fiscal 2001. The Company does not expect SFAS 133 as amended to have an impact on its results of operations, financial position or cash flows as it currently does not have any derivative instruments or hedging activities.

NOTE 5 - SUBSEQUENT EVENT

Effective January 1, 1998, the Company purchased all of the outstanding shares of Southport, Inc., which specializes in the fabrication of offshore living quarters, for $6.0 million cash, plus contingent payments of up to an additional $5.0 million based on Southport's net income over a four-year period ending December 31, 2001. On October 26, 2000, the Company reached an agreement with the former shareholders of Southport, Inc. to an early payout amount of approximately $2.0 million. This $2.0 million payment was accounted for under the purchase method of accounting; consequently, the payment increased the excess of cost over fair value of net assets acquired, which will result in an increase in amortization expense of approximately $42,000 per quarter.

Item 2. Management's Discussion and Analysis of Financial Condition And Results of Operations.

Results of Operations

The Company's revenue for the three-month periods ended September 30, 2000 and 1999 was $27.5 million and $29.0 million, respectively. Revenue for the nine-month periods ended September 30, 2000 and 1999 was $87.7 million and $87.5 million, respectively. The decrease in revenue for the three-month period ended September 30, 2000 was primarily related to the reduction in hours worked on contracts in progress.

The delay in the anticipated recovery in the late cycle sectors, such as offshore fabrication in which the Company operates, continues to suppress margins on contracts. For the three-month and nine-month periods ended September 30, 2000, gross profit was $2.4 million (8.7% of revenue) and $7.4 million (8.4% of revenue), compared to $3.6 million (12.5% of revenue) and $11.9 million (13.6% of revenue) of gross profit for the three-month and nine-month periods ended September 30, 1999.

The Company's general and administrative expenses have remained relatively constant at approximately $1.0 million and $3.2 million for the three-month and nine-month periods ended September 30, 2000 and 1999, respectively.

The Company had net interest income of $355,000 and $960,000 for the three-month and nine-month periods ended September 30, 2000, respectively, compared to $192,000 and $424,000 for the comparable periods of 1999. The current reduced production levels requires less working capital thereby providing more available cash for investment purposes.

For the three-month period ended September 30, 2000, other-net, represented $68,000 of expenses compared to $39,000 of expenses for the period ended September 30, 1999. For the nine-month period ended September 30, 2000, other-net, represented $169,000 of expenses compared to $29,000 of expenses for the period ended September 30, 1999. These expenses consist primarily of the Company's share of the MinDOC, LLC activities to design and market the MinDOC floating platform concept for deepwater drilling and production.

Liquidity and Capital Resources

Historically the Company has funded its business activities through funds generated from operations and borrowings under its revolving line of credit. Net cash provided by operations was $8.3 million for the nine-months ended September 30, 2000, which contributed to an 11.6% increase in working capital to $35.5 million. Net cash used in investing activities for the nine-months ended September 30, 2000 was $6.7 million, of which $4.6 million related to the purchase of short-term investments, $1.9 million was for equipment purchases and facility improvements and $187,000 of other net expenditures related to MinDOC, LLC.

The Company's Revolver currently provides for a revolving line of credit of up to $20.0 million that bears interest equal to, at the Company's option, the prime lending rate established by Bank One Corporation or LIBOR plus 1.5%. The Revolver matures December 31, 2002 and

is secured by a mortgage on the Company's real estate, equipment and fixtures. The Company pays a fee quarterly of three-sixteenths of one percent per annum on the weighted-average unused portion of the line of credit. The Company is required to maintain certain covenants, including balance sheet and cash flow ratios. At September 30, 2000, the Company was in compliance with these covenants and had no outstanding borrowings under the Revolver.

Capital expenditures for the remaining three months of 2000 are estimated to be approximately $3.3 million, including improvements to the facilities and various other fabrication equipment. Management believes that its available funds, cash generated by operating activities and funds available under the Revolver will be sufficient to fund these capital expenditures and its working capital needs. The Company may, however, expand its operations through future acquisitions that may require additional equity or debt financing.

