



November 9, 2011

**SHAWCOR LTD.
(TSX: SCL.A, SCL.B)**

PRESS RELEASE

SHAWCOR LTD. ANNOUNCES THIRD QUARTER 2011 RESULTS

- Third quarter revenue of \$271 million declined by 4% from the \$283 million reported in the third quarter of 2010 but was marginally higher than the \$265 million reported in the second quarter of 2011.
- EBITDA in the third quarter was \$12.5 million, 78% lower than the \$55.7 million reported in the third quarter of 2010 and 65% lower than the \$35.3 million reported in the second quarter of 2011.
- The significant decline in year over year EBITDA was due to lower gross margin in the Pipeline segment, foreign exchange losses of \$6.5 million and a \$9.6 million increase in the allowance for doubtful accounts. This increase results from a contract dispute that is currently under negotiation with a client and for which the Company will continue to aggressively pursue all avenues to recover the amounts owed.
- Net loss in the third quarter was \$3.1 million (or a loss of \$0.04 per share diluted) compared with net income of \$32.1million (or \$0.45 per share diluted) in the third quarter of the prior year.

“ShawCor’s third quarter financial results reflect reduced project activity and lower margins in the Pipeline segment compared with the prior year. This, when combined with a foreign exchange loss of \$6.5 million and a one time charge of \$9.6 million to increase the allowance for doubtful accounts, led to the net loss result” said Bill Buckley, President and CEO of ShawCor Ltd.

Mr. Buckley added “The Company is increasing production at its major pipe coating facilities which are expected to result in higher revenue and facility utilization in the fourth quarter of this year. In addition, we have recently announced major contract awards which combined with the \$1.5 billion in outstanding firm project bids provides the potential for strong growth in revenue and income in 2012.”

Effective January 1, 2011, ShawCor Ltd. (the “Company”) began reporting its financial results in accordance with Internal Financial Reporting Standards (“IFRS”). Prior year comparative amounts have been changed to reflect results as if the Company had always prepared its financial results using IFRS. Additional disclosure regarding the transition to IFRS is contained in section 4 – *Transition to International Financial Reporting Standards (IFRS)* of this news release.

	Three Months ended September 30,		Nine Months ended September 30,	
	2011	2010	2011	2010
Revenue	\$ 271,478	\$ 282,959	\$ 815,485	\$ 742,077
Cost of goods sold	179,974	167,141	524,281	447,348
Gross profit	91,504	115,818	291,204	294,729
Selling, general and administrative expenses	69,829	61,663	191,498	172,800
Research and development expenses	2,617	2,982	9,225	8,262
Foreign exchange losses (gains)	6,510	(4,510)	795	(3,850)
EBITDA^(a)	12,548	55,683	89,686	117,517
Amortization of property, plant and equipment	10,766	11,867	31,553	34,020
Amortization of intangible assets	1,842	1,098	5,438	3,288
(Loss) income from operations	(60)	42,718	52,695	80,209
Investment loss on long-term investment	(3,114)	—	(8,132)	—
Interest expense – net	(1,140)	(404)	(3,353)	(2,249)
(Loss) income before income taxes	(4,314)	42,314	41,210	77,960
Income tax (recovery) expense	(1,170)	10,188	8,166	22,064
Net (loss) income for the period	\$ (3,144)	\$ 32,126	\$ 33,044	\$ 55,896

(a) EBITDA is a non-GAAP measure calculated by adding back to net income the sum of net interest expense, taxes, depreciation/amortization of property, plant and equipment and intangible assets, and impairment of intangible assets and goodwill. EBITDA does not have a standardized meaning prescribed by GAAP and is not necessarily comparable to similar measures provided by other companies. EBITDA is used by many analysts in the oil and gas industry as one of several important analytical tools. The above is the calculation of EBITDA for the periods presented.

1.0 OUTLOOK

The outlook for market activity in the Company's Pipeline and Pipe Services Segment and in the Petrochemical and Industrial Segment is outlined below:

Pipeline Segment - North America

The Company has produced strong growth in revenue in North America during the nine months ended September 30, 2011 and current levels of activity are expected to remain strong with the potential for further growth. To date the revenue strengthening has been driven by the increased level of well drilling and completions throughout North America that has bolstered demand for the Company's small diameter pipe coating, composite pipe, and joint protection products. In addition, the Company's composite pipe business unit has steadily gained market share in the USA following the opening of service centres in locations well positioned to supply pipe demand from emerging shale resources. The trend to higher market share is expected to continue in the fourth quarter and throughout 2012. Adding to the solid fundamentals for North American well completions and gathering line pipelines is the emerging opportunities from the deepwater Gulf of Mexico. Subsequent to the third quarter, the Company commenced production on the \$40 million Jack St. Malo project at the Brigden facility in Beaumont, Texas. The Company also expects to bid a number of additional deepwater flow assurance projects in the Gulf of Mexico over the next six months.

