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, 2002

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)

(985) 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 7, 2002 was 11,744,614.

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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<S>	(Unaudited) September 30, 2002 <C>	December 31, 2001 <C>
	(in thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 10,854	$ 11,274
Short-term investments	24,177	23,758
Contracts receivable, net	29,895	14,231
Contract retainage	1,859	1,736
Costs and estimated earnings in excess of billings on uncompleted contracts	2,208	1,961
Prepaid expenses	831	1,170
Inventory	1,485	1,331
Total current assets	71,309	55,461
Property, plant and equipment, net	47,108	41,666
Excess of cost over fair value of net assets acquired, net	--	4,765
Other assets	645	646
Total assets	$ 119,062	$ 102,538
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 4,627	$ 1,660
Billings in excess of costs and estimated earnings on uncompleted contracts	10,757	2,891
Accrued employee costs	2,394	2,012
Accrued expenses	2,538	1,929
Income taxes payable	2,129	368
Total current liabilities	22,445	8,860
Deferred income taxes	5,041	4,773
Total liabilities	27,486	13,633
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, 11,744,614 and 11,706,864 shares issued and outstanding at September 30, 2002 and December 31, 2001, respectively	4,266	4,227
Additional paid-in capital	36,551	36,101
Retained earnings	50,759	48,577
Total shareholders' equity	91,576	88,905
Total liabilities and shareholders' equity	$ 119,062	$ 102,538

</Table>

The accompanying notes are an integral part of these statements.

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
Revenue	$ 40,255	$ 30,496	$ 100,554	$ 92,321
Cost of revenue	33,483	25,826	87,504	79,731
Gross profit	6,772	4,670	13,050	12,590
General and administrative expenses	1,103	1,051	3,029	3,394
Operating income	5,669	3,619	10,021	9,196
Other income (expense):				
Interest expense	(14)	(9)	(32)	(27)
Interest income	151	295	479	874
Other	1	(628)	58	(737)
	138	(342)	505	110
Income before income taxes	5,807	3,277	10,526	9,306
Income taxes	1,974	1,120	3,579	3,291
Net income before cumulative effect of change in accounting principle	3,833	2,157	6,947	6,015
Cumulative effect of change in accounting principle (Note 2)	--	--	(4,765)	--
Net income	$ 3,833	$ 2,157	$ 2,182	$ 6,015
Per share data: (Note 5)				
Basic earnings (loss) per share:				
Net income before cumulative effect of change in accounting principle	$ 0.33	$ 0.18	$ 0.59	$ 0.51
Cumulative effect of change in accounting principle	--	--	(0.41)	--

Basic earnings per share	$ 0.33	$ 0.18	$ 0.19	$ 0.51
Diluted income (loss) per share:				
Net income before cumulative effect of change in accounting principle	$ 0.32	$ 0.18	$ 0.59	$ 0.51
Cumulative effect of change in accounting principle	--	--	(0.40)	--
Diluted earnings per share	$ 0.32	$ 0.18	$ 0.18	$ 0.51
Weighted-average shares	11,744	11,706	11,727	11,702
Effect of dilutive securities: employee stock options	71	52	87	100
Adjusted weighted-average shares	11,815	11,758	11,814	11,802

</Table>

The accompanying notes are an integral part of these statements.

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

<Table>
<Caption>

<S>	Common Stock Shares <C>	Common Stock Amount <C>	Additional Paid-In Capital <C>	Retained Earnings <C>	Total Shareholders' Equity <C>
	(in thousands, except share data)				
Balance at January 1, 2002	11,706,864	$ 4,227	$ 36,101	$ 48,577	$ 88,905
Exercise of stock options	37,750	39	348	--	387
Income tax benefit from exercise of stock options	--	--	102	--	102
Net income	--	--	--	2,182	2,182
Balance at September 30, 2002	11,744,614	$ 4,266	$ 36,551	$ 50,759	$ 91,576

</Table>

The accompanying notes are an integral part of these statements.

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

<Table>
<Caption>

<S>	Nine Months Ended September 30, 2002 <C>	2001 <C>
	(in thousands)	
Cash flows from operating activities:		
Net income	$ 2,182	$ 6,015
Adjustments to reconcile net income to net		

cash provided by (used in) operating activities:		
Depreciation	3,439	3,302
Amortization	--	325
Cumulative effect of change in accounting principle	4,765	--
Deferred income taxes	268	96
Changes in operating assets and liabilities:		
Contracts receivable	(15,664)	(10,326)
Contract retainage	(123)	(1,463)
Costs and estimated earnings in excess of billings on uncompleted contracts	(247)	1,072
Prepaid expenses, inventory and other assets	185	326
Accounts payable	2,967	33
Billings in excess of costs and estimated earnings on uncompleted contracts	7,866	1,403
Accrued employee costs	382	610
Accrued expenses	609	(598)
Income taxes payable	1,863	2,193
Net cash provided by operating activities	8,492	2,988
Cash flows from investing activities:		
Capital expenditures, net	(8,981)	(3,222)
Proceeds on the sale of property and equipment	100	2,100
Purchase of short-term investments	(419)	(7,593)
Other	1	(50)
Net cash used in investing activities	(9,299)	(8,765)
Cash flows from financing activities:		
Proceeds from exercise of stock options	387	374
Net cash provided by financing activities	387	374
Net decrease in cash and cash equivalents	(420)	(5,403)
Cash and cash equivalents at beginning of period	11,274	10,079
Cash and cash equivalents at end of period	$ 10,854	$ 4,676
Supplemental cash flow information:		
Interest paid	$ --	$ 18
Income taxes paid	$ 730	$ 940

