

**Shaw**® a world of **Solutions**™



**Sixth Annual D.A. Davidson Engineering & Construction Conference  
September 20, 2007**

**J.M. Bernhard, Jr.  
Chairman, President & Chief Executive Officer**

**Brian K. Ferraioli  
Executive Vice President - Finance**

# Forward-Looking Statements & Regulation G Disclosure

Any statements in this presentation which express a belief, expectation or intention, as well as those which are not historical facts, are forward-looking and are protected under the safe harbor of the Private Securities Litigation Reform Act. They involve a number of risks and uncertainties, which may cause the Company's actual results to differ materially from the forward-looking statements. These risks and uncertainties include factors detailed in the Company's filings with the Securities and Exchange Commission, including its Form 10-K, Quarterly Reports on Forms 10-Q, Forms 8-K and on the Company's website under the heading "Forward-Looking Statements."

During today's presentation, we may use certain financial measures which are considered non-GAAP, such as EBITDA and Net Debt. As required by the SEC Regulation G, a reconciliation of these measures to their most comparable GAAP measures is available on our website at [www.shawgrp.com](http://www.shawgrp.com) in the Investor Relations section under Regulation G Disclosures.



**POWER**



**ENERGY &  
CHEMICALS**



**FABRICATION &  
MANUFACTURING**

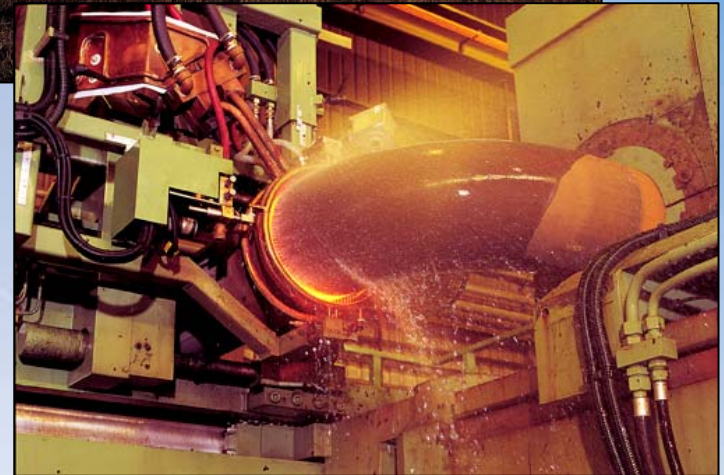


**ENVIRONMENTAL &  
INFRASTRUCTURE**

**The Shaw Group Inc. is a full service provider of engineering, design, technology, procurement, construction, maintenance, fabrication, manufacturing, consulting and facilities management services for private sector and government clients in the energy, chemicals, environmental, infrastructure and emergency response markets.**

# Corporate Profile

<b>Founded:</b>	<b>1987</b>
<b>Headquarters:</b>	<b>Baton Rouge, Louisiana</b>
<b>Initial Public Offering:</b>	<b>1993</b>
<b>NYSE Symbol:</b>	<b>SGR</b>
<b>Shares Outstanding:</b>	<b>81 million</b>
<b>Fiscal 2006 Revenues:</b>	<b>\$4.8 billion</b>
<b>Backlog:</b>	<b>\$13.3 billion*</b>
<b>Website:</b>	<b><a href="http://www.shawgrp.com">www.shawgrp.com</a></b>
<b>Employees:</b>	<b>23,000</b>
<b>Locations:</b>	<b>145 domestic; 33 international</b>



# Business Strategy

- **Develop, Engineer, Build and Maintain in Diversified Markets**
- **Recruit, Train and Retain Industry's Best Talent**
- **Improve Risk Management and Maintain a Mixed Contract Portfolio**
- **Focus on Execution Through People, Processes and Tools**
- **Utilize Technology and Intellectual Property**
- **Focus on Cash Flow**
- **Consider Strategic Acquisitions**

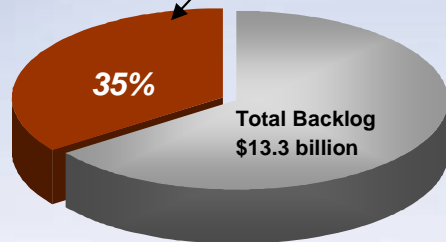
# Environmental, Health and Safety

- **Safety**
  - 46 million work hours in 2006- approximately 23,000 FTEs
  - Lost time injury performance - 30 times lower than the average for the heavy construction industry
  - Recordable injuries - 7 times lower than the average for the heavy construction industry
  - Workers' Compensation experience – 40% lower than standard rates
- **“Targeting Zero” Campaign**
  - Zero injuries, illnesses, and environmental harm
  - Emphasis both in workplace and outside of the workplace

