Shawcor Receives Contract for Application of Unique LotusFlo® Scale, Asphaltene and Wax Reduction Technology

TORONTO, Feb. 18, 2022 -- Shawcor Ltd. (“Shawcor” or the “Company”) (TSX: SCL) today announced that its pipe coating division has been awarded a three year contract with Vallourec S.A. to apply the unique LotusFlo® technology to offshore downhole production tubulars designed for the Buzios oilfields. The Buzios oilfields are located off the coast of Brazil and operated by Petróleo Brasileiro S.A. (“Petrobras”). With this award, Shawcor will increase its total current orders for this technology, including additional orders in the Gulf of Mexico market, to a range of C$18M-C$25M. The work will be executed out of Shawcor’s Channelview facility and is expected to commence in the fourth quarter of 2022, continuing over a multi-year period on an as-needed basis.

LotusFlo is an innovative diamond-like carbon coating technology that offers an advanced level of flow assurance for the oil and gas industry. Developed to modify the surface to decrease adhesion in oil-water flows, it has been proven to reduce and possibly eliminate the deposition of scale, asphaltenes and wax from the interior of tubulars and pipelines, delivering significant cost reduction and production enhancement benefits to asset owners over the life of an operating oil field, including: fewer and shorter well interventions and less frequent chemical injections. Aside from this new application for pre-salt Brazil, LotusFlo is currently in service in the Gulf of Mexico and North Sea. Shawcor is the exclusive license holder and sole provider of this technology for applications to oil country tubular goods (“OCTG”), in-well components, pipelines, flowlines and risers in the global oil and gas industry.

“Using LotusFlo in Petrobras’ Buzios oilfields represents the single largest implementation of this transformative technology to date,” said Kevin Reizer, President of Shawcor’s Pipeline Performance Division. “As we introduce LotusFlo into the world’s most active offshore market, we are working with other customers to pursue further opportunities around the world.”

The award of this contract is the result of an extensive qualification program with Petrobras, one of the world’s largest oil and gas producers, and Vallourec, a world-wide premium tubular solutions provider. “It is very important for Vallourec to be part of such an innovative project with Shawcor which will bring significant benefits and cost savings for Petrobras,” said Bruno Quaresma Gontijo, OCTG Downstream Business Executive Manager of Vallourec.

About Shawcor

Shawcor Ltd. is a growth-oriented, global material sciences company serving the Infrastructure, Energy, and Transportation markets. The Company operates through a network of fixed and mobile manufacturing and service facilities. Its three business segments, Composite Systems, Automotive & Industrial and Pipeline & Pipe Services enable responsible renewal and enhancement of critical infrastructure while lowering risk and environmental impact.

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Forward Looking Information

This news release contains forward-looking information within the meaning of applicable securities laws. Words such as "may", "will", "should", "anticipate", "plan", "expect", "believe", "predict", "estimate" or similar terminology are used to identify forward-looking information. This forward-looking information is based on assumptions, estimates and analysis made in the light of the Company's experience and its perception of trends, current conditions and expected developments, as well as other factors that are believed by the Company to be reasonable and relevant in the circumstances. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to be materially different from those predicted, expressed or implied by the forward-looking information. The forward-looking information is provided as of the date of this news release and the Company does not assume any obligation to update or revise the forward-looking information to reflect new events or circumstances, except as required by law.

Source: Shawcor Ltd.