Forward-Looking Statements

Statements under "Results of Operations" and "Liquidity and Capital Resources" and other statements in this report and the exhibits hereto that are not statements of historical fact are forward-looking statements. These statements involve risks and uncertainties that include, among others, the timing and extent of changes in the prices of crude oil and natural gas; the timing of new projects and the Company's ability to obtain them; competitive factors in the heavy marine fabrication industry; the Company's ability to successfully complete the testing, production and marketing of the MinDOC and other deep water production systems and to develop and provide financing for such systems that are acceptable to its customers; and the Company's ability to attract and retain qualified production employees at acceptable compensation rates. Changes in these factors could result in changes in the Company's performance and could cause the actual results to differ materially from those expressed in the forward-looking statements.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For a description of legal proceedings, see Item 1 of Part II of the Company's Quarterly Reports on Form 10-Q for the quarters ended March 31, and June 30, 2000, respectively.

Item 5. Other Information

On October 25, 2000 the Company announced its 2000 third quarter earnings and related matters. The press release making this announcement is attached hereto as Exhibit 99.1.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits.

- 10.1 First Amendment to the Eighth Amended and Restated Revolving Credit Agreement among the Company and Bank One, Louisiana, N.A. and Whitney National Bank, dated September 21, 2000.
- 27.1 Financial Data Schedule.
- 99.1 Press release issued by the Company on October 25, 2000 announcing its 2000 third quarter earnings and related matters.

(b) The Company filed no reports on Form 8-K during the quarter for which this report is filed.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

GULF ISLAND FABRICATION, INC.

/s/ Joseph P. Gallagher, III
By:____________________________________
Joseph P. Gallagher, III
Vice President - Finance,
Chief Financial Officer
and Treasurer
(Principal Financial Officer
and Duly Authorized Officer)

Date: November 8, 2000

GULF ISLAND FABRICATION, INC.

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
10.1	First Amendment to the Eighth Amended and Restated Revolving Credit Agreement among the Company and Bank One, Louisiana, N.A. and Whitney National Bank, dated September 21, 2000.
27.1	Financial Data Schedule.
99.1	Press release issued by the Company on October 25, 2000 announcing its 2000 third quarter earnings and related matters.

EXHIBIT 10.1

FIRST AMENDMENT TO
EIGHTH AMENDED AND RESTATED
REVOLVING CREDIT AGREEMENT

THIS FIRST AMENDMENT TO EIGHTH AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT (this "First Amendment"), dated effective as of the 21st day of September, 2000, is entered into by and among GULF ISLAND FABRICATION, INC., a Louisiana corporation ("Borrower"), GULF ISLAND, L.L.C., a Louisiana limited liability company ("Gulf Island Subsidiary"), DOLPHIN SERVICES, INC., a Louisiana corporation ("Dolphin"), SOUTHPORT, INC., a Louisiana corporation ("Southport"), GULF ISLAND MINDOC COMPANY, L.L.C. (formerly Vanguard Ocean Services, L.L.C.), a Louisiana limited liability company ("MinDOC" and together with Gulf Island Subsidiary, Dolphin, and Southport, each an "Existing Subsidiary" and, collectively, the "Existing Subsidiaries"), WHITNEY NATIONAL BANK, a national banking association ("Whitney"), BANK ONE, LOUISIANA, NA, a national banking association, in its individual capacity ("Bank One") (each of Whitney and Bank One individually, a "Bank" and collectively, the "Banks"), and BANK ONE, LOUISIANA, NA, a national banking association, in its capacity as agent for the Banks as set forth hereinafter (the "Agent").

RECITALS:

A. Borrower, the Existing Subsidiaries, Whitney, and Bank One, in its capacity as a Bank and as Agent, entered into that certain Eighth Amended and Restated Revolving Credit Agreement, dated effective as of January 1, 2000 (the "Restated Credit Agreement");

B. Borrower, the Existing Subsidiaries, Banks, and Agent desire to amend the Restated Credit Agreement (i) to extend the maturity date of the Revolving Credit Facility from December 31, 2001 to December 31, 2002 and (ii) to reflect the name change of Vanguard Ocean Services, L.L.C. to Gulf Island MinDOC Company, L.L.C.