# Shaw Power – Fossil



**Fossil Power Backlog  
\$4.7 Billion\***



## Services

- **Engineering and design, procurement and construction**
  - New-build, restart and retrofit capabilities
  - Coal-fired
  - Gas-fired
  - Hydro-electric and alternative fuels
- **Project and construction management**
- **Modularization**
- **Transmission & distribution services**
- **Management consulting and feasibility studies**

## Significant Customers

- Duke
- Dominion
- Mirant
- Entergy
- Cleco
- AEP
- PSEG
- PPL
- NRG
- Southern
- Xcel Energy
- Castle Peak

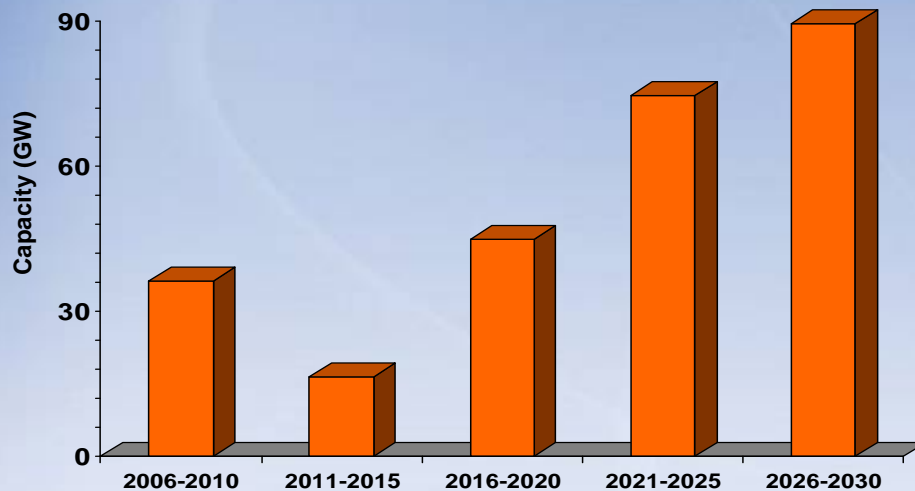
An industry leader in new coal-fired capacity additions and emissions controls systems installation



# Attractive Fossil Power Market Opportunities

## Fossil-Fueled New Generation

### Estimated Fossil-fueled\* U.S. Electricity Generation Capacity Additions, 2006 - 2030



\* Coal and Natural Gas (Source: Energy Information Administration 2007)

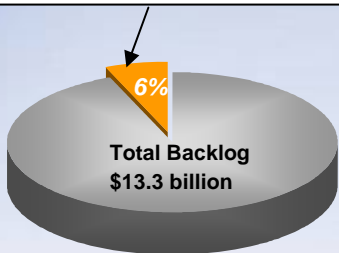
## Key Drivers

- Clean Air Act Standards
  - SO<sub>2</sub> (FGD / Scrubbers)
  - NOx (SCRs)
  - Mercury emissions
- U.S. FGD scrubber retrofit market remains significant
- Estimated \$50 billion investments in new U.S. clean coal power generation
- Near-term power shortage in highly populated, power constrained areas remains an opportunity for gas-fired generation
- IEA forecasts \$5.2 trillion in global power generation investment from 2005-2030

# Shaw Power – Nuclear



**Nuclear Power Backlog  
\$0.8 Billion\***



## Services

- Full service engineering, design, procurement and construction
- Configuration management
- Licensing support and safety analysis
- Upgrades and uprates
- Major component replacement and maintenance & modifications services
- Operating plant services
- Decontamination & decommissioning services
- Environmental services
- Spent fuel dry storage

