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**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**FOR IMMEDIATE RELEASE**

**4 May 2020**

**Gulf Marine Services PLC**

**Rejection of Proposal from Seafox International Limited (“Seafox”)**

Following Seafox’s announcement on 30 April 2020 of its unsolicited and non-binding approach to acquire the entire issued and to be issued share capital of Gulf Marine Services PLC (“**GMS**” or the “**Company**”) (the “**Seafox Proposal**”), the Board has consulted widely with **GMS**’s stakeholders, and reviewed the Seafox Proposal with its financial advisers.

The Board today confirms that it has unanimously rejected the Seafox Proposal for the reasons set out below.

**GMS is performing well**

- Management and the Board have been strengthened
- The Company has been refocused and streamlined
- New business has been successfully secured with eleven new contracts since the start of 2019 and the backlog stands at US\$240 million
- The cost base has been significantly reduced – the 2019 cost saving programme delivered US\$13 million on an annualised basis against an original target of US\$6 million
- Adjusted EBITDA for Q1 2020 is ahead of the Company’s 2020 Business Plan

**The Board is confident in future value creation as an independent company**

- 80% of the 2020 Business Plan revenues are covered by firm contracts, and this rises to 83% if contracted options are exercised
- All available vessels in the fleet are currently contracted – secured utilisation for 2020 of 76% versus 69% in 2019
- 2021 contracted utilisation already stands at 49%, which is significantly ahead of the 2020 utilisation (27%) at the same time last year
- The cost savings programme has delivered further gains during 2020 and is currently running ahead of plan
- In principle agreement with lenders has been reached on revised terms for a restructuring of our bank debt including access to existing term loan facilities and new working capital facilities, which will provide a firm financial platform to move the business forward through 2020 and beyond. Full documentation is expected to be completed such that new facilities are available to the **GMS** group by 30 June 2020

**The Seafox Proposal is wholly opportunistic**

- The Seafox Proposal comes at a time of significant macro uncertainty caused by Covid-19. This has resulted in depressed share prices globally, particularly in the Energy sector, and it has, the Board believes, resulted in the Company’s shares trading at all-time lows recently
- Seafox voluntarily chose to announce the Seafox Proposal the day before **GMS** updated the market on its 2019 results and on the significant recent progress within the business

- The Seafox Proposal has been made just a short time before the planned conclusion of the documentation of our amended bank facilities

### **The Seafox Proposal fundamentally undervalues GMS**

- The Seafox Proposal values the Company's equity at only US\$32 million
- The Board believes the Seafox Proposal fails to reflect the significant operational and financial progress made over the last 12 months and GMS's materially improved long-term prospects
- The Board believes that the true value of GMS is well in excess of the value of the Seafox Proposal

Tim Summers, Executive Chairman of GMS, today said:

*“Operationally and commercially, GMS is in much better shape today than it was 12 months’ ago. The Company is performing well notwithstanding the difficult environment; we have reduced costs and we will continue to reduce them further in 2020. We have agreed in principle a deal with our banks that provides the Company with long-term financial stability. The Board remains highly confident in the future success of the Company. Now is not the time for shareholders to sell at a price that is far below the true worth of GMS.”*

### **Enquiries:**

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Linklaters LLP has been retained as legal advisers

### **PUBLICATION ON WEBSITE**

In accordance with Rule 26.1 of the City Code on Takeovers and Mergers, a copy of this announcement will, subject to certain restrictions relating to persons resident in restricted jurisdictions, be available at [www.gmsuae.com/offer](http://www.gmsuae.com/offer) by no later than 12 noon (London time) on the business day following the date of this announcement. For the avoidance of doubt, the content of the website referred to above is not incorporated into and does not form part of this announcement.

### **FURTHER INFORMATION**

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## **MAR**

The information contained within this announcement is considered by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the publication of this announcement via a Regulatory Information Service, this inside information will be considered to be in the public domain.

The person responsible for arranging for the release of this announcement on behalf of GMS is Tony Hunter, Company Secretary.

## **ABOUT GMS**

GMS, a company listed on the London Stock Exchange, was founded in Abu Dhabi in 1977 and has become a world-leading provider of advanced self-propelled self-elevating support vessels (SESVs). The fleet serves the oil, gas and renewable energy industries from its offices in the United Arab Emirates, Saudi Arabia and the United Kingdom. The Group's assets are capable of serving clients' requirements across the globe, including those in the Middle East, South East Asia, West Africa, North America, the Gulf of Mexico and Europe.

The GMS fleet of 13 SESVs is amongst the youngest in the industry, with an average age of eight years. The vessels support GMS's clients in a broad range of offshore oil and gas platform refurbishment and maintenance activities, well intervention work and offshore wind turbine maintenance work (which are opex-led activities), as well as offshore oil and gas platform installation and decommissioning and offshore wind turbine installation (which are capex-led activities).

The SESVs are categorised by size - K-Class (Small), S-Class (Mid) and E-Class (Large) - with these capable of operating in water depths of 45m to 80m depending on leg length. The vessels are four-legged and are self-propelled, which means they do not require tugs or similar support vessels for moves between locations in the field; this makes them significantly more cost-effective and time-efficient than conventional offshore support vessels without self-propulsion. They have a large deck space, crane capacity and accommodation facilities (for up to 300 people) that can be adapted to the requirements of the Group's clients.

The Company's Legal Entity Identifier is 213800IGS2QE89SAJF77.