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 MARCH 31, 1998

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 May 4, 1998 was 11,623,400.

GULF ISLAND FABRICATION, INC.

I N D E X

GULF ISLAND FABRICATION, INC.

CONSOLIDATED BALANCE SHEET

	(Unaudited) March 31, 1998	December 31, 1997
	(in thousands)	
ASSETS		
Current assets:		
Cash	$ 1,961	$ 6,879
Contracts receivable, net	34,460	21,204
Retainage	4,223	1,556
Costs and estimated earnings in excess of billings on uncompleted contracts	3,411	903
Prepaid expenses	858	914
Inventory	1,076	968
Recoverable income taxes	--	321
Total current assets	45,989	32,745
Property, plant and equipment, net	38,201	34,505
Excess of cost over fair value of net assets acquired less accumulated amortizations of $73,175 at March 31, 1998	4,044	--
Other assets	445	428
Total assets	$88,679	$67,678
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 9,623	$ 3,368
Billings in excess of costs and estimated earnings on uncompleted contracts	11,646	5,925
Accrued employee costs	3,559	3,068
Accrued expenses	1,852	2,829
Income taxes payable	2,248	--
Total current liabilities	28,928	15,190
Deferred income taxes	2,033	1,878
Notes payable	2,700	--
Total liabilities	33,661	17,068
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, 11,623,400 and 11,600,000 shares issued and outstanding at March 31, 1998 and December 31, 1997, respectively	4,150	4,133
Additional paid-in capital	35,023	34,865
Retained earnings	15,845	11,612
Total shareholders' equity	55,018	50,610
	$88,679	$67,678

The accompanying notes are an integral part of these statements.

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

	Three Months Ended March 31, 1998	1997
	(in thousands, except per share data)	
Revenue	$ 46,914	$ 30,224
Cost of revenue	38,603	25,359
Gross profit	8,311	4,865
General and administrative expenses	1,614	1,002
	6,697	3,863
Other expenses (income):		
Interest expense	42	255
Interest income	(67)	(19)
	(25)	236
Income before income taxes	6,722	3,627
Income taxes	2,489	-
Net income	$ 4,233	$ 3,627
Pro forma data:		
Income before income taxes	$ 6,722	$ 3,627
Income taxes	2,489	-
Pro forma income taxes related to operations of S Corporation	-	1,379
Pro forma net income	$ 4,233	$ 2,248
Pro forma per share data:		
Pro forma basic earnings per share	$ 0.36	$ 0.29
Pro forma diluted earnings per share	$ 0.36	$ 0.29
Pro forma weighted-average shares	11,612	7,854
Effect of dilutive securities: employee stock options	105	-
Pro forma adjusted weighted-average shares	11,717	7,854

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	AMOUNT	ADDITIONAL PAID-IN CAPITAL	RETAINED EARNINGS	TOTAL SHAREHOLDERS' EQUITY
			(IN THOUSANDS)		
Balance at January 1, 1998	11,600	$ 4,133	$ 34,865	$ 11,612	$ 50,610
Exercise of stock options	23	17	158	-	175
Net income	-	-	-	4,233	4,233
Balance at March 31, 1998	11,623	$ 4,150	$ 35,023	$ 15,845	$ 55,018

The accompanying notes are an integral part of these statements.

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

<TABLE>
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	THREE MONTHS ENDED MARCH 31,	
	1998	1997
	(IN THOUSANDS)	
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Cash flows from operating activities:		
Net income	$ 4,233	$ 3,627
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	920	647
Amortization	73	-
Deferred income taxes	(46)	-
Changes in operating assets and liabilities:		
Contracts receivable	(5,352)	(6,138)
Retainage	(1,422)	1,359
Costs and estimated earnings in excess of billings on uncompleted contracts	(1,348)	(247)
Other assets	73	524
Accounts payable and accrued expenses	822	4,612
Income taxes payable	2,502	-
Billings in excess of costs and estimated earnings on uncompleted contracts	3,276	(1,336)
Net cash provided by operating activities	3,731	3,048
Cash flows from investing activities:		
Capital expenditures, net	(3,002)	(5,664)
Payment for purchase of Dolphin Services, net of cash acquired	-	(5,803)
Payment for purchase of Southport, net of cash acquired	(5,922)	-
Other	-	253
Net cash used in investing activities	(8,924)	(11,214)
Cash flows from financing activities:		
Cost associated with initial public offering	-	(143)
Borrowings against notes payable	5,000	10,048
Principal payments on notes payable	(4,900)	(45)
Proceeds from exercise of stock options	175	-
Dividends	-	(2,641)
Net cash provided by financing activities	275	7,219
Net decrease in cash	(4,918)	(947)
Cash at beginning of period	6,879	1,357
Cash at end of period	$ 1,961	$ 410

