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**Shaw Proceeds with Front-End Engineering Design for  
Chevron Phillips Chemical's 1500 KTA Ethylene Plant in U.S.**

**BATON ROUGE, La., April 30, 2012** – The Shaw Group Inc. (NYSE: SHAW) today announced it has executed an agreement with Chevron Phillips Chemical Company LP (Chevron Phillips Chemical) to proceed with front-end engineering design (FEED) for a 1.5 million metric tons per year (3.3 billion pounds per year) grassroots ethylene plant. The scope of work, which will be released in phases, follows Shaw's previous award of a contract to license its proprietary technology and provide a process design package for the project. The plant will be located at Chevron Phillips Chemical's Cedar Bayou Plant in Baytown, Texas.

"This plant will be among the first to use economical supplies of ethane feedstock derived from shale gas resources in the United States," said James Glass, president of Shaw's Energy & Chemicals Group.

Shaw has a long history of providing services to Chevron Phillips Chemical, having designed ethylene plants in the Middle East and major expansions of crackers in Port Arthur and Sweeny, Texas. In addition, Shaw has conducted studies, performed revamps and supplied furnaces at some of the company's other sites.

The undisclosed value of the contract will be included in Shaw's Energy & Chemicals segment's backlog of unfilled orders as work is authorized to proceed.

The Shaw Group Inc. (NYSE:SHAW) is a leading global provider of engineering, construction, technology, fabrication, remediation and support services for clients in the energy, chemicals, environmental, infrastructure and emergency response industries. A Fortune 500 company with fiscal year 2011 annual revenues of \$5.9 billion, Shaw has approximately 27,000 employees around the world and is a power sector industry leader according to Engineering News-Record's list of Top 500 Design Firms. For more information, please visit Shaw's website at [www.shawgrp.com](http://www.shawgrp.com).

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This press release contains forward-looking statements and information about our current and future prospects and our operations and financial results, which are based on currently available information. The forward-looking statements include assumptions about our operations, such as cost controls and market conditions, that may not be realized. Actual future results and financial performance could vary significantly from those anticipated in such statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, the occurrence of certain events or otherwise.

Among the factors that could cause future events or transactions to differ from those we expect are those risks discussed under Item 1A "Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended August 31, 2011, our Quarterly Reports on Form 10-Q for the quarters ended November 30, 2011, and February 29, 2012, and other reports filed with the Securities and Exchange Commission (SEC). Please read our "Risk Factors" and other cautionary statements contained in these filings.

As a result of these risks and others, actual results could vary significantly from those anticipated in this press release, and our financial condition and results of operations could be materially adversely affected.