NOW, THEREFORE, for and in consideration of the mutual covenants, agreements and undertakings herein contained Borrower, the Existing Subsidiaries, Banks, and Agent hereby agree as follows:

ARTICLE I

AMENDMENTS TO RESTATED CREDIT AGREEMENT

1. Restated Credit Agreement. The Restated Credit Agreement is hereby amended by deleting "VOS" in each instance where "VOS" appears and replacing "VOS" with "MinDOC".

2. Preamble. The preamble of the Restated Credit Agreement is hereby amended by deleting the phrase "Vanguard Ocean Services, L.L.C." in the first sentence thereof and replacing it with the phrase "Gulf Island MinDOC Company, L.L.C."

3. Section 1.1. Section 1.1 of the Restated Credit Agreement is hereby amended by deleting the date "December 31, 2001" in the first sentence thereof and replacing such date with the phrase "the Termination Date."

4. Section 2.1. Section 2.1 of the Restated Credit Agreement is hereby amended by deleting the date "December 31, 2001" in the first sentence thereof and replacing such date with the phrase "the Termination Date."

5. Section 5.4. Section 5.4 of the Restated Credit Agreement is hereby amended by deleting the date "December 31, 1998" in each instance where such date appears in Section 5.4 and replacing such date with the date "December 31, 1999." Section 5.4 is further amended by deleting the date "September 30, 1999" in the second sentence thereof and replacing such date with "June 30, 2000."

6. Section 11.1. Section 11.1 of the Restated Credit Agreement is hereby amended to include the following substituted definition:

"Termination Date" means December 31, 2002.

ARTICLE II

SPECIAL REPRESENTATIONS AND WARRANTIES
WITH RESPECT TO THIS FIRST AMENDMENT

In order to induce Banks and Agent to enter into this First Amendment, Borrower and the Existing Subsidiaries represent and warrant to Banks that:

1. Borrower Authorization. Borrower is duly authorized to execute, deliver and perform its obligations under this First Amendment and is and will continue to be duly authorized to borrow monies under and to perform its obligations under the Restated Credit Agreement, as amended by this First Amendment and as it may be further amended from time to time.

2. Enforceability Against Borrower. This First Amendment shall, upon execution and delivery, constitute the legal, valid and binding obligation of Borrower, enforceable in accordance with its terms.

3. Existing Subsidiary Authorization. Each Existing Subsidiary is duly authorized to execute, deliver and perform its obligations under this First Amendment and is and will continue to be duly authorized to apply for Letters of Credit and to agree to the related reimbursement obligations under the Restated Credit Agreement, as amended by this First Amendment and as it may be further amended from time to time.

4. Enforceability Against Existing Subsidiaries. This First Amendment shall, upon execution and delivery, constitute the legal, valid and binding obligation of each Existing Subsidiary enforceable in accordance with its terms.

ARTICLE III

CONDITIONS PRECEDENT TO EFFECTIVENESS OF THIS FIRST AMENDMENT

This First Amendment shall become effective as of the date first above written when and only when (i) Agent shall have received at the offices of Agent, a counterpart of this First Amendment executed and delivered by Borrower, the Existing Subsidiaries and Banks and (ii) Agent shall have additionally received all of the following documents, each document (unless otherwise indicated) being dated the date of receipt thereof by Agent, duly authorized, executed and delivered, and in form and substance satisfactory to Agent and each of the Banks:

1. Borrower's Resolutions. Copies, duly certified by the Secretary or Assistant Secretary of Borrower, of the resolutions of Borrower's Board of Directors authorizing the borrowings under the Restated Credit Agreement, as amended hereby, and the execution and delivery of this First Amendment and the new Notes contemplated hereby;

2. Existing Subsidiaries' Resolutions. Copies, duly certified by the Secretary or Assistant Secretary of each Existing Subsidiary, authorizing the borrowings under the Restated Credit Agreement, as amended hereby, and the execution and delivery of this First Amendment;

3. Notes. Borrower's duly executed Notes payable to the order of Banks, in the form attached as Exhibits "B" and "C" hereto, with appropriate insertion s;

4. No Default Certificate. Borrower's duly executed default and warranty certificate;

5. Borrower's Incumbency Certificate. Certificates of Borrower's Secretary or Assistant Secretary certifying the names of the officers of Borrower authorized to execute the documents or certificates to be delivered hereunder by Borrower, together with the true signatures of such officers; and

6. Existing Subsidiaries' Incumbency Certificate. Certificates of the Secretary or Assistant Secretary of each Existing Subsidiary certifying the names of the officers of such Existing Subsidiary authorized to execute the documents or certificates to be delivered hereunder by such Existing Subsidiary, together with the true signatures of such officers.