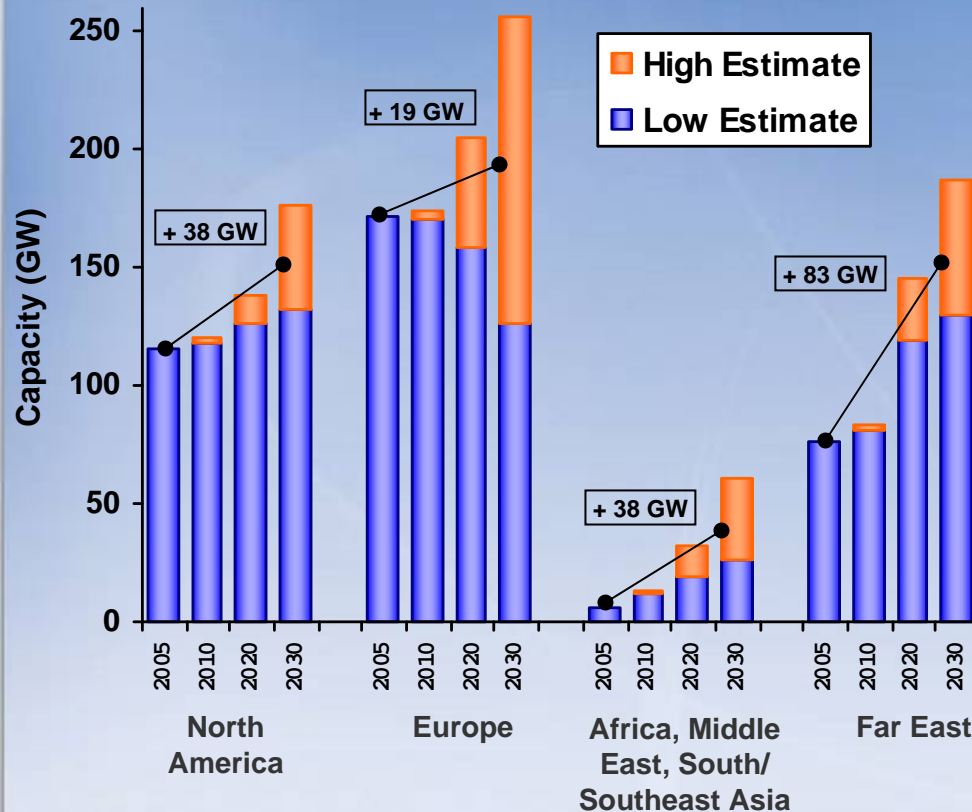
## Significant Customers

- Duke
- Southern
- Entergy
- SCANA
- Progress
- Dominion
- KOPEC
- Florida Power and Light
- First Energy
- Chinese State Nuclear Power Companies

AP1000 Consortium awarded Four Nuclear reactors in China; Nuclear new-build backlog over \$700 million

# Nuclear Renaissance

## Projected Nuclear Capacity through 2030



**In aggregate, estimated 178 GW expected capacity needed to reach mid-point of High/Low Estimate**

Source: International Atomic Energy Agency, *Energy, Electricity and Nuclear Power Estimates for Period up to 2030*, July 2006.

## Key Drivers

Existing infrastructure is aged and requires significant maintenance spending

- ~250 of 440 nuclear units worldwide are greater than 20 years old
- More stringent safety requirements
- Renewal of existing operating licenses
- Performance updates for cost efficiency

Global nuclear renaissance is underway

- 70% domestic acceptance of nuclear power *versus* only 46% in 1995
- China has announced plans for 30 reactors at multiple sites
- New reactor designs reduce costs and increase safety
- Sustained historically high oil/gas prices
- Emissions-free nuclear power addresses clean energy concerns
- Approximately 30 new U.S. reactor Combined Construction and Operating License applications and development projects in progress

# New U.S. Nuclear Plants Under Consideration\*

Company	Site(s)	Expected Design, (# of Units)
Duke	William States Lee, Cherokee County, SC	W-AP1000 (2)
Progress Energy	Harris, NC	W-AP1000 (2)
Progress Energy	Levy County, FL	W-AP1000 (2)
South Carolina Electric & Gas	Summer, SC	W-AP1000 (2)
Southern Company	Vogtle, GA	W-AP1000 (2)
TVA (NuStart)	Bellefonte, AL	W-AP1000 (2)
Detroit Edison	Fermi, MI	Not Yet Determined
Duke	Davie County, NC	Not Yet Determined
Duke	Oconee County, SC	Not Yet Determined
Exelon	Clinton, IL	Not Yet Determined
Exelon	Matagorda and Victoria County, TX	Not Yet Determined
Florida Power & Light	Turkey Point, FL	Not Yet Determined
PPL Corp.	Susquehanna, PA	Not Yet Determined
Alternate Energy Holdings	Bruneau, ID	EPR
Amarillo Power	Vicinity of Amarillo, TX	EPR
AmerenUE	Callaway, MO	EPR
Constellation (Unistar)	Calvert Cliffs, MD plus two other sites	EPR (3)
Dominion	North Anna, VA	ESBWR (1)
Entergy	River Bend, LA	ESBWR (1)
Entergy (NuStart)	Grand Gulf, MS	ESBWR (1)
NRG Energy / STPNOC	Bay City, TX	ABWR (2)
Texas Utilities	Comanche Peak, TX	APWR (2)

