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OPERATOR: Good morning. My name is Melissa and I will be your conference operator today. At this time I would like to welcome everyone to the ShawCor Ltd. first quarter results conference call.

All lines have been placed on mute to prevent any background noise. After the speakers' remarks there will be a question-and-answer session. If you would like to ask a question at this time, simply press * then the number 1 on your telephone keypad. If you would like to withdraw your question, press the # key. Thank you.

Mr. Gary Love, Chief Financial Officer, you may begin your conference.

GARY LOVE (Chief Financial Officer, ShawCor Ltd.): Thank you and good morning. I would like to take a moment to remind all listeners that today's conference call includes forward-looking statements that involve estimates, judgements, risks and uncertainties that may cause actual results to differ materially from those projected. The complete text of ShawCor's statement on forward-looking information is included in section 5 of the first quarter 2011 press release that is available on SEDAR at www.sedar.com and may also be found on the company's website at www.shawcor.com.

I will now turn the call over to Bill Buckley, ShawCor's CEO.

BILL BUCKLEY (Chief Executive Officer, ShawCor Ltd.): Thank you, Gary, and thank you, ladies and gentlemen for participating in this morning's conference call.

Yesterday we announced our first quarter 2011 financial results at our annual general meeting. Overall, revenue in the first quarter was $279 million, up 24 per cent from the first quarter of 2010, but down 4 per cent from $292 million in the fourth quarter of 2010.

Operating income for the first quarter was $29.6 million, an improvement of 60 per cent over the prior year, but again, down from the $47.3 million reported in the fourth quarter of 2010. And that's on an IFRS restated basis.

Our sequential first quarter versus fourth quarter results were impacted by several factors that had a negative impact on earnings. The most significant of these was a drop in revenue in the pipeline segment, and in particular in the Latin America region as we completed the P-55 flow lines and the PDD projects in Brazil. As well, Pemex purchases in Mexico were reduced in the quarter.

Also, revenue in the Asia-Pacific region was down primarily due to delays in pipe shipments for the PNG project. Net income for the first quarter 2011 was $20.5 million or $0.29 per share compared with $11.7

million or $0.16 per share in the first quarter of the prior year, and compared with $49.7 million or $0.70 per share in the fourth quarter 2010. You will recall that in the fourth quarter was included a $0.25 per share gain on the Brazil revaluation.

The impact of the revenue weakness versus the fourth quarter was particularly evident in the company's operating margin, which came in at 10.6 per cent compared with 16.2 per cent in the fourth quarter. Operating margins in the pipeline segment declined by 1.5 percentage points due to the low level of activity in the Latin America region, and changes in project mix. Also affecting the consolidated operating margin was a 3.2 percentage point margin decrease in the petrochemical and industrial segment, and a $10 million quarter-over-quarter increase in finance and corporate costs. This latter factor is somewhat complex, and I'll ask Gary to provide you with further details in a moment.

In terms of activity levels, in the first quarter the areas of strength were the North America and in particular the EMAR region. In North America we had very good performance from our small diameter pipe coating and Flexpipe business units, the small diameter pipe coating increasing by 15 per cent, and composite pipe almost doubling versus the first quarter of 2010. These improvements are a result of stronger North

American well drilling and completions over the past year, and in the case of our composite pipe business, a significant gain in market share in the U.S.

In EMAR we had continued full production volumes at the Leith pipe coating plant with the execution of the Breagh Statoil P12 and Total Laggan projects. We expect to see some modest softening of volumes at Leith in the second quarter, but then ramp back up again by the third quarter when we start production on the next phase of the Laggan project.

In Latin America the weak first quarter revenue will improve slightly in the second quarter, but should be much stronger by the third quarter when we commence production on the P-55 Risers project in Brazil.

Finally, in Asia-Pacific we had a $26 million decline in revenue from the PNG LNG project compared with the fourth quarter. This reduction related to delayed pipe shipments. We had expected that these shipments would be made up in the second quarter but disruptions in port facilities in Japan following the earthquake and tsunami mean that the delayed revenue will now not be generated until the second half of this year.

In the first quarter, this is the first quarter the company has reported under IFRS, and there were several transition impacts that I'll ask Gary

Love, our CFO, to explain, along with some further details on the first quarter financial results. Gary?