ARTICLE IV

MISCELLANEOUS

1. Definitions. All terms used herein with initial capital letters and not otherwise defined herein shall have the meanings ascribed to such terms in the Restated Credit Agreement.

2. Substitution of Exhibits and Schedules. Exhibits "B" and "C" of the Restated Credit Agreement are hereby deleted, and Exhibits "B" and "C" attached hereto are hereby substituted in place thereof. Schedule 1 of the Restated Credit Agreement is hereby deleted, and Schedule 1 attached hereto is hereby substituted in place thereof.

3. Ratification of Notes and Liens. Borrower does hereby ratify, reaffirm and acknowledge its obligations under the Notes, and Gulf Island Subsidiary does hereby further ratify, reaffirm and acknowledge its mortgage, pledge and/or assignment of, and/or grant of a security interest in, all Collateral heretofore provided by Gulf Island Subsidiary as security for the Notes and the other Obligations under the Restated Credit Agreement. Gulf Island Subsidiary does hereby further ratify, confirm and acknowledge to Agent and Banks that: (a) the mortgage, pledge and/or assignment of, and/or grant of a security interest in, all such Collateral is and shall remain in full force and effect; (b) the Collateral Documents to which Gulf Island Subsidiary is a party are and shall continue to be valid, binding and enforceable obligations of Gulf Island Subsidiary; (c) the Collateral Documents and the Collateral shall continue to secure, with the original ranks and priority, the Notes and the other Obligations of Borrower and the Existing Subsidiaries as renewed, rearranged, extended and now evidenced by the Notes executed of even date herewith in the forms attached hereto as Exhibits "B" and "C"; and (d) any references in the Collateral Documents to the Notes shall be deemed a reference to the Notes executed of even date herewith in the forms attached hereto as Exhibits "B" and "C".

4. Ratification of Existing Subsidiaries Continuing Guaranty. The Existing Subsidiaries do hereby ratify, reaffirm and acknowledge their obligations under the Guaranty heretofore provided by the Existing Subsidiaries under the Restated Credit Agreement. The Existing Subsidiaries do hereby further ratify, reaffirm and acknowledge to Agents and Banks that: (a) the Guaranty is and shall remain in full force and effect; (b) the Guaranty to which the Existing Subsidiaries are a party is and shall continue to be valid, binding and an enforceable obligation of the Existing Subsidiaries.

5. No Other Changes. The Restated Credit Agreement as hereby amended is hereby ratified and confirmed in all respects. Any reference to the Restated Credit Agreement in any Loan Document shall be deemed to refer to the Restated Credit Agreement as amended hereby. The execution, delivery and effectiveness of this First Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of Banks under the Restated Credit Agreement or any other Loan Document. Except as amended by this First Amendment, the Restated Credit Agreement shall remain in full force and effect. Nothing contained herein or in any other documents contemplated hereby shall be considered a novation or discharge of the debt of Borrower to Banks under the Restated Credit Agreement.

6. Counterparts. This First Amendment may be executed in as many counterparts as may be deemed necessary or convenient, and by the different parties hereto in separate counterparts, each of which, when so executed, shall be deemed an original, but all of which counterparts shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed by their respective officers thereunto duly authorized, effective as of the date first written above.

BORROWER:

GULF ISLAND FABRICATION, INC.

By: /s/ Kerry J. Chauvin
Kerry J. Chauvin, President & CEO

BANKS:

BANK ONE, LOUISIANA, NATIONAL ASSOCIATION

By: /s/ J. Charles Freel, Jr.
____
J. Charles Freel, Jr.,
First Vice President

WHITNEY NATIONAL BANK

By: /s/ Harry C. Stahel
____
Harry C. Stahel,
Senior Vice President

EXISTING SUBSIDIARIES:

GULF ISLAND, L.L.C.

By: /s/ Kerry Chauvin
____
Kerry Chauvin, President

DOLPHIN SERVICES, INC.