</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, 2002 AND 2001

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/or deck sections of floating production platforms (such as TLP's, SPAR's and FPSO's); piles; wellhead protectors; subsea templates; 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. The Company's principal markets are concentrated in the offshore regions of the Gulf of Mexico. The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

The information presented at September 30, 2002, and for the three months and nine months ended September 30, 2002 and 2001, 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, 2002, and the results of its operations for the three months and nine months ended September 30, 2002 and 2001, and its cash flows for the nine months ended September 30, 2002 and 2001. The results of operations for the three months and nine months ended September 30, 2002 are not necessarily indicative of the results that may be expected for the year ending December 31, 2002.

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, 2001.

NOTE 2 - NEW ACCOUNTING STANDARD

In June 2001, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No.142 ("SFAS No. 142"), "Goodwill and Other Intangible Assets", which established a new method of testing goodwill for impairment using a fair-value-based approach and eliminated the amortization of goodwill as previously required by Accounting Principles Board ("APB") Opinion 17, "Intangibles". An impairment loss would be recorded if the recorded goodwill exceeds its implied fair value. At December 31, 2001, the Company had goodwill of $4.8 million (net of accumulated amortization of $1.3 million) related to the acquisition of Southport, Inc. ("Southport"). The Company adopted SFAS No. 142 effective January 1, 2002, and completed the required transitional impairment test during the quarter ended March 31, 2002. As a result of the transitional impairment test, the Company

calculated an impairment charge of $4.8 million. The impairment charge was calculated based on fair value using an expected cash flow approach. The Company considered in its expected cash flow projections the continued decline in the demand for, the highly competitive nature of, and the recent bid activity related to the fabrication of living quarters. The transitional impairment charge is reflected as a cumulative effect of change in accounting principle as of January 1, 2002, in the accompanying financial statements.

A reconciliation of reported net income before cumulative effect of change in accounting principle and related earnings per share to the adjusted net income and earnings per share to exclude the prior amortization expense of goodwill is as follows (in thousands, except per share data):

<Table>
<Caption>

	Nine Months Ended September 30, 2002	Nine Months Ended September 30, 2001
<S>	<C>	<C>
Reported net income before cumulative effect of change in accounting principle	$ 6,947	$ 6,015
Add back: Goodwill amortization	--	325
Adjusted net income before cumulative effect of change in accounting principle	$ 6,947	$ 6,340
Basic earnings-per-share		
Reported net income before cumulative effect of change in accounting principle	$ 0.59	$ 0.51
Add back: Goodwill amortization	--	0.03
Adjusted net income before cumulative effect of change in accounting principle	$ 0.59	$ 0.54
Diluted earnings-per-share		
Reported net income before cumulative effect of change in accounting principle	$ 0.59	$ 0.51
Add back: Goodwill amortization	--	0.03
Adjusted net income before cumulative effect of change in accounting principle	$ 0.59	$ 0.54

</Table>

NOTE 3 - NOTES PAYABLE

Effective September 30, 2002, the Company's existing bank credit facility was amended and restated in order, among other reasons, to extend the maturity date to December 31, 2004. The Company's bank credit facility provides for a revolving line of credit (the "Revolver") of up to $20.0 million, which 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, 2004, and is secured by a mortgage on the Company's real estate, machinery and equipment, and fixtures. The Company pays a fee on a quarterly basis, of three-sixteenths of one percent per annum on the weighted-average unused portion of the Revolver. At September 30, 2002, there were no borrowings outstanding under the Revolver, but the Company did have letters of credit outstanding totaling $5.0 million, which reduces the unused portion of the Revolver. The Company is required to maintain certain covenants, including balance sheet and cash flow ratios. At September 30, 2002, the Company was in compliance with these covenants.

NOTE 4 - INCOME TAX PROVISION

Income tax expense for interim periods is based on estimates of the effective tax rates for the entire fiscal year. The effective tax rate applicable to pre-tax earnings was 34% for the three-month and nine-month periods ended September 30, 2002, compared to the effective rate of 34% for three-month and 35% for the nine-month periods ended September 30, 2001, respectively. This reduction in the effective rate was the result of anticipated tax benefits arising from an increase in net income attributable to foreign contracts.

NOTE 5 - EARNINGS PER SHARE

For the nine months ended September 30, 2002, the per share net income before cumulative effect of change in accounting principle was $0.59 and the per share cumulative effect of change in accounting principle was $0.41 and $0.40 on a basic and diluted per share basis, respectively. The resulting basic earnings per share and diluted earnings per share of $0.19 and $0.18, respectively, reflect the impact of rounding on the calculation.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Goodwill Impairment-Southport Acquisition

In assessing the recoverability of the Company's excess of cost over fair value of the net assets acquired (goodwill) from the Southport acquisition, the Company made assumptions regarding estimated future cash flows and other factors to determine the fair value of the respective assets. Pursuant to SFAS No. 142 the Company adopted the new rules for accounting for goodwill effective January 1, 2002, and completed the required transitional impairment test during the first quarter ended March 31, 2002. As a result of the transitional impairment test, the Company calculated an impairment charge of $4.8 million. The impairment charge was calculated based on fair value using an expected cash flow approach. The Company considered in its expected cash flow projections the continued decline in the demand for, the highly competitive nature of, and the recent bid activity related to the fabrication of living quarters. The transitional impairment charge is reflected as a cumulative effect of change in accounting principle as of January 1, 2002, in the accompanying financial statements.