GARY LOVE: Yeah. Thanks, Bill. I would like to start by explaining the transition impacts from the move to IFRS from Canadian GAAP accounting. To begin with, each of ShawCor's financial reports in 2011 will now include the current year compared with 2010 on a restated basis. As a result of the IFRS transition, first quarter 2010 net income has increased by $1.7 million over what had been reported under Canadian GAAP. The major factor was lower depreciation expense of $1.5 million.

When we look at the fourth quarter 2010, the IFRS impacts are more significant. However, the net impact is a decrease in net income of $1.1 million. This net amount is made up of a fixed asset impairment charge of $7.1 million, partially offset by lower depreciation of $1.7 million, and various adjustments that reduce selling, general and admin expenses by $4.2 million.

Our auditors are currently finalizing their review of our first quarter financial statements, including the very detailed notes required for this first-time reporting under IFRS. And we expect to file these financial statements with SEDAR shortly.

Turning to the operating results, the decline in earnings from the fourth quarter of 2010 that Bill described were attributable to a 2 percentage point decrease in gross margins with both of our operating segments reporting lower contribution margins, combined with a significant increase in selling, general and admin costs.

In the pipeline segment, the operating margin in the first quarter 2011 was 14 per cent compared with the fourth quarter 2010 margin of 15.5 per cent as now reported under IFRS. Please recall that we previously reported an operating margin of 17 per cent in the fourth quarter 2010 for the pipeline segment, with the difference being the IFRS adjustments and in particular the $7.1 million impairment charge that is now reflected in the fourth quarter 2010 operating margin under IFRS.

The decline versus the fourth quarter, before the 3 percentage point impact from IFRS adjustments, can be attributed to lower contribution margins of 1 percentage point, coupled with under-absorbed fixed costs that had an operating margin impact on the pipeline segment of approximately 2 percentage points. The fixed cost absorption issue was particularly critical in our Latin America region where revenue dropped below the breakeven point.

In our petrochemical and industrial segment, the operating margin declined to 10.6 per cent in the first quarter from 13.8 per cent in the fourth quarter 2010. This decrease was fully attributable to lower contribution margins both from changes in product mix in the heat-shrink tubing business and from higher copper prices in the segment's wire and cable business.

EBITDA margins are broadly in line with the segment operating margins. The pipeline EBITDA margin in the first quarter 2011 is 18.4 per cent while the petrochemical and industrial segment EBITDA margin was 12.3 per cent.

I mentioned the significant impact on the first quarter of the increase in selling, general and admin costs, which reached $62 million compared with $54.8 million in the first quarter of 2010. The quarter-over-quarter variance in SG&A is even greater versus the fourth quarter with an increase reported of $16 million. This increase requires some explanation.

First, the fourth quarter 2010 now includes an IFRS transition adjustment of $4.2 million. So excluding this IFRS adjustment, the quarter-over-quarter increase is actually $12 million.

Second, the fourth quarter 2010 SG&A had benefited from provision reversals for pension expense and management compensation totalling approximately $10 million.

Lastly, the first quarter 2011 SG&A expense is up about $1.8 million over the fourth quarter as a result of higher salaries, higher legal costs for corporate development activities and an increase in the bad debts reserve of about $800,000.

The impact of these SG&A factors can be seen in the movement in unallocated corporate and finance costs which went from an income amount of $500,000 in the fourth quarter, after restatement for the IFRS transition adjustments, to an expense amount of $9.9 million in the first quarter of 2011.

Revenue and operating income were impacted by foreign exchange rate fluctuations with both a positive impact from exchange gains in the first quarter 2011 of $1.3 million and a negative impact on operating income from exchange translation of approximately $1 million.

During the first quarter total depreciation and amortization, at $11.7 million, compares with $13 million in the fourth quarter of 2010 after restatement for IFRS. You will recall we also recorded a non-cash goodwill impairment charge of $1.1 million in the fourth quarter. And as previously mentioned, we now have the $7.1 million fixed asset impairment charge in the fourth quarter of 2010 under IFRS.

Below operating income we have recognized a $1.4 million equity loss from our investment in Socotherm. This compares with a loss of $1.9 million in the fourth quarter. In the fourth quarter you'll recall we also recognized a gain from the revaluation of our investment in Brazil of $17.9 million.

As in the second half of 2010, we continue to reflect a very low effective tax rate with the rate in the first quarter at 26 per cent. This compares with the Canadian statutory rate of 29 per cent. The effective rate was and continues to be benefited by the high proportion of the company's earnings earned in tax jurisdictions, particularly in Asia-Pacific, with tax rates well below Canadian rates.