By: /s/ James Stewart
____
James Stewart, President

SOUTHPORT, INC.

By: /s/ Kirk Meche

Kirk Meche, President

GULF ISLAND MINDOC COMPANY, L.L.C.

By: /s/ Kerry J. Chauvin

Kerry J. Chauvin, President

AGENT:

BANK ONE, LOUISIANA, NATIONAL ASSOCIATION

By: /s/ J. Charles Freel, Jr.
____
J. Charles Freel, Jr.,
First Vice President

COMMERCIAL PROMISSORY NOTE
(REVOLVING)

$10,000,000.00

New Orleans, Louisiana
September 21, 2000

FOR VALUE RECEIVED, the undersigned ("Borrower", whether one or more), in solido, promises to pay to the order of BANK ONE, LOUISIANA, NA ("Bank"), as provided below, at 201 St. Charles Avenue, New Orleans, Louisiana 70170, the sum of TEN MILLION AND NO/100 DOLLARS ($10,000,000.00), with interest thereon from date until paid, at the rates specified in the Loan Agreement (as hereinafter defined). All payments shall be applied first to interest, then to other charges and insurance premiums (if applicable), then to principal.

This note is one of the notes referred to in, is subject to the terms and conditions of, and is entitled to the benefits of, that certain Eighth Amended and Restated Revolving Credit Agreement, dated as of January 1, 2000, as amended by that certain First Amendment thereto, dated effective as of the date hereof, by and among Borrower, the Existing Subsidiaries (as defined therein), Whitney National Bank ("Whitney"), and Bank, in its individual capacity and as agent for Bank and Whitney (the "Loan Agreement"), which Loan Agreement, among other things, contains provisions for the maximum amount of credit to be made available hereunder, certain fees, acceleration of the maturity hereof upon the happening of certain stated events, and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified. Bank may from time to time make advances to Borrower under the Loan Agreement, the aggregate unpaid principal balance of which shall not exceed the principal amount stated herein. Borrower shall be obligated to repay only the actual amount advanced, plus interest and appropriate penalties calculated as provided in this Note.

SINGLE PAYMENT NOTE/SINGLE PRINCIPAL PAYMENT, PERIODIC INTEREST INSTALLMENTS. PRINCIPAL SHALL BE PAYABLE IN FULL ON DECEMBER 31, 2002, AND INTEREST THEREON SHALL BE PAYABLE ON THE LAST DAY OF SEPTEMBER, AND THE LAST DAY OF EACH CALENDAR QUARTER THEREAFTER.

A. SECURITY. This note is secured by all of the Collateral Documents (as defined in the Loan Agreement).

B. LATE PAYMENT. A payment is not deemed made until funds are collected and made available to Bank. If any payment, whether the payment represents principal or interest or both, is not paid in full when due, whether during the term of this note or at maturity, and such nonpayment shall have continued for a period of five (5) days following written notice thereof by Bank to Borrower, Bank may impose upon and collect from Borrower a late charge equal to five percent (5%) of the unpaid amount of the payment then due and owing. Late charges imposed under this section shall not be less than $25.00 nor more than $100.00 per occurrence.

C. DEFAULT. If this note is in default, Bank may, at its option and without notice or demand, declare immediately due and payable the entire unpaid balance of the note.

Each of the following shall constitute a default under this note: if this note is not paid in accordance with its terms and such nonpayment in accordance with its terms shall have continued for a period of five (5) days following written notice of such default by Bank to Borrower; or the occurrence of an Event of Default, as defined in the Loan Agreement.

D. ATTORNEY'S FEES. Borrower agrees to pay the reasonable fees of any attorney at law who may be employed to recover the amount hereof, or any part hereof, in principal or interest, or to protect any security herefor or the interest of the holder hereof, or to compromise or to take any other action with regard hereto, which fees shall not exceed twenty-five percent (25%) of the amount then owing hereon or sought to be collected, protected, or preserved.

E. PREPAYMENT. Borrower may prepay the note in full or in part at any time in accordance with the terms of the Loan Agreement.