Pipeline Segment - Latin America

The Company continued to experience weak market conditions in both Mexico and Brazil in the third quarter although offshore Mexico activity did pick up late in the quarter and the company restarted the Coatzacoalcas concrete weight coating facility. In 2012, it is expected that Mexico activity at Coatzacoalcas and the anti-corrosion coating plants in Monterrey and Veracruz will see steady increase in activity. In Brazil, a significant improvement in revenue will be realized in the fourth quarter now that the \$20 million P55 Risers pipe coating project has commenced production.

Pipeline Segment – EMAR

The Company's pipe coating facility in Leith, Scotland commenced production on the 30" pipe portion of the US\$93 million Total Laggan-Tormore project at the beginning of September and production is scheduled to continue into the first quarter of 2012. This project coupled with the Statoil Gudrun project should ensure strong revenues and good utilization for the Leith facility for the next two quarters. Also contributing to stronger revenue in the EMAR region will be the new contract awards with a value in excess of US\$40 million for flow assurance coatings to be produced at the Orkanger, Norway insulation facility. These projects will start production in the fourth quarter and run through the first half of 2012.

Pipeline Segment - Asia Pacific

Having experienced a significant reduction in revenue year over year, the Company's Asia Pacific region is now in a position, with booked production orders, to generate very strong revenue growth. While growth in the fourth quarter will be modest, revenue should begin to strengthen by the first quarter of 2012 when the PTTEP Zawtika Development Project pipe coating contract with a value in excess of \$60 million reaches full production. By the end of the second quarter 2012, the newly booked order for the Chevron Wheatstone project will be fully ramped up. This project, combined with other large projects in offshore Australia, Indonesia and Malaysia that the Company has bid and that are estimated to commence production in 2012 and 2013 should deliver strong revenue growth for the Company's Asia Pacific region.

Petrochemical and Industrial Segment

The improved revenue and operating income generated by the Petrochemical and Industrial segment businesses in the nine months ended September 30, 2011 compared with the prior year is expected to continue in the fourth quarter 2011 and in 2012 buoyed by a stronger backlog for wire and cable project activity particularly for the oil sands market. The major risk to this outlook relates to the potential for economic deceleration in Europe and the impact this would have on the Company's automotive and industrial product shipments.

Order Backlog

The Company's order backlog, representing customer orders expected to be completed within one year, improved in the third quarter to \$374 million from a total of \$369 million at June 30, 2011. The backlog does not include the Wheatstone or Subsea 7 contracts that were awarded subsequent to the quarter end. These orders coupled with a number of large projects for which the Company has provided firm bids and for which client final investment approval is expected over the next few months, create the potential for the Company's backlog to move significantly higher by year end and through early 2012.

2.0 CONSOLIDATED INFORMATION AND RESULTS FROM OPERATIONS

Revenue

The following table sets forth revenue by reportable operating segment for the following periods:

		Three months ended			Nine Months ended	
		September 30, 2011	June 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
Pipeline and Pipe Services	\$	240,360	230,624	253,447	715,292	652,377
Petrochemical and Industrial		32,468	35,787	28,921	101,543	89,905
Elimination		(1,350)	(1,870)	591	(1,350)	(205)
	\$	271,478	264,541	282,959	815,485	742,077

Third Quarter 2011 versus Third Quarter 2010

Consolidated revenue decreased by \$11.5 million, or 4%, from \$283.0 million during the third quarter of 2010 to \$271.5 million during the third quarter of 2011, primarily due to a decrease of \$13.0 million in the Pipeline and Pipe Services segment, and was partially offset by higher revenue of \$3.5 million in the Petrochemical and Industrial segment.

