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Oil States International, Inc. Q1 2008 Earnings Call Transcript

Question-and-Answer Session

Operator

No problem. (Operator Instructions). And our first question comes from the line Jeff Tillery from Tudor Pickering & Holt. You may proceed sir.

Jeff Tillery

Hi, good morning.

Bradley Dodson

Good morning, Jeff.

Cindy Taylor

Hi, Jeff.

Jeff Tillery

The seasonality that you guys are guiding to in the second quarter is kind of towards the high end of the range of what we have seen historically, and I think it's pretty similar to what we saw in 2004. Could you just talk about what in the first quarter drove Q1, are there unusual high or is there anything unusual that you see in the seasonality going forward for the second quarter?

Cindy Taylor

Well, I just think what we are really dealing with, with an exceptionally strong first quarter on all fronts our major large facilities as we indicated would fall during the quarter and our mobile camp equipment was extraordinarily busy. A lot of time, you know, we had both large camps and smaller camps we've made investments in these larger camps particularly in support of SAGD drilling operations, and pipeline construction operations that are tagged to the oil sands development. But nonetheless, you can't drill there nor build pipelines during break out. So that will come down hard and has as the conventional place that really the conventional side of the business is less meaningful compared to the significant impact in the oil sands areas. So, I think the answer to that is we are just coming of a higher base if you will from where we have been before and a portion of that is driven by growth in our large facilities, which are year around and therefore non-seasonal. But again significant growth in our mobile camp rate that does remains seasonal.

Jeff Tillery

And endeavor in the past, you have given us an indication of how much of the accommodations business was in oil sands, could you do that of course for the first quarter as well?

Bradley Dodson

Sure. I believe it was \$94 million of oil sands revenues and -- \$94 million of oil sands revenues and about \$46 million of oil sands EBITDA. That includes both the largest and the mobile camp equipment.

Jeff Tillery

Is it fair to say that that those mobile camps were somewhere in the kind of 30 to 40% early numbers for first quarter? Is that a right ballpark?

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