Cash flow from operating activities was $12.9 million in the first quarter 2011. This includes an increase in working capital of $28.1 million. Cash flow used in investing activities in the first quarter 2011 was $21.1 million, consisting of capital expenditures of $12 million and a further investment in Fineglade, the holding company for our investment in Socotherm, of $9 million.

Major capital expenditures in the quarter included finalizing the new R&D subsea test facility, and the completion of the mobilization of the new Brigden portable anti-corrosion and insulation plant in Beaumont, Texas, as well as capacity expansions in our composite pipe operation at Flexpipe, at our Guardian drill pipe business, and the heat-shrink tubing business.

Other than dividends of $5.2 million in the first quarter 2011 there were no other significant cash flows from financing activities. And the company finished the first quarter 2011 with cash balances of $142 million, debt of $30 million, for a net cash position of $112 million.

I will now hand it back to Bill Buckley for his concluding comments.

BILL BUCKLEY: Thanks, Gary. Although the factors that affected revenue in the first quarter, in particular with the lack of project activity in Latin America, and the PNG pipe delays will continue in the second quarter, we expect this to be a temporary situation. By the third quarter our expectation is that Mexico should see a pickup in Pemex projects, while in Brazil we're preparing now with the product validation testing, and will launch the $20 million P-55 Riser project in the third quarter.

Furthermore, we expect to see stronger volumes in Asia-Pacific, both from the delayed PNG revenue as well as from several projects we are targeting in Indonesia, Vietnam and Thailand.

We have made excellent progress on a number of developments in the first quarter with the first being the commencement of deep-water insulation testing at our Subsea testing facility in Toronto. I'm pleased to report that the simulated service vessel is now fully operational and is now undertaking a simulation test for the P-55 Risers for Petrobras.

Two weeks ago we were fortunate to host a large group of customers who are working with the ISO to develop deep-water test specifications. The capability embodied in our new facility was very well received by these industry leaders.

The second area of development in the first quarter has been the completion of the assembly and mobilization of our new Brigden modular mobile plant at our site in Beaumont, Texas. The plant will be ready when the first pipe arrives this summer for the $40 million Chevron Jack/St. Malo deep-water flow assurance project. And I'm very confident that this project will prove to be both a financial success, as well as excellent validation of the advantages of this new mobile technology.

A third area of focus has been on related acquisitions to support our growth goals. In this connection we moved quickly to acquire CSI, a division of a company that had gone into creditor protection. CSI provides us with a field coating and pipeline rehabilitation capability in Western Canada. As pipeline owners increase their inspection and rehabilitation of older pipelines, the unique capability of CSI will be an excellent complement to ShawCor's factory-based coating operations.

But an interesting opportunity that we see in CSI is the potential to bundle existing ShawCor products with CSI's products to offer complete end-to-end solutions for water-processing lines and high-temperature steam lines. As in situ oil sands production grows we see this as a great growth opportunity.

Finally, we have previously mentioned that the company is managing an unprecedented portfolio of outstanding project bids that exceeds $1.5 billion. We are currently in several negotiations, and our primary objective is to secure a major share of this business. The range of projects include major pipelines in Latin America, the Middle East, Northern Europe and Asia-Pacific, including offshore Australia. We are continuing to work closely with the clients as these projects move to final investment approval. As this occurs we can expect to see our backlog grow and revenue to move significantly higher in 2012 and 2013.

And with that, I'll turn the call back to the operator for questions.

OPERATOR: At this time I would like to remind everyone in order to ask a question, press * then the number 1 on your telephone keypad. We'll pause for just a moment to compile the Q&A roster.

Your first question comes from the line of Bert Powell from BMO Capital Markets. Your line is open.

BERT POWELL: Thanks. Bill, last quarter you guys had indicated that final investment decisions are coming faster than in the past. That was a bit of a change in the market. So I'm just wondering, how come we haven't seen the coating activity or the bid activity fall into the backlog this quarter? Is there something that is going on that is preventing that? I'm just wondering if you could give us a little bit more colour on that.

BILL BUCKLEY: I think you might be referring to a comment Gary made last time that the bidding process now sometimes involves negotiating the coating contract with us and basically waiting until the FID decision is made and then immediately giving us the coating contract. And that is a fact.