Revenue for the Pipeline and Pipe Services segment was lower in the third quarter of 2011 than in the third quarter of 2010, mainly because of reduced activity in Asia Pacific and Latin America, and was partially offset by higher revenue in North America and EMAR. See section 3.1 – *Pipeline and Pipe Services segment* for additional disclosure with respect to the change in revenue in the Pipeline and Pipe Services segment.

Third Quarter 2011 versus Second Quarter 2011

Consolidated revenue increased by \$6.9 million, or 3%, from \$264.5 million during the second quarter of 2011 to \$274.5 million during the third quarter of 2011, mainly due to an increase of \$9.7 million in the Pipeline and Pipe Services segment, and was partially offset by a decrease of \$3.3 million in the Petrochemical and Industrial segment.

Revenue for the Pipeline and Pipe Services segment was \$9.7 million higher during the third quarter of 2011 than during the second quarter of 2011, because of higher revenue in North America, EMAR and Latin America, and was partially offset by lower revenue in Asia Pacific. See section 3.1 – *Pipeline and Pipe Services segment* for additional disclosure with respect to the change in revenue in the Pipeline and Pipe Services segment.

Revenue for the *Petrochemical* and Industrial segment decreased \$3.3 million during the third quarter of 2011 compared to the second quarter of 2011, due to lower revenue in all regions. See section 3.2 – *Petrochemical and Industrial segment* for additional disclosure with respect to the change in revenue in the Petrochemical and Industrial segment.

Nine Months ended September 30, 2011 versus Nine Months ended September 30, 2010

Consolidated revenue increased by \$73.4 million, or 10%, from \$742.1 million for the nine month period ended September 30, 2010, to \$815.5 million for the nine month period ended September 30, 2011, mainly due to strong growth in both the Pipeline and Pipe Services segment (\$62.9 million) and the Petrochemical and Industrial segment (\$11.6 million).

Revenue for the Pipeline and Pipe Services segment was \$62.9 million higher during the nine month period ended September 30, 2011 than in the nine month period ended September 30, 2010 due to higher revenue in North America and EMAR of \$90.8 million and \$43.2 million, respectively, and was partially offset by lower revenue in Asia Pacific (\$50.4 million) and Latin America (\$18.7 million). See section 3.1 – Pipeline and Pipe Services segment for additional information with respect to the change in revenue in the Pipeline and Pipe Services segment. Revenue for the Petrochemical and Industrial segment grew due to strong growth in all regions. See section 3.2 – *Petrochemical and Industrial segment* for additional disclosure with respect to the change in revenue in the Petrochemical and Industrial segment.

Income from operations

The following table sets forth income from operations ("Operating Income") and operating margin for the following periods:

	Three months ended			Nine Months ended	
	September 30, 2011	June 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
Operating (loss) income	\$ (60)	22,660	42,718	52,695	80,209
Operating Margin ^(a)	0.0%	8.6%	15.1%	6.5%	10.8%

(a) Operating margin is defined as operating income divided by revenue.

Third Quarter 2011 versus Third Quarter 2010

Operating Income decreased by \$42.8 million, from \$42.7 million during the third quarter of 2010 to an operating loss of \$0.1 million during the third quarter of 2011, mainly due to lower gross profit of \$24.3 million from the decrease in gross profit margin of 7.2 points, an increase in the allowance for doubtful accounts of \$9.6 million as explained below, and a net foreign exchange loss of \$6.5 million in 2011 compared to a gain of \$4.5 million in 2010. During the third quarter, the Company recorded an increase of \$9.6 million in the allowance for doubtful accounts due to a contract dispute with a customer. This matter relates to work that was contracted at the Company's Brazil subsidiary prior to ShawCor's acquisition of 100% of the entity on October 5, 2010. The matter is subject to negotiations which are underway with the client and the Company will continue to aggressively pursue all avenues to recover the amounts owed.

Third Quarter 2011 versus Second Quarter 2011

Operating Income decreased by \$22.7 million, from \$22.7 million during the second quarter of 2011 to an operating loss of \$0.1 million during the third quarter of 2011, mainly due to a decrease in gross profit of \$3.1 million driven by a lower gross profit margin of 2.1 points, and was partially offset by higher revenue as explained above, an increase in the allowance for doubtful accounts of \$9.6 million as explained above, and a foreign exchange loss of \$6.5 million in the third quarter of 2011 compared to a foreign exchange gain of \$4.4 million during the second quarter of 2011.