RESULTS OF OPERATIONS

The Company's revenue for the three-month and nine-month periods ended September 30, 2002 was $40.3 million and $100.6 million, an increase of 32.1% and 9.0%, respectively, compared to $30.5 million and $92.3 million in revenue for the three-month and nine-month periods ended September 30, 2001. The volume of direct labor hours applied to contracts in progress increased by 16.6% for the three months and 5.2% for the nine months when comparing the three-month and the nine-month periods ended September 30, 2002 to the same periods of 2001.

Gross profit increased $2.1 million or 44.7% and $500,000 or 4.0% when comparing the three-month and nine-month periods ended September 30, 2002, to the comparable periods in 2001. For the three-month and nine-month periods ended September 30, 2002, gross profit was $6.8 million (16.9% of revenue) and $13.1 million (13.0% of revenue), compared to $4.7 million (15.4% of revenue) and $12.6 million (13.7% of revenue) of gross profit for the three-month and nine-month periods ended September 30, 2001. The increase in production volumes accompanied by efficiencies in labor on several jobs in progress resulted in the increase in gross profit margins for the three-month period ended September 30, 2002, when compared to the three-month period ended September 30, 2001. Although production volumes increased slightly for the nine-month period ended September 30, 2002, compared to the nine-month period ended September 30, 2001, the reduction in product prices and less favorable weather conditions in the first two quarters of 2002 caused the gross profit margin to remain relatively flat.

The Company's general and administrative expenses were $1.1 million for the three-month period ended September 30, 2002 and $3.0 million for the nine-month period ended September 30, 2002. This compared to $1.1 million for the three-month period ended

September 30, 2001, and $3.4 million for the nine-month period ended September 30, 2001. As a percentage of revenue, general and administrative expenses decreased to 2.7% from 3.6% of revenue for the three-month periods ended September 30, 2002 and 2001, respectively, and decreased to 3.0% from 3.7% of revenue for the comparable nine-month periods. Effective January 1, 2002, goodwill amortization ($108,000 per quarter) was eliminated. Offsetting the elimination of goodwill amortization were increases to costs that vary with sales volumes, primarily labor-related costs, when comparing the three-month periods ended September 30, 2002 and 2001, respectively. The decrease in general and administrative expenses for the nine months ended September 30, 2002 was directly related to the elimination of goodwill amortization when compared to the nine months ended September 30, 2001.

The Company had net interest income of $137,000 and $447,000 for the three-month and nine-month periods ended September 30, 2002, respectively, compared to $286,000 and $847,000 for the three-month and nine-month periods ended September 30, 2001. The reduction in interest income was the result of the decrease in income generated from investments during the three-month and nine-month periods ended September 30, 2002, compared to the three-month and nine-month periods ended September 30, 2001, due to the sharp decline in interest rates (approximately 52% and 48%, respectively) on short-term investments.

For the three-month period ended September 30, 2002, the Company had other income of $1,000. For the nine-month period ended September 30, 2002, other income was $58,000, of which the majority was related to the sale of miscellaneous equipment. For the three-month and nine-month periods ended September 30, 2001, the Company had other expense of $628,000 and $737,000, respectively, of which $170,000 and $279,000, respectively, consisted of the Company's share of the MinDOC, L.L.C. activities to design and market the MinDOC floating platform concept for deepwater drilling and production. Prior to October 1, 2001, the Company's investment in MinDOC, L.L.C. was accounted for under the equity method of accounting for investments with its share of operating results included in other as an expense in the statements of income. Effective October 1, 2001, the Company's investment in MinDOC, L.L.C. and its operating results were consolidated within the consolidated financial statements of Gulf Island Fabrication, Inc. For the nine months ended September 30, 2001, other expense also included $280,000 for the settlement of a lawsuit the Company had been involved in for several years and $180,000 resulting from a loss the Company had on the sale of a facility the Company owned in Harvey, Louisiana.

LIQUIDITY AND CAPITAL RESOURCES

Historically the Company has funded its business activities primarily through funds generated from operations. The Company also maintains a revolving line of credit with a commercial bank but has not drawn on it since December 1998. Net cash provided by operating activities was $8.5 million for the nine-months ended September 30, 2002. At September 30, 2002, working capital was $48.9 million, resulting in a current ratio of 3.2 to 1. Net cash used in investing activities for the nine months ended September 30, 2002 was $9.3 million, which included $100,000 of proceeds on the sale of equipment, $9.0 million for capital expenditures, and $419,000 for the purchase of short-term investments. The majority of the capital expenditures for the first nine months of 2002 was related to the construction of a new fabrication building scheduled to be completed in the first quarter of 2003.