# Summary of Westinghouse Investment



- On October 17, 2006, The Shaw Group announced the completion of transactions resulting in Shaw's 20% ownership in Westinghouse Electric Company
- Westinghouse is the world's pioneering nuclear power company and is a leading supplier of nuclear plant products and technologies to utilities throughout the world
  - Westinghouse technology forms the basis for 63 of 104 licensed reactors in the United States and approximately one-half of those worldwide
- The remaining ownership in Westinghouse is held by Toshiba Corporation, 77%; and Ishikawajima-Harima Heavy Industries Co., Ltd, 3%\*
- In connection with the Westinghouse transaction, Shaw was provided with certain exclusive opportunities to perform engineering, procurement and construction and other services on future Westinghouse AP1000 Nuclear Power Plants

# Shaw – Maintenance

## Services

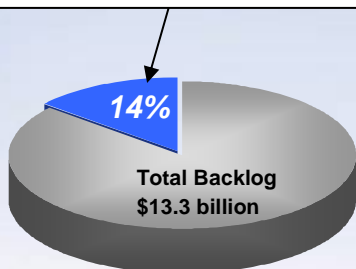
- Over 60 clients at more than 140 sites in the U.S. and abroad
  - Routine, outage and turnaround maintenance
  - Full service plant engineering
  - Modular fabrication/assembly
  - Tank construction and maintenance
  - Small capital construction
  - All craft disciplines
- Access to 16,000 active craft labor pool
- Largest nuclear maintenance contractor in the U.S. with the record for the shortest nuclear refueling outage

## Significant Customers

- Tennessee Valley Authority
- Entergy
- Exelon
- Southern
- NRG
- Honeywell
- Shintech
- Huntsman
- Pioneer Companies
- Occidental Chemical



Maintenance Backlog:  
\$1.9 Billion\*



Provide maintenance services to approximately 40% of the nuclear plants in the U.S.

# Shaw Energy & Chemicals



E&C Backlog:  
\$2.5 Billion\*



## Services

- Engineering and design, procurement and construction
- Project and construction management
- Proprietary technology, equipment & catalysts
  - Ethylene
  - Deep Catalytic Cracking (DCC)
- Other refining and petrochemical technologies
  - Cumene
  - Ethylbenzene
  - Styrene
  - Propylene
  - Butene
- Consulting and feasibility studies

## Significant Customers

- Aramco
- Marathon
- SABIC
- Dow
- Chevron
- PetroChina
- ConocoPhillips
- ExxonMobil
- Shell
- Sinopec
- Sonatrach
- BP
- QAPCO

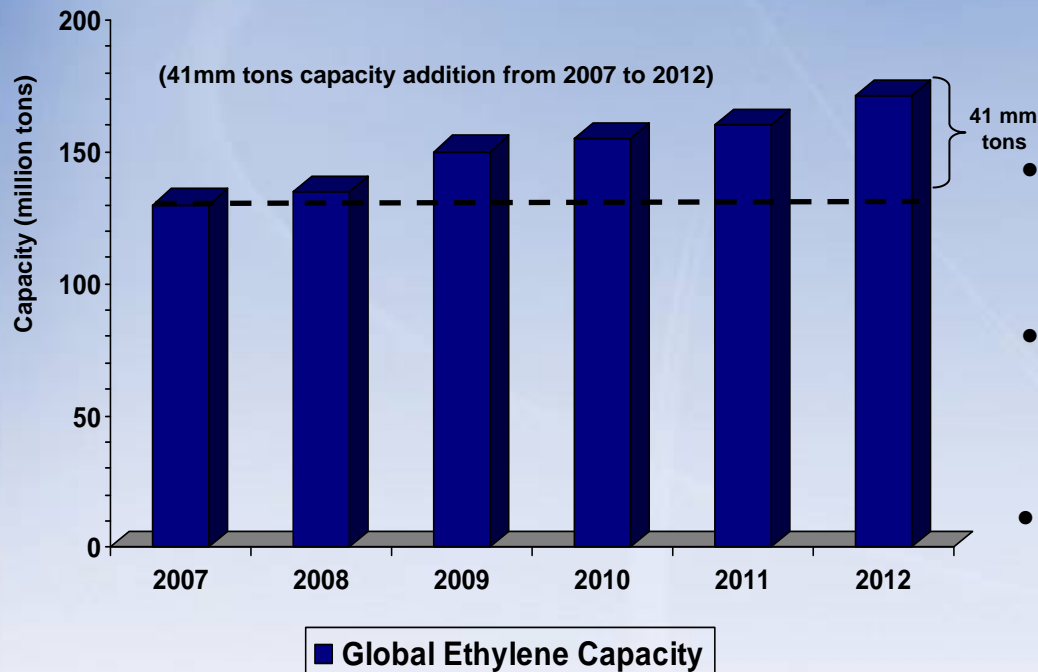
Supplier of 35% of the world's incremental ethylene production capacity since 1995