Nine Months ended September 30, 2011 versus Nine Months ended September 30, 2010

Operating Income decreased by \$27.5 million, or 34.3%, from \$80.2 million during the nine months ended September 30, 2010 to \$52.7 million during the nine months ended September 30, 2011. This was driven by a lower gross profit of \$3.5 million, due to a lower gross profit margin of 4.0 points, and was partially offset by the increase in revenue as explained above and a foreign exchange loss of \$0.8 million in 2011 as compared to a gain of \$3.9 million in 2010. In 2011, selling, general and administrative expenses were higher by \$18.7 million driven primarily by the inclusion of the new CSI acquisition and the additional 50% of the Brazil joint venture, an

increase in salaries and associated benefits, the increase in allowance for doubtful accounts as explained above, combined with increased research and development expenses of \$1.0 million.

Interest expense – net

The following table sets forth the components of interest expense - net for the following periods:

	Three months ended			Nine Months ended	
	September 30, 2011	June 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
Interest income on short-term deposits	\$ (229)	\$ (306)	\$ (410)	\$ (731)	\$ (949)
Interest expense, other	1,384	1,168	425	3,417	1,303
Interest expense on long-term debt	(15)	338	389	667	1,895
Interest expense – net	\$ 1,140	\$ 1,200	\$ 404	\$ 3,353	\$ 2,249

Third Quarter 2011 versus Third Quarter 2010

The interest expense – net balance increased by \$0.7 million, or 182%, from \$0.4 million during the third quarter of 2010 to \$1.1 million during the third quarter of 2011, mainly due to higher accretion expense on certain non-current liabilities and lower interest income partially offset by lower interest expense from the repayment of long-term debt.

Third Quarter 2011 versus Second Quarter 2011

The interest expense – net balance decreased by \$0.1 million, or 5%, from \$1.2 million during the second quarter of 2011 to \$1.1 million during the third quarter of 2011, with the higher accretion expense on certain non-current liabilities offset by lower interest expense from the repayment of long-term debt.

Nine Months ended September 30, 2011 versus Nine Months ended September 30, 2010

The interest expense – net balance increased by \$1.1 million, or 49%, from \$2.2 million during the nine months ended September 30, 2010 to \$3.4 million during the nine months ended September 30, 2011, mainly due to higher accretion expense on certain non-current liabilities, and was partially offset by a decrease in the interest expense on long-term debt of \$1.2 million.

Income taxes

Third Quarter 2011 versus Third Quarter 2010

The Company recorded an income tax recovery of \$1.2 million (27% of loss before income taxes) in the third quarter of 2011, compared to income tax expense of \$10.1 million (24.1% of income before income taxes) in the third quarter of 2010. The effective income tax recovery rate in the third quarter of 2011 was higher than the Company's effective income tax rate in the third quarter of 2010 due to the fact that the loss before tax in the third quarter of 2011 was a relatively small number which amplified the impact of routine permanent differences.

Third Quarter 2011 versus Second Quarter 2011

The Company recorded an income tax recovery of \$1.2 million (27.0% of loss before income taxes) in the third quarter of 2011, compared to income tax expense of \$2.2 million (12.2% of income before income taxes) in the second quarter of 2011. The effective income tax recovery rate in the third quarter was higher than the Company's effective income tax rate of 12.2% in the second quarter primarily due to the recognition of previously unrecognized deferred tax assets in the second quarter of 2011 as a result of reorganizing the corporate structure in certain foreign jurisdictions.

Nine Months ended September 30, 2011 versus Nine Months ended September 30, 2010

For the first nine months of 2011, the Company recorded an income tax expense of \$8.2 million (19.8% of income before income taxes), compared to the nine months ended September 30, 2010 where the Company recorded an income tax expense of \$22.1 million (28.3% of income before income taxes). The effective income tax rate was lower in 2011 than 2010 primarily due the recognition of previously unrecognized deferred tax assets in the second quarter of 2011 as a result of reorganizing the corporate structure in certain foreign jurisdictions.