The Company's bank credit facility provides for a revolving line of credit of up to $20.0 million, which 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, 2004, and is secured by a mortgage on the Company's real estate, machinery and equipment, and fixtures. The Company pays a fee on a quarterly basis, of three-sixteenths of one percent per annum on the weighted-average unused portion of the Revolver. At September 30, 2002, there were no borrowings outstanding under the Revolver, but the Company did have letters of credit outstanding totaling $5.0 million, which reduces the unused portion of the Revolver. The Company is required to maintain certain covenants, including balance sheet and cash flow ratios. At September 30, 2002, the Company was in compliance with these covenants.

Capital expenditures for the remaining three months of 2002 are estimated to be approximately $3.7 million, including improvements to the facilities and the purchase of various other fabrication machinery and 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 them; 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.

ITEM 4. CONTROLS AND PROCEDURES

Within 90 days prior to the date of this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's President and Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-14. Based upon that evaluation, the Company's President and Chief Executive Officer along with the Company's Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company (including its consolidated subsidiaries) required to be included in the Company's periodic Securities and Exchange Commission filings. There have been no significant changes in the Company's internal controls or in other factors that could significantly affect internal controls subsequent to the date the Company carried out its evaluation.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDING.

For a description of legal proceedings, see Item 3 of Part I of the Company's Annual Report on Form 10-K for the year ended December 31, 2001.

ITEM 5. OTHER INFORMATION.

On October 10, 2002, the Company announced the scheduled time for the release of its 2002 third quarter earnings and its quarterly conference call. The press release making this announcement is attached hereto as Exhibit 99.1.

On October 23, 2002, the Company announced its 2002 third quarter earnings and related matters. The press release making this announcement is attached hereto as Exhibit 99.2.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits.

10.1 Third Amendment to Eighth Amended and Restated Revolving Credit Agreement among the Company and Bank One, NA and Whitney National Bank dated November 19, 2001.

10.2 Fourth Amendment to Eighth Amended and Restated Revolving Credit Agreement among the Company and Bank One, NA and Whitney National Bank dated September 30, 2002.

99.1 Press release issued by the Company on October 10, 2002, announcing the scheduled time for the release of its 2002 third quarter earnings and its quarterly conference call.

99.2 Press release issued by the Company on October 23, 2002, announcing its 2002 third quarter earnings and related matters.

(b) On August 12, 2002, the Company filed a report on Form 8-K to report (under items 7 and 9) the filing of the certifications of the Chief Executive Officer and the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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.

By: /s/ Joseph P. Gallagher, III

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

Date: November 7, 2002

CEO CIVIL CERTIFICATION

I, Kerry J. Chauvin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gulf Island Fabrication, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 7, 2002

By: /s/ Kerry J. Chauvin

Kerry J. Chauvin
President and Chief Executive Officer

CFO CIVIL CERTIFICATION

I, Joseph P. Gallagher, III, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Gulf Island Fabrication, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 7, 2002

By: /s/ Joseph P. Gallagher, III

Joseph P. Gallagher, III
Chief Financial Officer

GULF ISLAND FABRICATION, INC.

EXHIBIT INDEX

<Table>
<Caption>

EXHIBIT NUMBER	DESCRIPTION OF EXHIBIT
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</Table>

EXHIBIT 10.1

THIRD AMENDMENT TO EIGHTH AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT

THIS THIRD AMENDMENT TO EIGHTH AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT (this "THIRD AMENDMENT"), dated effective as of the 19th day of November, 2001, 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"), GIF FINANCE, INC., a Delaware corporation ("GIF Finance" and together with Gulf Island Subsidiary, Dolphin, Southport, and MinDOC, each an "EXISTING SUBSIDIARY" and, collectively, the "EXISTING SUBSIDIARIES"), WHITNEY NATIONAL BANK, a national banking association ("Whitney"), BANK ONE, NA, a national banking association, in its individual capacity ("BANK ONE") (each of Whitney and Bank One individually, a "BANK" and collectively, "BANKS"), and BANK ONE, NA, a national banking association, in its capacity as agent for Banks as set forth hereinafter ("AGENT").

RECITALS:

A. Borrower, the Existing Subsidiaries other than GIF Finance, 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 other than GIF Finance, Banks, and Agent entered into that certain First Amendment to the Restated Credit Agreement, dated effective as of September 21, 2000 and Borrower, the Existing Subsidiaries, Bank, and Agent entered into that certain Second Amendment to the Restated Credit Agreement, dated effective as of October 24, 2001 (collectively, with the Restated Credit Agreement, the "AMENDED CREDIT AGREEMENT");

C. In connection with but immediately following execution of the Second Amendment to the Restated Credit Agreement, Borrower, the Existing Subsidiaries, Banks, and Agent decided to amend the Amended Credit Agreement (i) to permit Borrower to obtain letters of credit under the Revolving Credit Facility with maturity dates to extend beyond the Termination Date and (ii) to acknowledge that certain letter of credit issued by Bank One on November 19, 2001 and bearing letter of credit No. STI18736 is secured by the Collateral Documents.

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

1. Section 1.1. The third sentence of Section 1.1 of the Amended Credit Agreement is hereby amended in its entirety to state:

> Any draws made under the Letters of Credit by the beneficiaries thereof prior to the Termination Date shall constitute Advances as defined in this Agreement, but any such draws on or after the Termination Date shall not be deemed to constitute Advances.