</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 PERIODS ENDED MARCH 31, 1998 AND 1997

NOTE 1--ORGANIZATION AND SIGNIFICANT ACCOUNTING PRINCIPLES

Gulf Island Fabrication, Inc. ("Gulf Island"), located in Houma, Louisiana, is engaged in the fabrication and refurbishment of offshore oil and gas platforms for oil and gas industry companies. Gulf Island`s principal markets are concentrated in the offshore regions of the Gulf of Mexico. The consolidated financial statements include the accounts of Gulf Island and its wholly owned subsidiaries (collectively "the Company"). All significant intercompany balances and transactions have been eliminated in consolidation.

Effective January 1, 1998, the Company acquired all of the outstanding shares of Southport, Inc. and its wholly owned subsidiary Southport International, Inc. (collectively "Southport"). Southport specializes in the fabrication of living quarters for offshore platforms. The purchase price was $6.0 million cash, plus contingent payments of up to an additional $5.0 million based on Southport's net income over a four-year period ending December 31, 2001. The purchase price plus $130,000 of direct expenses exceeded the fair value of the assets acquired of $12.3 million and liabilities assumed of $10.3 million with the acquisition being accounted for under the purchase method of accounting. Goodwill of $4.1 million is being amortized over 15 years on a straight-line basis. Accordingly, the operations of Southport are included in the Company's consolidated operations from January 1, 1998.

The information presented at March 31, 1998 and for the three months ended March 31, 1998 and 1997, is unaudited. In the opinion of the Company's management, the accompanying unaudited financial statements contain all adjustments (consisting of normal recurring adjustments) which the Company considers necessary for the fair presentation of the Company's financial position at March 31, 1998 and the results of its operations and its cash flows for the three months ended March 31, 1998 and 1997. The results of operations for the three months ended March 31, 1998 are not necessarily indicative of the results that may be expected for the year ending December 31, 1998.

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 generally accepted accounting principles for complete financial statements. For further information, refer to the consolidated financial statements and footnotes thereto included in the Registrant Company's annual report on Form 10-K for the year ended December 31, 1997.

Certain items included in the financial statements for the periods ended December 31, 1997 and March 31, 1997 have been reclassified to conform to the March 31, 1998 financial statement presentation.

NOTE 2 - ACQUISITION OF SOUTHPORT, INC.

The following unaudited pro forma information presents a summary of consolidated results of operations of the Company and Southport as if the acquisition had occurred on January 1, 1997. Pro forma adjustments include (1) adjustments for the increase in interest expense as a result of the acquisition, (2) additional depreciation on property, plant and equipment, (3) adjustments to record the amortization of cost in excess of fair value of net assets acquired, (4) the elimination of certain general and administrative expenses, and (4) the related tax effects. The effects of the termination of the S Corporation status (Note 3) are included.

	Quarter ended March 31, 1997 (in thousands, except per share data)
Revenue..	$34,353
Pro forma net income..............................	2,439
Pro forma basic and diluted net income per share...	0.31

NOTE 3 - PRO FORMA PER SHARE DATA

On April 4, 1997, the Company's shareholders elected to terminate the Company's status as an S Corporation, and the Company became subject to federal and state income taxes. The pro forma income statement presentation reflects income taxes related to operations as an S Corporation as if the Company had been subject to federal and state income taxes since January 1, 1997 using an assumed effective tax rate of approximately 38%. Further, the pro forma weighted-average share calculations for 1997 include the assumed issuance of additional shares sufficient to pay the distributions made to shareholders in connection with the Company's Initial Public Offering, to the extent such distributions exceeded net income for the year ended December 31, 1996.

