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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 JUNE 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 August 8, 2000 was 11,679,620.

GULF ISLAND FABRICATION, INC

I N D E X

GULF ISLAND FABRICATION, INC
CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

	(Unaudited) June 30, 2000	December 31, 1999
	(in thousands)	
ASSETS		
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents	$ 5,533	$ 4,535
Short-term investments	15,606	11,215
Contracts receivable, net	23,985	22,739
Contract retainage	2,346	3,251
Costs and estimated earnings in excess of billings on uncompleted contracts	966	3,438
Prepaid expenses	898	749
Inventory	1,219	1,227
Total current assets	50,553	47,154
Property, plant and equipment, net	42,073	43,664
Excess of cost over fair value of net assets acquired less accumulated amortization of $ 690,125 and $ 553,025 at June 30, 2000 and December 31, 1999, respectively	3,427	3,565
Other assets	723	666
Total assets	$96,776	$95,049
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 2,722	$ 4,167
Billings in excess of costs and estimated earnings on uncompleted contracts	6,639	6,473
Accrued employee costs	1,641	1,790
Accrued expenses	2,535	1,475
Income taxes payable	209	1,462
Total current liabilities	13,746	15,367
Deferred income taxes	3,850	3,064
Total liabilities	17,596	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, 11,679,220 and 11,638,400 shares issued and outstanding at June 30, 2000 and December 31, 1999, respectively	4,192	4,162
Additional paid-in capital	35,723	35,326
Retained earnings	39,265	37,130
Total shareholders' equity	79,180	76,618
Total liability and shareholders' equity	$96,776	$95,049

</TABLE>

The accompanying notes are an integral part of these statements.

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

	Three Months Ended June 30, 2000	Three Months Ended June 30, 1999	Six Months Ended June 30, 2000	Six Months Ended June 30, 1999
	(in thousands, except per share data)			
Revenue	$28,380	$28,106	$60,121	$58,435
Cost of revenue	25,930	24,093	55,123	50,196
Gross profit	2,450	4,013	4,998	8,239
General and administrative expenses	1,036	989	2,160	2,271
Operating income	1,414	3,024	2,838	5,968
Other income (expense):				
Interest expense	11	(14)	(7)	(35)
Interest income	293	166	612	267
Other - net	(44)	(39)	(101)	10
	260	113	504	242
Income before income taxes	1,674	3,137	3,342	6,210
Income taxes	646	1,182	1,207	2,330
Net income	$ 1,028	$ 1,955	$ 2,135	$ 3,880
Per share data:				
Basic earnings per share	$ 0.09	$ 0.17	$ 0.18	$ 0.33
Diluted earnings per share	$ 0.09	$ 0.17	$ 0.18	$ 0.33
Weighted-average shares	11,664	11,638	11,651	11,638
Effect of dilutive securities: employee stock options	104	69	89	43
Adjusted weighted-average shares	11,768	11,707	11,740	11,681

The accompanying notes are an integral part of these statements.

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

	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	40,820	30	274	-	304
Income tax benefit from exercise of stock options	-	-	123	-	123
Net income	-	-	-	2,135	2,135
Balance at June 30, 2000	11,679,220	$4,192	$35,723	$39,265	$79,180

The accompanying notes are an integral part of these statements.

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

<TABLE>
<CAPTION>

<S>	Six Months Ended June 30, 2000 <C>	1999 <C>
	(in thousands)	
Cash flows from operating activities:		
Net income	$ 2,135	$ 3,880
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	2,261	2,315
Amortization	138	137
Deferred income taxes	786	797
Changes in operating assets and liabilities:		
Contracts receivable	(1,246)	15,432
Contract retainage	905	4,473
Costs and estimated earnings in excess of billings on uncompleted contracts	2,472	(42)
Prepaid expenses, inventory and other assets	(141)	417
Accounts payable	(1,445)	(3,619)
Billings in excess of costs and estimated earnings on uncompleted contracts	166	(3,555)
Accrued employee costs	(149)	(1,337)
Accrued expenses	1,060	761
Income taxes payable	(1,130)	1,525
Net cash provided by operating activities	5,812	21,184
Cash flows from investing activities:		
Capital expenditures, net	(670)	(1,916)
Purchase of short-term investments	(4,391)	(6,000)
Other	(57)	(244)
Net cash used in investing activities	(5,118)	(8,160)
Cash flows from financing activities:		
Principal payments on notes payable	-	(3,000)
Proceeds from exercise of stock options	304	-
Net cash provided by (used in) financing activities	304	(3,000)
Net increase in cash and cash equivalents	998	10,024
Cash and cash equivalents at beginning of period	4,535	2,808
Cash and cash equivalents at end of period	$ 5,533	$12,832
Supplemental cash flow information:		
Interest paid	$ 17	$ 38
Income taxes paid	$ 1,551	$ 4,827

</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 SIX MONTH
PERIODS ENDED JUNE 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 June 30, 2000 and for the three months and six months ended June 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 June 30, 2000 and the results of its operations for the three months and six months ended June 30, 2000 and 1999, and its cash flows for the six months ended June 30, 2000 and 1999. The results of operations for the three months and six months ended June 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 January 1, 2000, the Company's existing bank credit facility was amended and restated. 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 matures December 31, 2001 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 June 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.