2. Section 1.2. Section 1.2 of the Amended Credit Agreement is hereby amended by adding the following sentences to the end thereof:

> Agent will not issue any Letter of Credit under this Agreement after the Termination Date but may issue Letters of Credit under this Agreement prior to the Termination Date whose respective expiration dates fall up to 18 months after the Termination Date ("Late Expiring Letters of Credit"). Each Late Expiring Letter of Credit is entitled to all of the benefits hereof, including, without limitation, the benefit of the Collateral Documents, and the party for whose account a Late Expiring Letter of Credit is issued must reimburse Banks for any draws thereunder or expenses incurred as a result thereof, notwithstanding the fact that such draws occur or expenses are incurred after the Termination Date. Agent shall obtain the consent of both Banks prior to issuing any Late Expiring Letters of Credit under this Agreement.

Agent, Banks, Borrower, and the Existing Subsidiaries hereby agree that Agent's Letter of Credit STI8736 issued on Borrower's behalf on November 19, 2001 in favor of Kerr-McGee Oil & Gas Corporation constitutes a Late Expiring Letter of Credit issued under this Agreement and entitled to all of the benefits hereof, including, without limitation, the benefit of the Collateral Documents. All Late Expiring Letters of Credit are subject to the cash collateralization provisions of Section 4.4.

3. Section 4.4. Section 4.4 of the Amended Credit Agreement is hereby amended by adding the following sentences to the end thereof:

This Agreement, the Collateral Documents, and all other Loan Documents shall, however, remain in full force and effect until all Letters of Credit expire or are fully drawn upon and Agent and Banks are fully reimbursed for all draws on and expenses incurred as the result of such Letters of Credit; provided, however, that,

following either the Termination Date or Borrower's earlier termination of the Revolving Credit Facility under this Section, Borrower shall cash collateralize all reimbursement and other obligations under the Letters of Credit pursuant to documentation acceptable to Agent and Banks in their sole discretion, and, upon such cash collateralization, Agent and Banks shall, by written agreement, terminate and release this Agreement, the Collateral Documents, and the other Loan Documents with the exception of any provisions that by their terms or nature survive such termination.

4. Section 11.1. Section 11.1 of the Amended Credit Agreement is hereby amended to add the following definition:

"Late Expiring Letter of Credit" has the meaning provided in Section 1.2.

ARTICLE II

SPECIAL REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THIS THIRD AMENDMENT

In order to induce Banks and Agent to enter into this Third 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 Third Amendment and is and will continue to be duly authorized to borrow monies and apply for Letters of Credit under and to perform its obligations under the Amended Credit Agreement, as amended by this Third Amendment and as it may be further amended from time to time.

2. Enforceability Against Borrower. This Third 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 Third 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 Amended Credit Agreement, as amended by this Third Amendment and as it may be further amended from time to time.

4. Enforceability Against Existing Subsidiaries. This Third 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 THIRD AMENDMENT

This Third 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 Third 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 hereof, duly authorized, executed and delivered, and in form and substance satisfactory to Agent and each Bank:

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 Amended Credit Agreement, as amended hereby, and the execution and delivery of this Third Amendment;

2. Existing Subsidiaries' Resolutions. Copies, duly certified by the Secretary or Assistant Secretary of each Existing Subsidiary, authorizing the borrowings under the Amended Credit Agreement, as amended hereby, and the execution and delivery of this Third Amendment and, in the case of GIF Finance, the Subordination Agreement and its Guaranty; and

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

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 Amended Credit Agreement.

2. Ratification of Notes and Liens. Borrower does hereby ratify, reaffirm and acknowledge its obligations under the Notes, and Gulf Island Subsidiary and Dolphin Services do hereby further ratify, reaffirm and acknowledge their respective mortgages, pledges and/or assignments of, and/or grants of a security interest in, all Collateral heretofore provided by Gulf Island Subsidiary and Dolphin Services as security for the Notes and the other Obligations under the Amended Credit Agreement. Gulf Island Subsidiary and Dolphin Services do hereby further ratify, confirm and acknowledge to Agent and Banks that: (a) the mortgages, pledges and/or assignments of, and/or grants of a security interest in, all such Collateral is and shall remain in full force and effect; (b) the Collateral Documents to which either of Gulf Island Subsidiary or Dolphin Services is a party are and shall continue to be valid, binding and enforceable obligations of Gulf Island Subsidiary and Dolphin Services respectively; and (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.

3. Ratification of Existing Subsidiaries Continuing Guaranty. The Existing Subsidiaries do hereby ratify, reaffirm and acknowledge their respective obligations under the January 1, 2000 Continuing Subsidiary Guaranty by each of the Existing Subsidiaries other than GIF Finance and the October 24, 2001 Continuing Subsidiary Guaranty by GIF Finance (collectively, the "GUARANTIES"). The Existing Subsidiaries do hereby further ratify, reaffirm and acknowledge to Agents and Banks that: (a) the Guaranties are and shall remain in full force and effect; (b) the Guaranties to which each of the Existing Subsidiaries are a party is and shall continue to be valid, binding and an enforceable obligation of the Existing Subsidiaries.

4. No Other Changes. The Amended Credit Agreement as hereby amended is hereby ratified and confirmed in all respects. Any reference to the Amended Credit Agreement in any Loan Document shall be deemed to refer to the Amended Credit Agreement as amended hereby. The execution, delivery and effectiveness of this Third Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of Banks under the Amended Credit Agreement or any other Loan Document. Except as amended by this Third Amendment, the Amended 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 Amended Credit Agreement.