NOTE 4 - STOCK SPLIT

On October 6, 1997, the Company's Board of Directors authorized a two-for-one stock split effected in the form of a stock dividend that became effective on October 28, 1997 to shareholders of record on October 21, 1997. All share and per share data included in the financial statements prior to the stock split have been restated to reflect the stock split.

NOTE 5 - CONTINGENCIES

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 insurer, seeks to recover the remainder of its claimed out-of-pocket losses (approximately $1 million) and

approximately $63 million for punitive damages and for economic losses which it alleges resulted from the delay in oil and gas production that was caused by these events. The Company is vigorously contesting the plaintiff's claims and, based on the Company's analysis of those claims, the Company's defenses thereto, and the Court's rulings received to date, the Company believes that its liability for such claims, if any, will not have a material adverse effect on the financial position or results of operations of the Company. In view of the uncertainties inherent in litigation, however, no assurance can be given as to the ultimate outcome of such claims.

The Company is subject to claims arising through the normal conduct of its business. While the ultimate outcome of such claims cannot be determined, management does not expect that 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

On January 1, 1998, the Company acquired all the outstanding stock of Southport, Inc. and its wholly owned subsidiary Southport International, Inc. (collectively, "Southport"). As used hereinafter, unless the context requires otherwise, the term "Company" refers to the Company and Southport on a consolidated basis, and the term "Southport" refers to Southport only. The Statement of Income included in the unaudited financial statements presents the consolidated results of operations of the Company and Southport for the three months ended March 31, 1998, compared to the results of operations of the Company for the three months ended March 31, 1997, without giving effect to the Southport acquisition.

The Company's revenue for the three month period ended March 31, 1998 was $46.9 million, an increase of 55.2%, compared to $30.2 million in revenue for the three month period ended March 31, 1997. Revenue increased as a result of the Southport acquisition and the high activity levels in the oil and gas industry during the first quarter of 1998, which caused increased demand and thus, upward pressure on the pricing of the Company's goods and services. In addition, the on-going labor recruiting and retention efforts at the Company generated an increase in the volume of direct labor hours applied to contracts for the three month period ended March 31, 1998, compared to the same period in 1997.

The increased volume and strong pricing enabled the Company to generate a gross profit of $8.3 million (17.7% of revenue) for the three month period ended March 31, 1998, compared to the $4.9 million (16.1% of revenue) of gross profit for the three month period ended March 31, 1997.

The Company's general and administrative expenses were $1.6 million for the three month period ended March 31, 1998, compared to $1.0 million for the three month period ended March 31, 1997. This increase of $612,000 for the three month period was caused by additional general and administrative costs associated with the Southport acquisition, additional costs associated with increased production levels and public company reporting requirements.

The Company had net interest income of $25,000 for the three months ended March 31, 1998 compared to net interest expense of $236,000 for the three months ended March 31, 1997. Interest expense decreased by $213,000 to $42,000 for the three months ended March 31, 1998 compared to $255,000 for the same period in 1997. As a result of a greater net cash provided by operations, a lesser amount of capital expenditures, no dividend payments, and the use of the proceeds of the Initial Public Offering, the weighted-average borrowings for the three months ended March 31, 1998 were substantially lower in comparison to the corresponding three months of 1997.

The Company converted from S Corporation to C Corporation status on April 4, 1997. Pro forma income taxes and pro forma net income give effect to federal and state income taxes as if the Company had been taxed as a C Corporation during the first quarter of 1997.

LIQUIDITY AND CAPITAL RESOURCES

Historically the Company has funded its business activities through funds generated from operations and borrowings under its bank credit facility. Net cash provided by operations was $3.7 million for the three months ended March 31, 1998 with working capital remaining stable at $17.1

million. Net cash used in investing activities for the three months ended March 31, 1998 was $8.9 million, of which $5.9 million related to the purchase of Southport and $3.0 million related to capital expenditures made during the quarter. Approximately 50% of the Company's capital expenditures were for improvements to its production facilities and for equipment designed to increase the capacity of its facilities and the productivity of its labor force. The remaining 50% was for the purchase of one new Manitowoc crane to replace one previously rented.

Net cash provided by financing activities was $275,000 for the three months ended March 31, 1998, consisting of $175,000 from the proceeds of exercised stock options with the remaining from borrowings and payments on the Company's Bank Credit Facility.