# Significant Chemicals Market Opportunities

## Market Opportunities

## Key Drivers

### Global Ethylene Capacity Forecast



- Middle East production capacity expected to double over the next 5 years
  - Significant availability of large, low-cost gas reserves
- Asia Pacific ethylene demand driven by economic development/ downstream product demand
- Proprietary technology in the production of ethylene and for the deep catalytic cracking process
- Refining capacity expansions to meet fuel demand

Source: CMAI



# Shaw Fabrication & Manufacturing

## Services

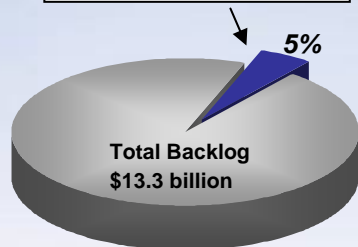
- Largest supplier of fabricated piping in the U.S.
- Manufacturer of industry's most advanced induction bending technology
- Industry leader in the supply of cold and induction bends
- Leading manufacturer of pipe fittings and master distributor of pipe flanges and fittings
- Industry leader in fabricated structural steel products and duct work for power, petrochemical and other industries
- Certified by ASME to perform all activities required for construction of ASME nuclear components including piping systems at nuclear generating facilities

## Significant Customers

- Marathon
- ConocoPhillips
- Alstom
- Bechtel
- Fluor
- Kiewit
- Jacobs
- BASF



**F&M Backlog:  
\$0.7 Billion\***



**Largest supplier of fabricated piping in the U.S.**

# Shaw Environmental & Infrastructure

## Services

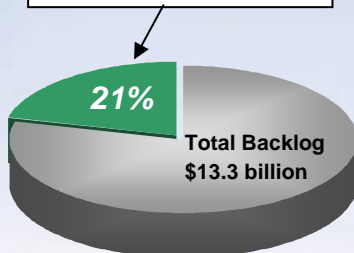
- Emergency response
- Environmental remediation
- Infrastructure planning, engineering, construction and maintenance
- Facilities management/Military base Operations
- Environmental consulting and engineering
- Logistics
- Design-Build
- Construction Management

## Significant Customers

- U.S. Government
  - Defense
  - Energy
  - EPA
  - Homeland Security
- State/Local Government
  - Louisiana
  - Georgia
  - New York
  - Regional Authorities
- Commercial Customers
  - Waste Management
  - Honeywell



E&I Backlog:  
\$2.7 Billion\*



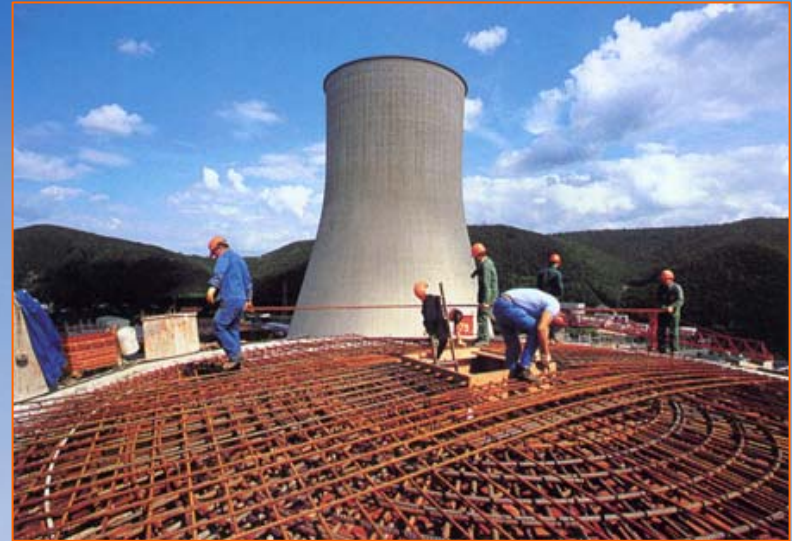
One of the largest and most experienced emergency response contractors in the U.S.