5. Counterparts. This Third 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 Third 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

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BANKS:

BANK ONE, NA

By: /s/ J. Charles Freel, Jr.

J. Charles Freel, Jr.,
Director, Capital Markets

WHITNEY NATIONAL BANK

By: /s/ Harry C. Stahel

Harry C. Stahel,
Senior Vice President

AGENT:

BANK ONE, NA

By: /s/ J. Charles Freel, Jr.

J. Charles Freel, Jr.,
Director, Capital Markets

EXISTING SUBSIDIARIES:

GULF ISLAND, L.L.C.

By: /s/ Kirk Meche

Kirk Meche, President & CEO

DOLPHIN SERVICES, INC.

By: /s/ William Fromenthal

William Fromenthal, President & CEO

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SOUTHPORT, INC.

By: /s/ Stephen Becnel

Stephen Becnel, President & CEO

GULF ISLAND MINDOC COMPANY, L.L.C.

By: /s/ Kerry J. Chauvin

Kerry J. Chauvin, Manager

GIF FINANCE, INC.

By: /s/ Joseph P. Gallagher, III

Joseph P. Gallagher, III, President

EXHIBIT 10.2

FOURTH AMENDMENT TO EIGHTH AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT

THIS FOURTH AMENDMENT TO EIGHTH AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT (this "FOURTH AMENDMENT"), dated effective as of the 30th day of September, 2002, 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"), GIF FINANCE, INC., a Delaware corporation ("GIF FINANCE" and together with Gulf Island Subsidiary, Dolphin, Southport, and MinDOC, each an "EXISTING SUBSIDIARY" and, collectively, the "EXISTING SUBSIDIARIES"), WHITNEY NATIONAL BANK, a national banking association ("WHITNEY"), BANK ONE, NA, a national banking association, in its individual capacity ("BANK ONE") (each of Whitney and Bank One individually, a "BANK" and collectively, "BANKS"), and BANK ONE, NA, a national banking association, in its capacity as agent for Banks as set forth hereinafter ("AGENT").

RECITALS:

A. Borrower, the Existing Subsidiaries other than GIF Finance, 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 other than GIF Finance, Banks, and Agent entered into that certain First Amendment to the Restated Credit Agreement, dated effective as of September 21, 2000, Borrower, the Existing Subsidiaries, Bank, and Agent entered into that certain Second Amendment to the Restated Credit Agreement, dated effective as of October 24, 2001, and that certain Third Amendment to the Restated Credit Agreement, dated effective as November 19, 2001 (collectively, with the Restated Credit Agreement, the "AMENDED CREDIT AGREEMENT");

C. Borrower, the Existing Subsidiaries, Banks, and Agent desire to extend the Termination Date of the Amended Credit Agreement.

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

1. Section 5.4. Section 5.4 of the Amended Credit Agreement is hereby amended by replacing the date "December 31, 2000" in each instance where such date appears in Section 5.4 with the defined term "Year-End Financial Statement Date." Section 5.4 is further amended by deleting the date "June 30, 2001" and replacing such date with the defined term "Mid-Year Financial Statement Date."

2. Section 11.1. Section 11.1 of the Amended Credit Agreement is hereby amended to include the following additional definition:

> "Year-End Financial Statement Date" means December 31, 2001.
>
> "Mid-Year Financial Statement Date" means June 30, 2002.

Section 11.1 of the Amended Credit Agreement is hereby further amended to substitute the following definition for the former definition of "Termination Date":

> "Termination Date" means December 31, 2004.

ARTICLE II

SPECIAL REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THIS FOURTH AMENDMENT

In order to induce Banks and Agent to enter into this Fourth 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 Fourth Amendment and is and will continue to be duly authorized to borrow monies and apply for Letters of Credit under and to perform its obligations under the Amended Credit Agreement, as amended by this Fourth Amendment and as it may be further amended from time to time.

2. Enforceability Against Borrower. This Fourth 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 Fourth 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 Amended Credit Agreement, as amended by this Fourth Amendment and as it may be further amended from time to time.

4. Enforceability Against Existing Subsidiaries. This Fourth 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 FOURTH AMENDMENT

This Fourth 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 Fourth 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 hereof, duly authorized, executed and delivered, and in form and substance satisfactory to Agent and each Bank:

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 Amended Credit Agreement, as amended hereby, and the execution and delivery of this Fourth Amendment;

2. Existing Subsidiaries' Resolutions. Copies, duly certified by the Secretary or Assistant Secretary of each Existing Subsidiary, authorizing the borrowings under the Amended Credit Agreement, as amended hereby, and the execution and delivery of this Fourth Amendment and, in the case of GIF Finance, the Subordination Agreement and its Guaranty; and

3. Notes. Borrower's duly executed promissory note payable to the order of Banks, in the form attached as Exhibit "C" and "D" hereto, with appropriate insertion.

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

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 Amended Credit Agreement.