If you look at when we expect to book the major orders that are in that $1.5 billion, it is towards the end of this year. There has been some slippage but between last quarter and this quarter it would be perhaps a month on some of those major projects, so it's not material by any means.

BERT POWELL: Okay. And the competitive landscape, it's still pretty much you and Wasco are the two guys that are out there today. There's not been any change in the competitive landscape on that front.

BILL BUCKLEY: No. No change in the competitive landscape at all.

BERT POWELL: Okay. And then just a last question. Gary, on the PNG, in the case where you do have pipe delay, and I'm operating under the assumption that it is the pipeline customer who orders the pipe, in that situation who bears the cost when you're sitting idle? Is that you?

GARY LOVE: Effectively it is. I think generally speaking what we will see is relief on delivery schedules if there's delays on incoming pipe. But our under-utilization then becomes... that is our issue, and fundamentally that's one of the key risks that's embodied in our business.

BERT POWELL: Okay. So there's no make/hold that comes later on as the project closes out?

GARY LOVE: Yeah, I wouldn't… we're not counting on anything of that nature, no.

BERT POWELL: Okay. Thank you.

OPERATOR: Your next question comes from the line of Dan MacDonald from RBC Capital Markets. Your line is now open.

DAN MACDONALD: Good morning, guys. I'm just wondering… obviously you were able to make up some of the revenues from the deferred work on the Papua New Guinea project in Q1. Do you have a sense for how much of the Q2 revenues that have been deferred that you might be able to make up from other work in the region?

BILL BUCKLEY: Dan, we had a couple of pretty good projects in the region in the first quarter, and they're continuing in the second quarter. The one in particular is the Total South Mahakam. That's work that we're doing at our Indonesian operation, and that's continuing. We had a project for the Yamal-Europe gas pipeline, and I believe that's still continuing.

So I think what we're seeing is that the second quarter for Asia-Pacific's going to look a fair bit like the first quarter, and then the second half with PNG coming back on.

DAN MACDONALD: Okay. Thanks. And then has your outlook, for better or for worse, on any of the major projects you're chasing in that sort of $1.5 billion backlog changed materially since your last quarter?

GARY LOVE: No, it hasn't. We're working through generally a sequence of technical negotiations and then terms and conditions negotiations and then finally price negotiations. There's been no significant changes there, with perhaps a small exception of I think the fact that we have the SSD test capability available to clients who are going to need that who have flow assurance lines as part of their projects. I think that's probably given us a slight positive boost in some of those discussions we're having.

DAN MACDONALD: Okay, great. Thanks, guys.

OPERATOR: Your next question comes from the line of Sarah Hughes from Cormark Securities. Your line is now open.

SARAH HUGHES: Hi, guys.

BILL BUCKLEY: Hello.

SARAH HUGHES: Just back on the PNG contract, just wondering, can you give us an indication of how much revenue is left to be delivered on this contract, and how much you've already finished?

BILL BUCKLEY: I'll have to give you some really rough estimates on this, but as of the end of the first quarter I believe there was in the range of $50 to $60 million still to run.

SARAH HUGHES: All right.

BILL BUCKLEY: And with… obviously now with a major, major part of that moving to the second half.

SARAH HUGHES: Right. And so did you coat anything in Q1?

BILL BUCKLEY: Oh, yes, absolutely we did.

SARAH HUGHES: You did, okay.

BILL BUCKLEY: Yeah, we did, but the delta from Q4 to Q1 was $20... $25, $26 million.

SARAH HUGHES: Right. Okay.

BILL BUCKLEY: So it was… Yeah, we had… that was a big part of our Q1, but it was down significantly from Q4.

SARAH HUGHES: Okay. And then you talked about in your MD&A and on the call about some contracts coming in in the Asia-Pacific area in the back half of the year. Have you secured these contracts yet or are these the ones in your bid pipeline?

BILL BUCKLEY: They would be in the bid pipeline. There are a couple of projects, one in particular where there's a letter of intent. But it has not been converted into a purchase order. The nature of the particular work is such that we're highly confident it will convert into a purchase order. The reality is we may not get the purchase order until we are very close to starting production on it. And we've seen that situation before as well.

SARAH HUGHES: And then of the larger bids that you have in your pipeline, have you seen any of those go to any competitors or are they all just going through the investment process now?

BILL BUCKLEY: They are going through the clients' engineering procurement and investment decision process, in that order.