The Company's Bank Credit Facility currently 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 Citibank, N.A. or LIBOR plus 1 1/2%. The Revolver matures December 31, 1999 and is secured by a mortgage on the Company's real estate, equipment and fixtures, and by the stock of its subsidiary, Dolphin Services, Inc. As additional security the Company has caused Dolphin Services, Inc. to guarantee the Company's obligations under the Revolver. At March 31, 1998 the Company had $2.7 of outstanding borrowings under the credit facility.

Capital expenditures for the remaining nine months of 1998 are estimated to be approximately $11.4 million, including the purchase of four additional new Manitowoc crawler cranes, improvements to the west yard fabrication area and various other fabrication equipment purchases and facility expansions. 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. However, the Company may expand its operations through future acquisitions that may require additional equity or debt financing.

PART II. OTHER INFORMATION

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

(a) An annual meeting of the Registrants's stockholders was held on April 30, 1998.

(c) The following matters were voted upon with the results as indicated below:

1) Election of the following nominees for directors.

Stephen G. Benton, Jr.
Number of Votes Cast For - 10,775,607
Number of Votes Cast Against or Withheld - 22,487
Number of Abstentions - None
Number of Broker Non-Votes - None

Thomas E. Fairley
Number of Votes Cast For - 10,775,607
Number of Votes Cast Against or Withheld - 22,487
Number of Abstentions - None
Number of Broker Non-Votes - None

Hugh J. Kelly
Number of Votes Cast For - 10,775,607
Number of Votes Cast Against or Withheld - 22,487
Number of Abstentions - None
Number of Broker Non-Votes - None

2) Ratification of appointment of Ernst & Young as independent auditors.

Number of Votes Cast For - 10,787,294
Number of Votes Cast Against or Withheld - 4,200
Number of Abstentions - 6,600
Number of Broker Non-Votes - None

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K

(a) Exhibits.

27.1 Financial Data Schedule

27.2 Financial Data Schedule Prior periods restated to conform to FASB No. 128

99.1 Press release issued by the Company on November 25, 1997 announcing the completion of the secondary offering.

99.2 Press release issued by the Company on January 28, 1998 announcing its 1997 fourth quarter earnings.

99.3 Press release issued by the Company on April 30, 1998 announcing its 1998 first quarter earnings.

(b) On January 16, 1998 the Registrant filed a Form 8-K dated January 1, 1998 (reporting on Items 7 and 2) regarding the acquisition of Southport, Inc.

On February 11, 1998 the Registrant filed a Form 8-K/A-1 dated January 1, 1998 (reporting on Items 7 and 2), regarding the acquisition of Southport, Inc. amending the Form 8-K to include:

Audited Consolidated Balance Sheet at December 31, 1996, related Consolidated Statement of Income and Retained Earnings and Consolidated Statement of Cash Flows for the year ended December 31, 1996.

Unaudited Consolidated Balance Sheet at September 30, 1997, related Consolidated Statement of Retained Earnings and Consolidated Statement of Cash Flows for the nine months ended September 30, 1997.

Unaudited Pro Forma Condensed Combined Balance Sheet at September 30, 1997, related Unaudited Pro Forma Condensed Combined Statement of Income and Unaudited Pro Forma Condensed Combined Statement of Cash Flows for the nine months ended September 30, 1997.

Unaudited Pro Forma Condensed Combined Statement of Income for the year ended December 31, 1996.

SIGNATURES

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

GULF ISLAND FABRICATION, INC.

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

DATE: MAY 12, 1998

GULF ISLAND FABRICATION, INC.

EXHIBIT INDEX

Exhibit Number	Description of Exhibit
27.1	Financial Data Schedule.
27.2	Financial Data Schedule--Prior periods restated to conform to FASB No. 128.
99.1	Press release issued by the Company on November 25, 1997 announcing the completion of the secondary offering.
99.2	Press release issued by the Company on January 28, 1998

	announcing its 1997 fourth quarter earnings.
99.3	Press release issued by the Company on April 30, 1998 announcing its 1998 first quarter earnings.