2. Substitution of Exhibits and Schedules. Exhibits "C" and "D" of the Amended Credit Agreement are hereby deleted, and Exhibits "C" and "D" attached hereto are hereby substituted in place thereof. Schedule 1 of the Amended 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 and Dolphin Services do hereby further ratify, reaffirm and acknowledge their respective mortgages, pledges and/or assignments of, and/or grants of a security interest in, all Collateral heretofore provided by Gulf Island Subsidiary and Dolphin Services as security for the Notes and the other Obligations under the Amended Credit Agreement. Gulf Island Subsidiary and Dolphin Services do hereby further ratify, confirm and acknowledge to Agent and Banks that: (a) the mortgages, pledges and/or assignments of, and/or grants of a security interest in, all such Collateral is and shall remain in full force and

effect; (b) the Collateral Documents to which either of Gulf Island Subsidiary or Dolphin Services is a party are and shall continue to be valid, binding and enforceable obligations of Gulf Island Subsidiary and Dolphin Services respectively; and (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.

4. Ratification of Existing Subsidiaries Continuing Guaranty. The Existing Subsidiaries do hereby ratify, reaffirm and acknowledge their respective obligations under the January 1, 2000 Continuing Subsidiary Guaranty by each of the Existing Subsidiaries other than GIF Finance and the October 24, 2001 Continuing Subsidiary Guaranty by GIF Finance (collectively, the "GUARANTIES"). The Existing Subsidiaries do hereby further ratify, reaffirm and acknowledge to Agents and Banks that: (a) the Guaranties are and shall remain in full force and effect; (b) the Guaranties to which each of 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 Amended Credit Agreement as hereby amended is hereby ratified and confirmed in all respects. Any reference to the Amended Credit Agreement in any Loan Document shall be deemed to refer to the Amended Credit Agreement as amended hereby. The execution, delivery and effectiveness of this Fourth Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of Banks under the Amended Credit Agreement or any other Loan Document. Except as amended by this Fourth Amendment, the Amended 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 Amended Credit Agreement.

6. Counterparts. This Fourth 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 Fourth 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, NA

By: /s/ J. Charles Freel, Jr.

J. Charles Freel, Jr.,
Director, Capital Markets

WHITNEY NATIONAL BANK

By: /s/ Harry C. Stahel

Harry C. Stahel,
Senior Vice President

AGENT:

BANK ONE, NA

By: /s/ J. Charles Freel, Jr.

J. Charles Freel, Jr.,
Director, Capital Markets

EXISTING SUBSIDIARIES:

GULF ISLAND, L.L.C.

By: /s/ Kirk J. Meche

Kirk J. Meche, President & CEO

DOLPHIN SERVICES, INC.

By: /s/ William Fromenthal

William Fromenthal, President & CEO

SOUTHPORT, INC.

By: /s/ Stephen Becnel

Stephen Becnel, President & CEO

GULF ISLAND MINDOC COMPANY, L.L.C.

By: /s/ Kerry J. Chauvin

Kerry J. Chauvin, Manager

GIF FINANCE, INC.

By: /s/ Joseph P. Gallagher, III

Joseph P. Gallagher, III, President

COMMERCIAL PROMISSORY NOTE
(REVOLVING)

$10,000,000.00 New Orleans, Louisiana
September 30, 2002

FOR VALUE RECEIVED, the undersigned ("BORROWER", whether one or more), in solido, promises to pay to the order of BANK ONE, 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 as of September 21, 2000, that certain Second Amendment thereto dated as of October 24, 2001, that certain Third Amendment thereto dated as of November 19, 2001, and by that certain Fourth Amendment thereto dated 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, 2004, AND INTEREST THEREON SHALL BE PAYABLE ON THE LAST DAY OF SEPTEMBER, 2002, 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 October 24, 2001, in the amount of

$10,000,000.00, and (b) that certain promissory note of Borrower payable to the order of Whitney, dated October 24, 2001, 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: /s/ KERRY J. CHAUVIN

KERRY J. CHAUVIN
CHAIRMAN & CEO

COMMERCIAL PROMISSORY NOTE
(REVOLVING)

$10,000,000.00 New Orleans, Louisiana
September 30, 2002

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 as of September 21, 2000, that certain Second Amendment thereto dated as of October 24, 2001, that certain Third Amendment thereto dated as of November 19, 2001, and by that certain Fourth Amendment thereto dated as of the date hereof, by and among Borrower, the Existing Subsidiaries (as defined therein), Bank and Bank One, 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, 2004, AND INTEREST THEREON SHALL BE PAYABLE ON THE LAST DAY OF SEPTEMBER, 2002, 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 October 24, 2001, in the amount of $10,000,000.00, and (b) that certain

promissory note of Borrower payable to the order of Bank One, October 24, 2001, 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: /s/ KERRY J. CHAUVIN

KERRY J. CHAUVIN
CHAIRMAN & CEO

EXHIBIT 99.1

NEWS RELEASE

For further information contact:

Kerry J. Chauvin	Joseph "Duke" Gallagher
Chief Executive Officer	Chief Financial Officer
985.872.2100	985.872.2100

FOR IMMEDIATE RELEASE
THURSDAY, OCTOBER 10, 2002

GULF ISLAND FABRICATION, INC. TO ANNOUNCE EARNINGS RESULTS AND QUARTERLY CONFERENCE CALL

Houma, LA -- (BUSINESS WIRE) -- October 10, 2002--Gulf Island Fabrication, Inc. (NASDAQ: GIFI), will announce 2002 third quarter earnings on Wednesday, October 23, 2002 during morning market hours.