SARAH HUGHES: And then just lastly on North America, and small diameter was strong this quarter. Just trying to get a sense of where margins are in this business versus kind of where they were when times were strong historically.

BILL BUCKLEY: I think the… certainly if we take a look at our composite pipe business, we have seen… we had a very good quarter, first quarter, 2011. We were very pleased with the performance of Flexpipe composite pipe business. The margins are not back to where they were in 2008. But they are… they're very healthy today and have the potential for significant strengthening as we see that business continue to gain market share on both sides of the border.

It's also… this is a very small point, but it's worth noting we've had our first two international sales of composite pipe, one in South America and one in Asia-Pacific. So that's I guess encouraging from the point of view of the international potential for that business.

On the pipe coating side, small diameter margins continue to be quite healthy.

SARAH HUGHES: And on the composite side of things, in terms of margins not being where they were, is it a fact just because volumes aren't quite there or…

BILL BUCKLEY: Correct.

SARAH HUGHES: … is there change in the landscape? No?

BILL BUCKLEY: No, it's strictly a fixed cost absorption question.

SARAH HUGHES: Okay. And then just lastly, Gary, on the G&A side of things, kind of the run rate we saw in Q1 at $62 million, is that something you see going forward?

GARY LOVE: Yeah, and I think it's worth just taking a minute to kind of retrace the history on our reported SG&A. We were… first quarter of 2010 we were in the $55 million range and then $57 in the second quarter, $59 in the third quarter, and then it dropped significantly in the fourth quarter, which was driven very much by the provision reversal. So I think absent those provision reversals we would have seen that fourth quarter SG&A in the $59-$60 million range, in line basically with the third quarter.

In 2011 it'll be up a little bit, probably averaging in the $60 to $62 million range per quarter.

SARAH HUGHES: Great. Thank you very much.

OPERATOR: Your next question comes from the line of Scott Treadwell from Macquarie Capital. Your line is now open.

SCOTT TREADWELL: Thanks. Good morning, guys. Just wanted to touch on the Fineglade investment. Was that funding some sort of growth or was that like some sort of unexpected investment? And what does that bring the total to so far for investment in Fineglade?

BILL BUCKLEY: Yes. No, the additional investment that was undertaken in the first quarter was actually used to fund the repayment of some subsidiary bank debt. So bank debt that was… I think if you go back to the history of the Socotherm restructuring, debt restructuring, all of the bank debt at the parent-company level was extinguished when we completed our initial investment. But there continued to be bank debt at a subsidiary level in both the Argentinean entity and also in the USA entity. So there was… so we made the investment to pay down a bunch of that bank debt.

In terms of where the investment is at the end of the first quarter it's at $39 million. And that's reflective of all the investment that's gone in, reduced by the equity losses that we have picked up in both the fourth quarter and now in the first quarter.

SCOTT TREADWELL: Okay. And the pace of the loss here is… that you saw here in the first quarter, I know you've guided in the past to that… looking more positive as we go forward. Within expectations, no surprises there, either positive or negative, through the first quarter?

BILL BUCKLEY: Yeah, I think part of the loss in the first quarter was interest expense, which, by virtue of some of the bank debt pay downs, will be offset. So again, our view is a relatively immaterial impact, positive or negative, for the next few quarters.

SCOTT TREADWELL: Okay. Thanks for the detail, guys.

OPERATOR: And again, if you would like to ask a question, press * then the number 1 on your telephone keypad.

Your next question comes from the line of Roger Serin from TD Securities. Your line is now open.

ROGER SERIN: All my questions but one have been answered. The one question on the bid numbers that you have out, can you give us a sense of are we talking next quarter you expect some news, next two quarters, next three quarters? What's sort of the timeline for that to move to backlog?

BILL BUCKLEY: Yeah. We would expect there'd be some news in the next quarter. Some of the major projects that are out there though we would expect that there'll be news on those in the fourth quarter. But we expect that there'll be announcements starting in the next quarter.

ROGER SERIN: Okay. Thanks very much.

BILL BUCKLEY: Okay. Thanks.

OPERATOR: Your next question comes from the line of Bert Powell from BMO Capital Markets. Your line is now open.

BERT POWELL: Thanks. Bill, just in terms of the bidding activity that you've got out, when you look at the nature of the mix in terms of the coating value per dollar and the margin, I guess two questions. One is, is that reasonably high margin, and has there been any change in terms of the pricing in the market? Have you had better ability to get better price realizations or is there some pressures working against you there?