# Recent Contract Announcements

- EPC contract in excess of **\$1 billion** for **ExxonMobil Chemical** to construct a 1,000,000 tons-per year olefins recovery facility and 220 MW power cogeneration unit in Singapore
- \$1.3 billion** EPC contract with **Duke\*** for new 800MW supercritical plant and flue gas desulfurization unit in North Carolina
- \$700 million Westinghouse/Shaw Consortium** contract to build 4 AP1000 Nuclear power plants in China
- EPCM contract with **Castle Peak\*** for flue gas desulfurization retrofit program at four 680MW units in Hong Kong
- FEED contract for **Sonatrach\*** 24 million cubic meters per day liquefied petroleum gas recovery facility
- \$700 million** EPC contract with **AEP** to build new 600 MW ultra-supercritical, clean coal power plant in Arkansas
- EPC contract with **Dominion** to build new 585 MW clean coal power plant in Virginia
- \$700 million** nuclear maintenance and modifications services contract by **Exelon**
- EPC contractor for Solid Fuel Re-Power Project for **Entergy\***
- \$440 million** EPC contract with **PSEG** for air emissions control systems
- EP contract with **Marathon Petroleum** for a heavy gas oil hydrocracker unit and kerosene hydrotreater unit
- \$900 million** EPC flue gas desulphurization and mercury emissions controls for **Mirant**
- \$600 million** EPC flue gas desulphurization for **PPL** Montour & Brunner Island
- \$900 million** EPC contract with **SHARQ** for new ethylene plant in Saudi Arabia
- \$800 million** EPC contract with **Cleco Power** for new coal plant
- EPC contract with **Xcel Energy** to build new 750 MW coal-fired power plant in Colorado

# FUTURE PROJECTS

- Nuclear power plants
- Nuclear power uprates
- Clean coal-fired power plants
- Coal-fired plant emissions retrofits
- Ethylene complexes
- Refinery expansions
- Operation and maintenance projects
- Industrial pipe projects