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EXHIBIT 99.1

NEWS RELEASE

For further information contact:

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

Joseph P. Gallagher, III
Chief Financial Officer
(504)872-2100

FOR IMMEDIATE RELEASE
TUESDAY, NOVEMBER 25, 1997

GULF ISLAND FABRICATION, INC.
ANNOUNCES COMPLETION OF OFFERING BY PRINCIPAL SHAREHOLDERS

HOUMA, LA - GULF ISLAND FABRICATION, INC. (NASDAQ: GIFI) announced the completion of an offering by its principal shareholders of 2,000,000 shares of common stock at a public offering price of $22.50 per share. Alden J. Laborde, 81, and Huey J. Wilson, 69, sold the shares for estate planning and asset diversification purposes. The selling shareholders have also agreed to sell up to 300,000 additional shares, at the same price, to cover over-allotments, if any.

The shares were sold by an underwriting group consisting of Morgan Keegan & Company, Inc., Raymond James & Associates, Inc. and Johnson Rice & Company L.L.C.

Gulf Island Fabrication, Inc. is headquartered in Houma, and 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. The Company offers offshore interconnect piping hook-up, inshore marine construction and steel warehousing and sales.

A copy of the prospectus relating to the offering may be obtained from Morgan Keegan & Company, Inc., 50 N. Front Street, Memphis, Tenn. 38103. These securities are offered only by means of a written prospectus and this announcement is neither an offer to sell nor a solicitation of an offer to buy.

EXHIBIT 99.2

NEWS RELEASE

For further information contact:

Kerry J. Chauvin	Joseph "Duke" Gallagher
Chief Executive Officer	Chief Financial Officer
(504) 872-2100	(504) 872-2100

FOR IMMEDIATE RELEASE
WEDNESDAY, JANUARY 28, 1998

GULF ISLAND FABRICATION, INC. REPORTS FOURTH QUARTER EARNINGS

Houma, LA Gulf Island Fabrication, Inc. (NASDAQ: GIFI) today reported pro forma net income of $3.0 million ($.25 diluted EPS) on revenue of $34.8 million for its fourth quarter ended December 31, 1997, compared to pro forma net income of $1.1 million ($.14 diluted EPS) on revenues of $18.6 million for the fourth quarter ended December 31, 1996. Pro forma net income for the twelve months ended December 31, 1997 was $12.2 million ($1.14 diluted EPS) on revenue of $136.4 million, compared to pro forma net income of $4.4 million ($.55 diluted EPS) on revenues of $79.0 million for the twelve months ended December 31, 1996. Pro forma net income gives effect to federal and state income taxes as if the Company had been a C Corporation for tax purposes during all the periods of 1996 and 1997. Pro forma net income excludes the non-recurring charge of $1.1 million to record the cumulative deferred income tax provision upon the election on April 4, 1997 to convert from S Corporation status to C Corporation status. At December 31, 1997, the Company had a revenue backlog of $86.3 million and a labor backlog of 1.3 million manhours remaining to be worked.

On October 6, 1997 the Company's Board of Directors authorized a two-for-one stock split effected in the form of a stock dividend to be distributed on October 28, 1997 to shareholders of record on October 21, 1997. All share and per share data for all periods presented have been restated to reflect the stock split.

Gulf Island Fabrication, Inc., based in Houma, Louisiana, 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. The Company also offers offshore interconnect pipe hook-up, inshore marine construction, and steel warehousing and sales. With the acquisition of Southport, Inc., effective January 1, 1998, the Company will also be able to provide the fabrication of living quarters for offshore platforms for the oil and gas industry.

EXHIBIT 99.2(a)