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 and six-month periods ended June 30, 2000 was $28.4 million and $60.1 million, an increase of 1.0% and 2.9%, respectively, compared to $28.1 million and $58.4 million in revenue for the three-month and six-month periods ended June 30, 1999. Revenue increased slightly as a result of the mix of contracts in progress for the three-month and the six-month periods ended June 30, 2000 compared to the comparative periods of 1999.

Although the expected recovery in the oil and gas industry has commenced in the early cycle sectors, such as exploration and drilling, it has yet to commence in the late cycle sectors, such as production and offshore fabrication, in which the Company operates, which continues to suppress margins on contracts. For the three-month and six-month periods ended June 30, 2000, gross profit was $2.4 million (8.6% of revenue) and $5.0 million (8.3% of revenue), compared to $4.0 million (14.3% of revenue) and $8.2 million (14.1% of revenue) of gross profit for the three-month and six-month periods ended June 30, 1999.

The Company's general and administrative expenses remained stable at $1.0 million for the three-month period ended June 30, 2000 and $2.2 million for the six-month period ended June 30, 2000. This compares to $1.0 million for the three-month period ended June 30, 1999 and $2.3 million for the six-month period ended June 30, 1999.

The Company had net interest income of $304,000 and $605,000 for the three-month and six-month periods ended June 30, 2000, respectively, compared to $152,000 and $232,000 for the three-month and six-month periods ended June 30, 1999. The current reduction in production levels generated more available cash for investment purposes.

For the three-month period ended June 30, 2000, other-net, represented $44,000 of expenses compared to $39,000 of expenses for the period ended June 30, 1999. For the six-month period ended June 30, 2000, other-net, represented $101,000 of expenses while, other-net, represented $ 10,000 of income for the six-month period ended June 30, 1999. These expense and income items 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 $5.8 million for the six months ended June 30, 2000 which contributed to a 15.8% increase in working capital to $36.8 million. Net cash used in investing activities for the six months ended June 30, 2000 was $5.1 million, of which $4.4 million related to the purchase of short-term investments, $670,000 was for miscellaneous equipment purchases and facility improvements and $57,000 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, 2001 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 June 30, 2000, the Company was in compliance with these covenants and had no outstanding borrowings under the Revolver.

Capital expenditures for the remaining six months of 2000 are estimated to be approximately $4.7 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 in the last paragraph under "Results of Operations" 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

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.

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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.

ITEM 5. OTHER INFORMATION

On July 26, 2000 the Company announced its 2000 second 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.

27.1 Financial Data Schedule.
99.1 Press release issued by the Company on July 26, 2000 announcing its 2000 second 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.

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: August 9, 2000

GULF ISLAND FABRICATION, INC.

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
27.1	Financial Data Schedule.
99.1	Press release issued by the Company on July 26, 2000 announcing its 2000 second quarter earnings and related matters.

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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, JULY 26, 2000

GULF ISLAND FABRICATION, INC.
REPORTS SECOND QUARTER EARNINGS

Houma, LA - Gulf Island Fabrication, Inc. (NASDAQ: GIFI) today reported net income of $1.0 million ($.09 diluted EPS) on revenue of $28.4 million for its second quarter ended June 30, 2000, compared to net income of $2.0 million ($.17 diluted EPS) on revenue of $28.1 million for the second quarter ended June 30, 1999. Net income for the first six months of 2000 was $2.1 million ($.18 diluted EPS) on revenue of $60.1 million, compared to net income of $3.9 million ($.33 diluted EPS) on revenue of $58.4 million for the first six months of 1999.

At June 30, 2000, the company had a revenue backlog of $30.0 million and a labor backlog of approximately 506 thousand man-hours remaining to work.

SELECTED BALANCE SHEET INFORMATION
(in thousands)

	June 30, 2000	December 31, 1999
Cash and short-term investments	$ 21,139	$ 15,750
Total current assets	50,553	47,154
Property, plant and equipment, at cost, net	42,073	43,664
Total assets	96,776	95,049
Total current liabilities	13,746	15,367
Debt	-	-
Shareholders' equity	79,180	76,618
Total liabilities and shareholders' equity	96,776	95,049

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.

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

<TABLE>
<CAPTION>

	Three Months Ended June 30,		Six Months Ended June 30,	
	2000	1999	2000	1999
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Revenue	$28,380	$28,106	$60,121	$58,435
Cost of revenue	25,930	24,093	55,123	50,196
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Other income (expense):				
Interest expense	11	(14)	(7)	(35)
Interest income	293	166	612	267
Other - net	(44)	(39)	(101)	10
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Income before income taxes	1,674	3,137	3,342	6,210
Income taxes	646	1,182	1,207	2,330

Net income	$ 1,028	$ 1,955	$ 2,135	$ 3,880
Per share data:				
Basic earnings per share	$ 0.09	$ 0.17	$ 0.18	$ 0.33
Diluted earnings per share (1)	$ 0.09	$ 0.17	$ 0.18	$ 0.33
Weighted-average shares	11,664	11,638	11,651	11,638
Adjusted weighted-average shares (1)	11,768	11,707	11,740	11,681
Depreciation and amortization included in expense above	$ 1,175	$ 1,251	$ 2,399	$ 2,452

(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.

</TABLE>