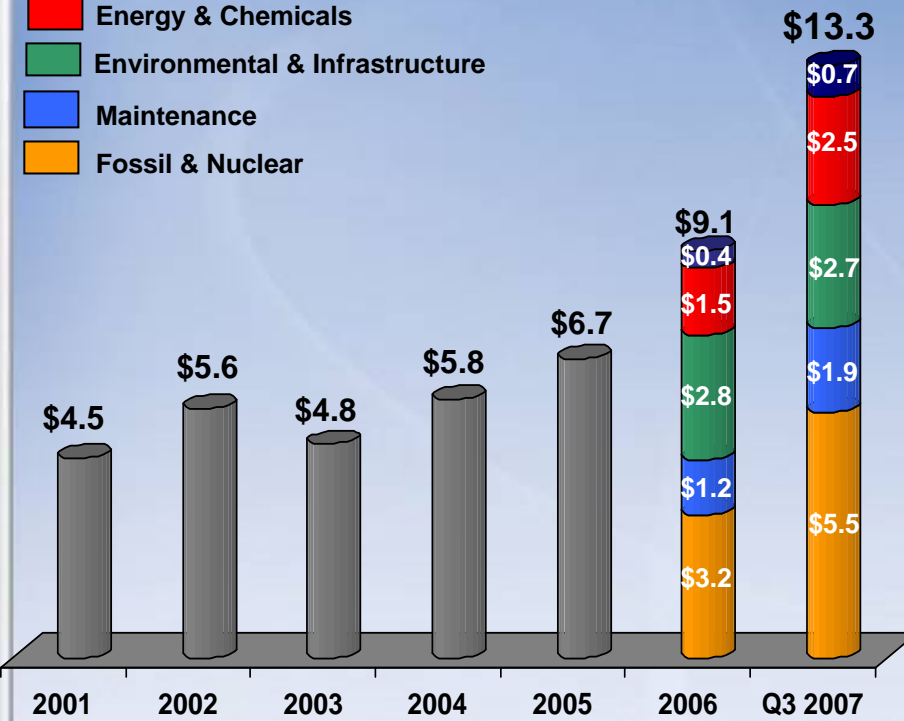


# Business Segment Backlog and Backlog Conversion

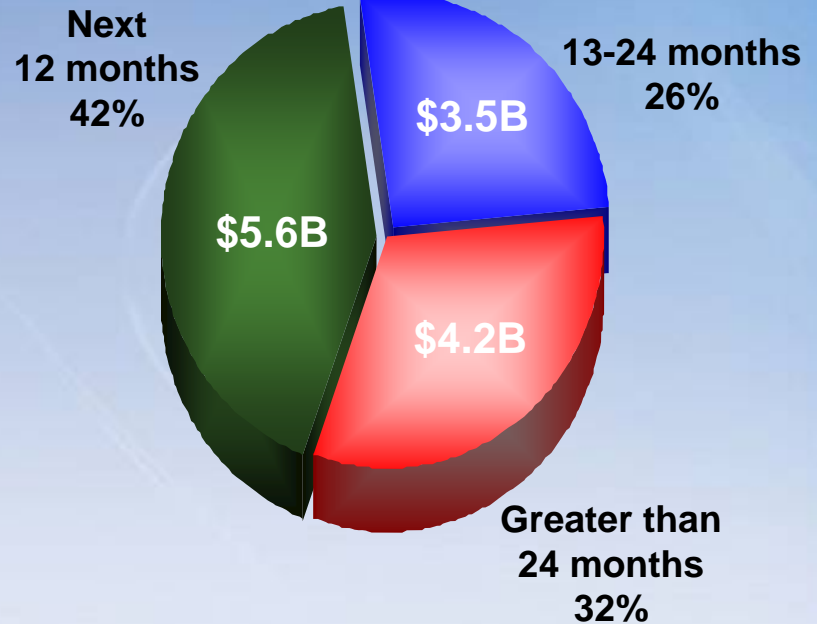
## Backlog by Business Segment\*

(\$ in billions)

- Consolidated
- Fabrication & Manufacturing
- Energy & Chemicals
- Environmental & Infrastructure
- Maintenance
- Fossil & Nuclear



## Backlog Conversion\*

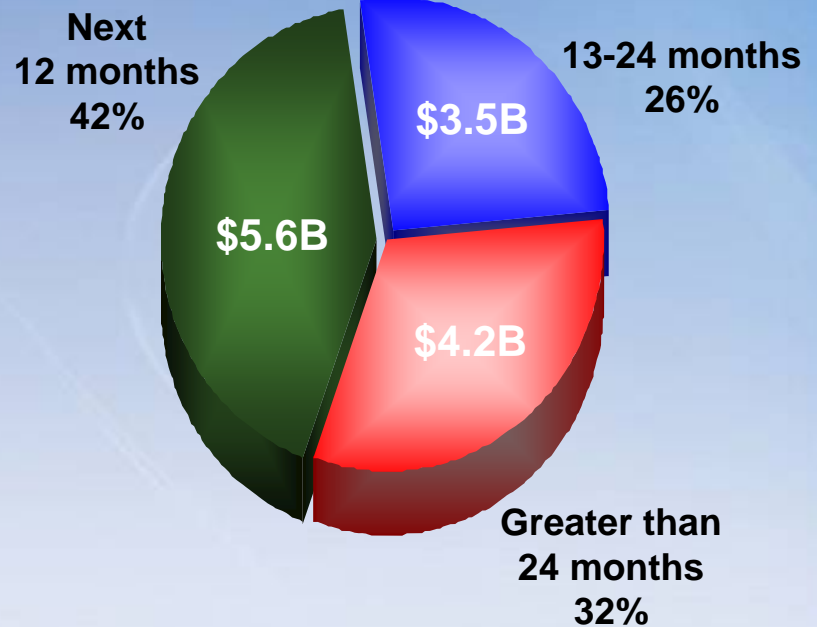
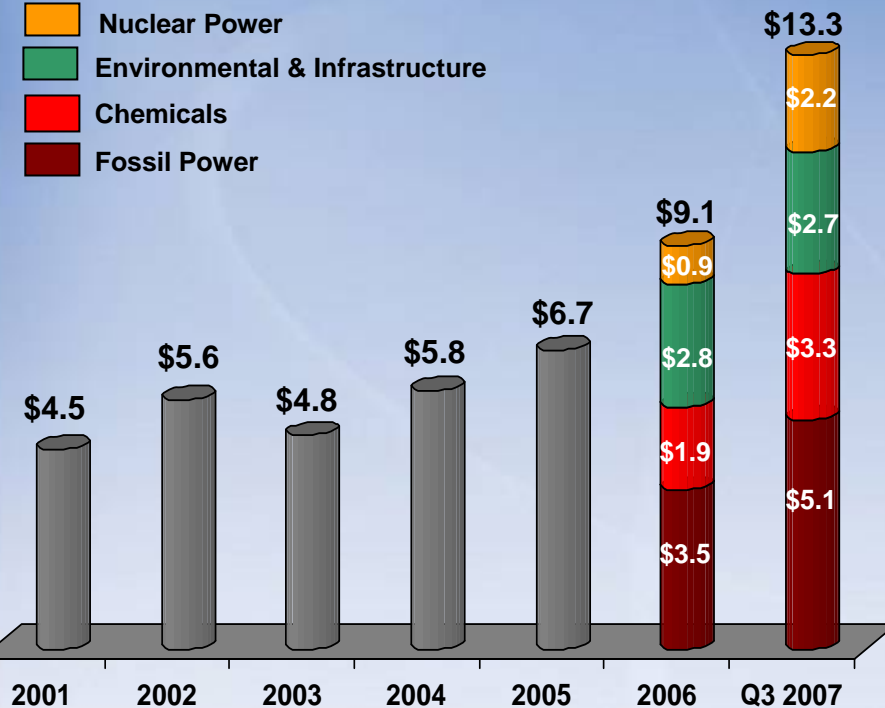
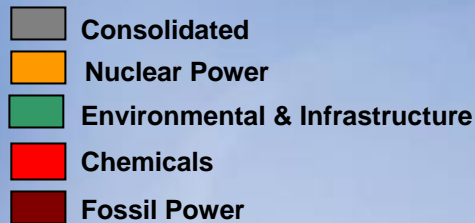