The management of Gulf Island Fabrication, Inc. will hold a conference call on Thursday, October 24, 2002, 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, 2002.

The call is accessible by webcast through CCBN and by dialing the following:

Dial In: 1.800.388.8975

Webcast: www.gulfisland.com

A digital rebroadcast of the call is available two hours after the call and ending October 31, 2002 by dialing:

Phone Number: 1.800.428.6051

Replay Passcode: 264308

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.

NEWS RELEASE EXHIBIT 99.2

For further information contact:

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

Joseph "Duke" Gallagher
Chief Financial Officer
(985) 872-2100

FOR IMMEDIATE RELEASE
WEDNESDAY, OCTOBER 23, 2002

GULF ISLAND FABRICATION, INC.
REPORTS THIRD QUARTER EARNINGS

Houma, LA - Gulf Island Fabrication, Inc. (NASDAQ: GIFI) today reported net income of $3.8 million ($.32 diluted EPS) on revenue of $40.3 million for its third quarter ended September 30, 2002, compared to net income of $2.2 million ($.18 diluted EPS) on revenue of $30.5 million for the third quarter ended September 30, 2001. Net income for the first nine months of 2002 was $6.9 million ($.59 diluted EPS), before a cumulative effect of change in accounting principle, on revenue of $100.6 million, compared to net income of $6.0 million ($.51 diluted EPS) on revenue of $92.3 million for the first nine months of 2001.

Effective January 1, 2002 the Company adopted Statement of Financial Accounting Standards Board No. 142, ("SFAS No. 142"), "Goodwill and Other Intangibles Assets", which resulted in a $4.8 million non-cash charge for the impairment of goodwill, which was recorded as a cumulative effect of change in accounting principle. The recording of this non-cash charge for the impairment of goodwill resulted in net earnings of $2.2 million ($.18 diluted EPS) for the nine months ended September 30, 2002.

At September 30, 2002, the company had a revenue backlog of $60.5 million and a labor backlog of approximately 920 thousand man-hours remaining to work.

SELECTED BALANCE SHEET INFORMATION
(in thousands)

<Table>
<Caption>

	September 30, 2002	December 31, 2001
<S>	<C>	<C>
Cash and short-term investments	$ 35,031	$ 35,032
Total current assets	71,309	55,461
Property, plant and equipment, at cost, net	47,108	41,666
Total assets	119,062	102,538
Total current liabilities	22,445	8,860
Debt	0	0
Shareholders' equity(a)	91,576	88,905
Total liabilities and shareholders' equity	119,062	102,538

</Table>

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.

(a) Reference to Footnote 1 shown on page 2 (Consolidated Statements of Income).

EXHIBIT 99.2

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

<Table>
<Caption>

	Three Months Ended September 30,		Nine Months Ended September 30,
	2002	2001	2002

				2001
<S>	<C>	<C>	<C>	<C>
Revenue	$ 40,255	$ 30,496	$ 100,554	$ 92,321
Cost of revenue	33,483	25,826	87,504	79,731
Gross profit	6,772	4,670	13,050	12,590
General and administrative expenses	1,103	1,051	3,029	3,394
Operating income	5,669	3,619	10,021	9,196
Other income (expense):				
Interest expense	(14)	(9)	(32)	(27)
Interest income	151	295	479	874
Other	1	(628)	58	(737)
	138	(342)	505	110
Income before income taxes	5,807	3,277	10,526	9,306
Income taxes	1,974	1,120	3,579	3,291
Net income before cumulative effect of change in accounting principle	3,833	2,157	6,947	6,015
Cumulative effect of change in accounting principle(1)	--	--	(4,765)	--
Net income (loss)	$ 3,833	$ 2,157	$ 2,182	$ 6,015
Per share data:				
Basic earnings (loss) per share:(4)				
Net income before cumulative effect of change in accounting principle	$ 0.33	$ 0.18	$ 0.59	$ 0.51
Cumulative effect of change in accounting principle(1)	$ --	$ --	$ (0.41)	$ --
Basic earnings (loss) per share	$ 0.33	$ 0.18	$ 0.19	$ 0.51
Diluted income (loss) per share:(2)(4)				
Net income before cumulative effect of change in accounting principle	$ 0.32	$ 0.18	$ 0.59	$ 0.51
Cumulative effect of change in accounting principle(1)	$ --	$ --	$ (0.40)	$ --
Diluted earnings (loss) per share	$ 0.32	$ 0.18	$ 0.18	$ 0.51

Weighted-average shares	11,744	11,706	11,727	11,702
Effect of dilutive securities: employee stock options	71	52	87	100
Adjusted weighted-average shares(2)	11,815	11,758	11,814	11,802
Depreciation and amortization included in expense above(3)	$ 1,150	$ 1,222	$ 3,439	$ 3,627

</Table>

(1) The Company recorded a $4.8 million non-cash charge for the impairment of goodwill resulting from the adoption of Statement of Financial Accounting Standards Board No. 142, "Goodwill and Other Intangible Assets".

(2) 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.

(3) Amortization of $108,000 and $325,000 included in the three months and nine months ended September 30, 2001, respectively.

(4) For the nine months ended September 30, 2002, the calculation of earnings per share for net income before cumulative effect of change in accounting principle and cumulative effect of change in accounting principle do not total due to rounding.