F. WAIVER OF DEFENSES. Each party waives presentment for payment, demand, notice of nonpayment, demand, and protest, and agrees that the time of payment hereof may be extended from time to time, one or more times, without notice of such extension or extensions, and without further consent. The term "party" as used in this note, means each maker, endorser, guarantor, or other surety of this note, including any person or entity pledging or mortgaging property to secure this note and their heirs, successors, or assigns. Without notice to, or consent of, any party, Bank may substitute, release, discharge, or otherwise alter the obligation of any party, without affecting in any way the obligation of any other party. No waiver of any right by Bank shall be effective, unless in writing and signed by Bank. No delay by Bank in the exercise of any right shall affect such right, nor preclude future exercise of such similar rights. As used herein, the term "Bank" shall be deemed to include not only Bank and its successors and assigns, but also any transferee(s), endorsee(s), or future holder(s) of this note.

G. INTEREST CALCULATION. Interest shall be calculated as specified in the Loan Agreement.

H. ELECTION OF LAW. This note shall be governed by and construed under the law of the State of Louisiana. Each party agrees that any action arising out of this note, or any renewals or substitutions for this note, may be brought in any competent court in the Parish of Orleans, State of Louisiana.

This note, together with that certain Commercial Promissory Note

(Revolving) dated the date hereof, in the principal sum of $10,000,000.00, executed by Borrower, payable to the order of Whitney, bearing interest at the per annum rate set forth herein (the "Whitney Note"), is given in renewal and rearrangement and not in novation or discharge of: (a) that certain promissory note of Borrower payable to the order of

Bank, dated January 1, 2000, in the amount of $10,000,000.00, and (b) that certain promissory note of Borrower payable to the order of Whitney, dated January 1, 2000, in the amount of $10,000,000.00 (both of the foregoing promissory notes being collectively referred to as the "Original Notes").

The indebtedness evidenced by this note and the Whitney Note is a continuation of and an increase in the indebtedness evidenced by the Original Notes, which indebtedness is in no way extinguished or diminished hereby, and nothing contained in this note shall be construed (a) as a novation of the Original Notes or any collateral securing same; (b) as payment of any amount of principal or interest on the Original Notes; or (c) to release, cancel, terminate, or otherwise impair the status or priority of the liens created by the Collateral Documents (as defined in the Loan Agreement) and Borrower hereby ratifies, confirms, and approves the continuing existence, validity, priority, and binding effect of the Collateral Documents.

BORROWER:

GULF ISLAND FABRICATION, INC.

By:

Kerry J. Chauvin
President & CEO

COMMERCIAL PROMISSORY NOTE
(REVOLVING)

$10,000,000.00 New Orleans, Louisiana
September 21, 2000

FOR VALUE RECEIVED, the undersigned ("BORROWER", whether one or more), in solido, promises to pay to the order of WHITNEY NATIONAL BANK ("BANK"), as provided below, at 228 St. Charles Avenue, New Orleans, Louisiana 70130, the sum of TEN MILLION AND NO/100 DOLLARS ($10,000,000.00), with interest thereon from date until paid, at the rates specified in the Loan Agreement (as hereinafter defined). All payments shall be applied first to interest, then to other charges and insurance premiums (if applicable), then to principal.

This note is one of the notes referred to in, is subject to the terms and conditions of, and is entitled to the benefits of, that certain Eighth Amended and Restated Revolving Credit Agreement, dated as of January 1, 2000, as amended by that certain First Amendment thereto dated the date hereof, by and among Borrower, the Existing Subsidiaries (as defined therein) Bank and Bank One, Louisiana, NA ("BANK ONE"), in its individual capacity and as agent for Bank and Bank One (the "LOAN AGREEMENT"), which Loan Agreement, among other things, contains provisions for the maximum amount of credit to be made available hereunder, certain fees, acceleration of the maturity hereof upon the happening of certain stated events, and also for prepayments on account of principal hereof prior to the maturity hereof upon the terms and conditions therein specified. Bank may from time to time make advances to Borrower under the Loan Agreement, the aggregate unpaid principal balance of which shall not exceed the principal amount stated herein. Borrower shall be obligated to repay only the actual amount advanced, plus interest and appropriate penalties calculated as provided in this Note. Bank, at Bank's election, may exercise any and all rights and remedies described in this note through Bank One, as Bank's agent.

