



News Release

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Conrad Industries Announces First Quarter 2017 Results

Morgan City, Louisiana (May 15, 2017) - Conrad Industries, Inc. (OTC Pink Sheets: CNRD.PK) announced today its first quarter 2017 results.

For the quarter ended March 31, 2017, Conrad's net income was \$119,000 and earnings per diluted share was \$0.02 compared to net income of \$2.6 million and earnings per diluted share of \$0.49 during the first quarter of 2016. Results for the quarter ended March 31, 2016 included research and development tax credits of \$579,000. No research and development tax credits are included in the results for the quarter ended March 31, 2017. The Company's financial reports are available at www.otcmarkets.com.

Conrad's backlog was \$183.0 million at March 31, 2017 compared to \$216.5 million at December 31, 2016 and \$189.9 million at March 31, 2016.

Johnny Conrad, President and CEO stated, "Our results reflect a continued difficult operating environment and we expect 2017 to be another challenging year. Although our bid activity has been good and we see some opportunities, our new construction segment was adversely affected by a soft market for energy transportation, increased pricing pressure, and customer delays on large project orders. Our repair and conversion segment continues to be impacted by low crude oil prices and there continues to be little visibility due to the short-term nature of this work."

Mr. Conrad continued, "In addition, our first quarter operating results were affected by losses on the LNG Barge. Despite the losses we have incurred on the construction of the LNG Barge,

the first vessel of its kind ever constructed in North America, we believe that we have developed the resources to establish ourselves as a leader in LNG marine-related construction in North America. Management continues to focus on effectively executing our backlog, adding new contracts, improving efficiencies, and controlling costs.”

Conrad Industries, Inc., established in 1948 and headquartered in Morgan City, Louisiana, designs, builds and overhauls tugboats, ferries, liftboats, barges, offshore supply vessels and other steel and aluminum products for both the commercial and government markets. The company provides both repair and new construction services at its five shipyards located in southern Louisiana and Texas.

Cautionary statement: This press release contains forward-looking statements, which are all statements other than those of historical facts, and reflect our expectations as of the date of this press release about future events. Forward-looking statements are subject to risks and uncertainties, including our reliance on cyclical industries, ability to perform contracts at costs consistent with estimated costs utilized in bidding, and ability to replenish our backlog and compete in changing markets. These and other risks are discussed in more detail in our Annual Report and subsequent reports available on www.otcmarkets.com. Should one or more of these risks materialize, achievement of anticipated results may differ materially from those anticipated. We do not intend to update these forward-looking statements, other than through our regular quarterly and annual reports.