Shawcor Receives Letter of Intent for Yellowtail Development Project in Guyana

TORONTO, April 05, 2022 -- Shawcor Ltd. (“Shawcor” or the “Company”) (TSX: SCL) today announced that its pipe coating division has received a Letter of Intent (“LOI”) with Saipem for the Yellowtail development project, located in the Stabroek block offshore Guyana at a water depth of approximately 1,800 metres. The Company anticipates that it will receive a formal contract in the middle of 2022, subject to the necessary government authorizations. Project initiation is expected to begin in the first quarter of 2023 from Shawcor’s Veracruz, Mexico facility.

In addition to the LOI with Saipem, Shawcor has received formal contract awards from other customers for two smaller projects located in the Gulf of Mexico. Shawcor will provide coating services for these projects which will commence in the second quarter of 2022 from the Company’s Veracruz facility.

“The performance of our coating solution on the Liza Phases 1&2 development projects and the more recent Payara development project in Guyana provides evidence that our coating technology is well suited to be deployed on the Yellowtail development project,” said Kevin Reizer, Pipeline Performance Group President. “These awards follow our successful execution of multiple deepwater projects globally, demonstrating the strength of our coating performance and confirming our Customers’ confidence in Shawcor to deliver quality coating services.”

In aggregate, the above LOI and contract awards are valued at over C$50 million, with Yellowtail being the largest component.

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.