# Industry Sector Backlog and Backlog Conversion

## Backlog by Industry Sector\*

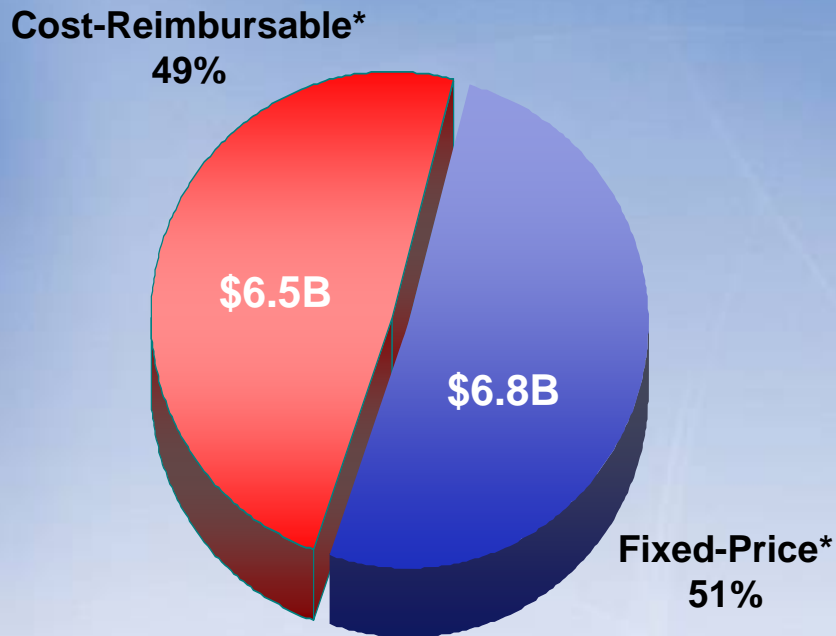
## Backlog Conversion\*

(\$ in billions)



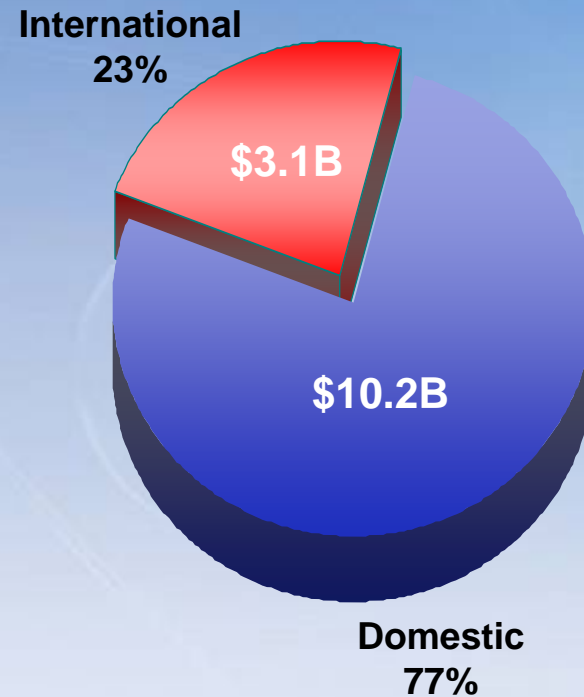
# Backlog Profile

## Backlog by Contract Type\*



Note: There are no true lump sum turnkey contracts within the "Fixed Price" category

## Backlog by Geography\*



# Status of SEC Filings

- Issues Addressed:
  - Errors in Fiscal 2006 10-K, Gulf Coast EPC project
  - Accounting for Westinghouse Investment (2007 10-Qs)
  - Changes in Estimates (Q-2 & Q-3)
- Fiscal 2007 1<sup>st</sup> & 2<sup>nd</sup> Quarters' Financial Statements Filed on Forms 8-K on Aug 31, 2007
- Open Filings
  - Fiscal 2006 Form 10-K/A, Fiscal 2007 1<sup>st</sup> & 2<sup>nd</sup> Quarters' Forms 10-Q (imminent)
  - Fiscal 2007 3<sup>rd</sup> Quarter Form 10-Q (target early October)



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