BILL BUCKLEY: Yeah. Generally these are very complex projects, so they're involving advanced technologies, and in some cases involving some of our proprietary process technology or product technology. So having said that, the margins generally are quite attractive on the whole roster of projects that we have, and I think that's typical as you get into larger and more complex projects.

BERT POWELL: Okay. And then just lastly on Brigden, you're going to start that this summer. I'm just wondering, Bill, if you could talk a little bit about the opportunity to take that technology to perhaps go after some business that before you mightn't have because of stranded costs? And if you can speak to whatever you can in terms of how that plays into the margin expansion story.

BILL BUCKLEY: Sure, sure. I had the opportunity to visit the Brigden site with the developers on the project. They've been working on it for the last two years and obviously they were quite excited about what they've created here. Basically we can establish an anti-corrosion or flow assurance plant on a concrete slab structure set up in 45 days. It involves 55 production units that have been adapted to contain our plant infrastructure. So it's not simply taking equipment and putting it in containers. There's a lot more to it than that.

But getting to your point, what this allows us to do now is we can set up local to the project to reduce logistics costs and we can set up in country when national oil companies want an in-country solution, and that typically is part of our negotiations with NOCs. We can access individual projects where we're not sure of the business volumes that might be behind that project. So we can justify moving in, setting up, running for nine months, and then moving out. Much the same as the concept we have with our concrete portable machines that we use quite effectively.

And we can also use Brigden for peaking loads.

And in Asia-Pacific with some of the project work that we see coming up and in discussions with our clients, we can basically make them feel comfortable about the capacity that we have available, knowing that we can bring in a Brigden to provide peaking capacity and then move it on afterwards. And of course for us this is going to help us get a higher return on investment because we can re-deploy these assets.

In the case of the Chevron Jack/St. Malo project the client wanted the pipe to be coated as close as possible to the Jack/St. Malo field. And he wanted the pipes handled a minimum number of times and it was really Brigden that was the solution to that and being able to establish the Beaumont, Texas site in close proximity to the field. So that was again a logistics advantage.

We have at the moment just to kind of finalize on this, we have six other opportunities where clients have expressed an interest in Brigden, and we're in discussions with them. I don't think they're all going to come to fruition, but we're having very interesting productive discussions with those clients in those cases.

BERT POWELL: Can you put all your coating technologies on with Brigden or it's limited to a certain set?

BILL BUCKLEY: Yeah, a good question. We initially started out by saying that we were going to do anti-corrosion coating only, and then got pressed with the Chevron opportunity to advance it so that we could do anti-corrosion, plus the flow assurance coating, plus having a robotic module for end finishing on the flow-assurance coating. So we have now a facility deployment at Brigden that could put on all of our coating types, if you like. So it will prove that concept. And that was a challenge, but we also saw it as a great opportunity to validate the full technology.

BERT POWELL: Okay. Thank you.

OPERATOR: Your next question comes from the line of Dan MacDonald from RBC Capital Markets. Your line is now open.

DAN MACDONALD: Hi, guys. Just a follow-up question on Latin America actually. If we look at the quarter-over-quarter decline, is there any part of it that we can attribute to maybe a decline in base demand outside of Mexico or is it more or less attributable to Pemex?

BILL BUCKLEY: Well, it was both Pemex and Brazil. So in the fourth quarter in Brazil we had two reasonably significant projects. The P-55 flow lines and there was I think a PDD project we did. And we had originally hoped that we would be able to complete the P-55 flow lines and then roll right into the P-55 Risers. But the P-55 Riser project has now been pushed back to probably the third quarter before that starts up. So that's left us with a gap in Brazil.

In Mexico, it's a different situation. As near as we can determine Pemex has simply put a temporary halt on pipeline activities. And there are some indications now that that's about to get unfrozen, but that's the case. We simply saw just a complete halt in project activity coming out of Pemex. The only revenue we were getting in Mexico was sort of small diameter distributor-type work.

DAN MACDONALD: Okay, great. Thanks.

OPERATOR: And there are no further questions at this time. Gentlemen, I turn the call back over to you.

BILL BUCKLEY: Thank you. I'd like to take this opportunity to thank everyone for your participation today and your interest and we look forward to talking to you again next quarter. Thank you.

OPERATOR: And this concludes today's conference call. You may now disconnect.

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