SINGLE PAYMENT NOTE/SINGLE PRINCIPAL PAYMENT, PERIODIC INTEREST INSTALLMENTS. PRINCIPAL SHALL BE PAYABLE IN FULL ON DECEMBER 31, 2002, AND INTEREST THEREON SHALL BE PAYABLE ON THE LAST DAY OF SEPTEMBER, 2000, AND THE LAST DAY OF EACH CALENDAR QUARTER THEREAFTER.

A. SECURITY. This note is secured by all of the Collateral Documents (as defined in the Loan Agreement).

B. LATE PAYMENT. A payment is not deemed made until funds are collected and made available to Bank. If any payment, whether the payment represents principal or interest or both, is not paid in full when due, whether during the term of this note or at maturity, and such nonpayment shall have continued for a period of five (5) days following written notice thereof by Bank to Borrower, Bank may impose upon and collect from Borrower a late charge equal to five percent (5%) of the unpaid amount of the payment then due and owing. Late charges imposed under this section shall not be less than $25.00 nor more than $100.00 per occurrence.

C. DEFAULT. If this note is in default, Bank may, at its option and without notice or demand, declare immediately due and payable the entire unpaid balance of the note.

Each of the following shall constitute a default under this note: if this note is not paid in accordance with its terms and such nonpayment in accordance with its terms shall have continued for a period of five (5) days following written notice of such default by Bank to Borrower; or the occurrence of an Event of Default, as defined in the Loan Agreement.

D. ATTORNEY'S FEES. Borrower agrees to pay the reasonable fees of any attorney at law who may be employed to recover the amount hereof, or any part hereof, in principal or interest, or to protect any security herefor or the interest of the holder hereof, or to compromise or to take any other action with regard hereto, which fees shall not exceed twenty-five percent (25%) of the amount then owing hereon or sought to be collected, protected, or preserved.

E. PREPAYMENT. Borrower may prepay the note in full or in part at any time in accordance with the terms of the Loan Agreement.

F. WAIVER OF DEFENSES. Each party waives presentment for payment, demand, notice of nonpayment, demand, and protest, and agrees that the time of payment hereof may be extended from time to time, one or more times, without notice of such extension or extensions, and without further consent. The term "PARTY" as used in this note, means each maker, endorser, guarantor, or other surety of this note, including any person or entity pledging or mortgaging property to secure this note and their heirs, successors, or assigns. Without notice to, or consent of, any party, Bank may substitute, release, discharge, or otherwise alter the obligation of any party, without affecting in any way the obligation of any other party. No waiver of any right by Bank shall be effective, unless in writing and signed by Bank. No delay by Bank in the exercise of any right shall affect such right, nor preclude future exercise of such similar rights. As used herein, the term "BANK" shall be deemed to include not only Bank and its successors and assigns, but also any transferee(s), endorsee(s), or future holder(s) of this note.

G. INTEREST CALCULATION. Interest shall be calculated as specified in the Loan Agreement.

H. ELECTION OF LAW. This note shall be governed by and construed under the law of the State of Louisiana. Each party agrees that any action arising out of this note, or any renewals or substitutions for this note, may be brought in any competent court in the Parish of Orleans, State of Louisiana.

This note, together with that certain Commercial Promissory Note (Revolving) dated the date hereof, in the principal sum of $10,000,000.00, executed by Borrower, payable to the order of Bank One, bearing interest at the per annum rate set forth herein (the "BANK ONE NOTE"), is given in renewal and rearrangement and not in novation or discharge of: (a) that certain promissory note of Borrower payable to the order of Bank, dated January 1, 2000, in the amount of $10,000,000.00, and (b) that certain promissory note of Borrower payable to the order of Bank

One, dated January 1, 2000, in the amount of $10,000,000.00 (both of the foregoing promissory notes being collectively referred to as the "ORIGINAL NOTES").

The indebtedness evidenced by this note and the Bank One Note is a continuation of the indebtedness evidenced by the Original Notes, which indebtedness is in no way extinguished or diminished hereby, and nothing contained in this note shall be construed (a) as a novation of the Original Notes or any collateral securing same; (b) as payment of any amount of principal or interest on the Original Notes; or (c) to release, cancel, terminate, or otherwise impair the status or priority of the liens created by the Collateral

Documents (as defined in the Loan Agreement) and Borrower hereby ratifies, confirms, and approves the continuing existence, validity, priority, and binding effect of the Collateral Documents.