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

<TABLE>
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	Three months ended December 31,		Twelve months ended December 31,	
	1997	1996	1997	1996
<S>	<C>	<C>	<C>	<C>
Revenue	$ 34,799	$ 18,628	$ 136,355	$ 79,004
Cost of revenue	28,751	15,398	112,033	68,673
Gross profit	6,048	3,230	24,322	10,331
General and administrative expenses	1,408	1,094	4,670	2,661
Operating income	4,640	2,136	19,652	7,670
Interest expense (income), net	(103)	87	109	384
Income before provision for income taxes	4,743	2,049	19,543	7,286
Provision for income taxes	1,763	-	5,973	-
Cumulative deferred tax provision/(1)/	-	-	1,144	-
Net income	$ 2,980	$ 2,049	$ 12,426	$ 7,286
Pro forma data:/(2)/				
Income before provision for income taxes	$ 4,743	$ 2,049	$ 19,543	$ 7,286
Provision for income taxes	1,763	-	5,973	-
Pro forma provision for income taxes related to operations as S Corporation	-	944	1,379	2,934
Pro forma net income	$ 2,980	$ 1,105	$ 12,191	$ 4,352
Pro forma per share data:				
Pro forma basic earnings per share/(3)/	$ 0.26	$ 0.14	$ 1.15	$ 0.55
Pro forma diluted earnings per share/(3) (4)/	$ 0.25	$ 0.14	$ 1.14	$ 0.55
Weighted average shares outstanding/(3)/	11,600,000	7,854,000	10,632,626	7,854,000
Adjusted weighted average shares outstanding/(3) (4)/	11,739,161	7,854,000	10,699,437	7,854,000
Depreciation and amortization included in expense above	$ 828	$ 458	$ 2,932	$ 1,586

</TABLE>
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(1) Cumulative deferred tax provision charged upon election on April 4, 1997 to convert from S Corporation status to C Corporation Status.

(2) Pro forma information gives effect to federal and state income taxes as if the Company had been a C Corporation for tax purposes during all periods presented.

(3) Includes the shares issued in the Company's initial public offering completed on April 9, 1997 and retroactively restated for the two-for-one stock split effective October 28, 1997.

(4) 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.

EXHIBIT 99.3

NEWS RELEASE

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FOR IMMEDIATE RELEASE
THURSDAY, APRIL 30, 1998

GULF ISLAND FABRICATION, INC.
REPORTS FIRST QUARTER EARNINGS

Houma, LA Gulf Island Fabrication, Inc. (NASDAQ: GIFI) today reported pro forma net income of $4.2 million ($.36 diluted EPS) on revenue of $46.9 million for its first quarter ended March 31, 1998, compared to pro forma net income of $2.2 million ($.29 diluted EPS) on revenue of $30.2 million for the first quarter ended March 31, 1997. Pro forma net income gives effect to federal and state income taxes as if the Company had been a C Corporation for tax purposes during both the periods presented. At March 31, 1998, the Company had a revenue backlog of $105.5 million and a labor backlog of 1.7 million manhours remaining to be worked.

On October 6, 1997 the Company's Board of Directors authorized a two-for-one stock split effected in the form of a stock dividend that was distributed on October 28, 1997 to shareholders of record on October 21, 1997. All share and per share data for both periods presented have been stated to reflect the stock split.

Gulf Island Fabrication, Inc., based in Houma, Louisiana, 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. The Company also offers offshore interconnect pipe hook-up, inshore marine construction, and steel warehousing and sales. With the acquisition of Southport, Inc., effective January 1, 1998, the Company can provide the fabrication of living quarters for offshore platforms for the oil and gas industry.

EXHIBIT 99.3(a)

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

	Three Months Ended March 31, 1998	1997
Revenue	$ 46,914	$ 30,224
Cost of revenue	38,603	25,359
Gross profit	8,311	4,865
General and administrative expenses	1,614	1,002
Operating income	6,697	3,863
Other expense (income):		
Interest expense	42	255
Interest income	(67)	(19)
	(25)	236
Income before income taxes	6,722	3,627
Income taxes	2,489	-
Net income	$ 4,233	$ 3,627
Pro forma data:/(1)/		
Income before income taxes	$ 6,722	$ 3,627
Income taxes	2,489	-
Pro forma income taxes related to operations as S Corporation	-	1,379
Pro forma net income	$ 4,233	$ 2,248
Pro forma per share data:		
Pro forma basic earnings per share/(2)/	$ 0.36	$ 0.29
Pro forma diluted earnings per share/(2) (3)/	$ 0.36	$ 0.29
Weighted-average shares/(2)/	11,612	7,854
Adjusted weighted-average shares/(2) (3)/	11,717	7,854
Depreciation and amortization included in expense above	$ 993	$ 647

(1) Pro forma information gives effect to federal and state income taxes as if the Company had been a C Corporation for tax purposes during both periods presented.

(2) Includes the initial public offering completed on April 9, 1997 and retroactively restates the two-for-one stock split effective October 28, 1997.

(3) 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.