BORROWER:

GULF ISLAND FABRICATION, INC.

BY: ______________________________
KERRY J. CHAUVIN
PRESIDENT & CEO

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This schedule contains summary financial information extracted from consolidated financial statements and is qualified in its entirety by reference to such financial statements.
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NEWS RELEASE Exhibit 99.1

For further information contact:

Kerry J. Chauvin
Chief Executive Officer
(504) 872-2100

Joseph "Duke" Gallagher
Chief Financial Officer
(504) 872-2100

FOR IMMEDIATE RELEASE
WEDNESDAY, OCTOBER 25, 2000

GULF ISLAND FABRICATION, INC.
REPORTS THIRD QUARTER EARNINGS

Houma, LA - Gulf Island Fabrication, Inc. (NASDAQ: GIFI) today reported net income of $1.0 million ($.09 diluted EPS) on revenue of $27.5 million for its third quarter ended September 30, 2000, compared to net income of $1.7 million ($.15 diluted EPS) on revenue of $29.0 million for the third quarter ended September 30, 1999. Net income for the first nine months of 2000 was $3.2 million ($.27 diluted EPS) on revenue of $87.7 million, compared to net income of $5.6 million ($.48 diluted EPS) on revenue of $87.5 million for the first nine months of 1999.

At September 30, 2000, the company had a revenue backlog of $22.6 million and a labor backlog of approximately 387 thousand man-hours remaining to work. Kerry Chauvin, Gulf Island Fabrication, Inc.'s President and C.E.O., expressed concern about the near term profit margins of the company. He stated, "The anticipated recovery in the oil and gas industry has yet to materialize in the late cycle sectors, such as offshore fabrication in which the Company operates, and this continues to suppress margins on contracts. The Company continues to maintain a minimum backlog in light of today's offshore fabrication contract prices. When the market improves, the Company will be poised to profit from potential future higher margin work."

SELECTED BALANCE SHEET INFORMATION
(in thousands)

	September 30, 2000	December 31, 1999
Cash and short-term investments	$22,446	$15,750
Total current assets	50,991	47,154
Property, plant and equipment, at cost,net	42,165	43,664
Total assets	97,368	95,049
Total current liabilities	13,551	15,367
Debt	0	0
Shareholders' equity	80,233	76,618
Total liabilities and shareholders' equity	97,368	95,049

Exhibit 99.1

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.

This news release contains forward-looking information that reflects the Company's current views with respect to future events and financial performance. No assurances can be given that these events will occur or that such projections will be achieved and actual results could differ materially from those projected. A discussion of important factors that could cause actual results to differ materially from those projected is included in the Company's periodic reports filed with the Securities and Exchange Commission.

Exhibit 99.1

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

<TABLE>
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	Three Months Ended September 30,	Nine Months Ended September 30,

	2000	1999	2000	1999
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Revenue	$27,544	$29,034	$87,665	$87,469
Cost of revenue	25,159	25,393	80,282	75,589
Gross profit	2,385	3,641	7,383	11,880
General and administrative expenses	1,035	955	3,195	3,226
Operating income	1,350	2,686	4,188	8,654
Other income (expense):				
Interest expense	(18)	(11)	(25)	(46)
Interest income	373	203	985	470
Other - net	(68)	(39)	(169)	(29)
	287	153	791	395
Income before income taxes	1,637	2,839	4,979	9,049
Income taxes	617	1,105	1,824	3,435
Net income	$ 1,020	$ 1,734	$ 3,155	$ 5,614
Per share data:				
Basic earnings per share	$ 0.09	$ 0.15	$ 0.27	$ 0.48
Diluted earnings per share/(1)/	$ 0.09	$ 0.15	$ 0.27	$ 0.48
Weighted-average shares	11,680	11,638	11,661	11,638
Adjusted weighted-average shares/(1)/	11,776	11,715	11,750	11,692
Depreciation and amortization included in expense above	$ 1,165	$ 1,229	$ 3,564	$ 3,681

</TABLE>

(1) The calculation of diluted earnings per share assumes that all stock options are exercised and that the assumed proceeds are used to purchase shares at the average market price for the period.