3.0 SEGMENT INFORMATION

3.1 Pipeline and Pipe Services segment

The following table sets forth, by geographic location, the revenue, Operating Income and operating margin for the Pipeline and Pipe Services segment for the following periods:

	Three months ended			Nine Months ended		
	September 30, 2011	June 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010	
North America	\$ 145,852	\$ 127,564	\$ 113,590	\$ 386,445	\$ 295,653	
Latin America	9,635	6,942	19,730	20,051	38,753	
EMAR	49,378	43,384	39,204	160,950	119,710	
Asia Pacific	35,495	52,734	80,923	147,846	198,261	
Total Revenue	\$ 240,360	\$ 230,624	\$ 253,447	\$ 715,292	\$ 652,377	
Operating Income	\$ 9,183	\$ 18,435	\$ 44,549	\$ 62,278	\$ 91,719	
Operating Margin	3.8%	8.0%	17.6%	8.7%	14.1%	

Third Quarter 2011 versus Third Quarter 2010

Revenue in the third quarter of 2011 was \$240.4 million, a decrease of \$13.1 million, or 5%, over the third quarter of 2010. The major factors were the significant improvements in North America and EMAR offset by reductions in activity in the Asia Pacific and Latin America regions and the unfavorable impact of foreign exchange fluctuations on the translation of foreign currency operations:

- In North America, revenue increased by \$32.3 million, or 28%, due to continuation of very strong sales of flexible composite pipe and fittings in both Canada and the US, increases in small diameter pipe coating volumes and additional revenue from the new CSI acquisition. This was partially offset by lower pipe weld inspection volumes due to reduced large diameter pipeline construction activity in the USA.

- Revenue in Latin America decreased \$10.1 million as a result of a very low level of concrete weight coating (“CWC”) activity in Mexico and reduced activity in Brazil due to the delay in the start up of the P-55 Risers project in Brazil to the fourth quarter.
- EMAR revenue increased by \$10.2 million, or 26%, due to higher revenue in the third quarter of 2011 from the restart of the Total Laggan 30” pipe coating project in Leith, Scotland, as well as increased project activity in Orkanger, Norway. This was partially offset by lower revenue from pipe weld inspection services as a result of several client lay vessels being docked for maintenance.
- In Asia Pacific, revenue decreased \$45.4 million, or 56.1%, mainly due to reduced major project activity compared with the prior year when the PNG LNG onshore and offshore pipeline projects, and EPIC QSN project in Australia had been in full production.

Operating Income in the third quarter of 2011 was \$9.2 million compared to \$44.5 million in the third quarter of 2010, a decrease of \$35.4 million, or 79%. The decrease was due to a 13.8 percentage point reduction in operating margin driven by project mix of some higher margin projects last year, combined with lower overhead absorption in Latin America, and the Asia Pacific facilities in Kabil and Kuantan. Also impacting operating income were higher yard maintenance costs at Leith, Scotland and Camrose, Canada and mobilization costs for the Jack St Malo project at the new Brigden facility in Texas. Finally, selling, general and administration costs have increased by \$8.1 million as a result of an increase of \$9.6 million to the allowance for doubtful accounts as explained in section 2.0.

Third Quarter 2011 versus Second Quarter 2011

Revenue in the third quarter of 2011 increased by \$9.7 million, or 4%, from \$230.6 million in the second quarter of 2011, to \$240.4 million in the third quarter of 2011. Major contributors to the revenue increase were the improvement in the North America and EMAR regions, and was partially offset by softness in the Asia Pacific region:

- In North America, revenue increased by \$18.3 million, or 14%, mainly due to increased deliveries of composite flexible pipe and fittings in Western Canada after a weather impacted second quarter and increased small diameter pipe coating activity, both in Canada and the US. Revenue was also higher due to the CSI acquisition completed at the beginning of the second quarter.
- In Latin America, revenue was higher by \$2.7 million during the third quarter of 2011 due to the restart of CWC work in Coatzacoalcos Mexico and higher production at the Monterey facility compared to the second quarter of 2011.
- In EMAR, revenue increased by \$6.0 million, or 14%, primarily due to the resumption of the production schedule for the 30” pipe portion of the Total Laggan project at the Leith, Scotland facility. This was partially offset by lower volumes in the Middle East and Orkanger due to the completion of the Shell Manjnoon and Goliat projects early in the third quarter and lower Saudi Aramco activity.
- In Asia Pacific, revenue decreased by \$17.2 million, or 33%, in the third quarter of 2011, as the Company completed production on the Gazprom Kirinskoe project at the end of the second quarter and produced lower revenues from the PNG LNG pipeline project in the third quarter from Kuantan, Malaysia, as compared to the second quarter.

Operating Income in the third quarter of 2011 decreased by \$9.3 million, or 50%, from \$18.4 million in the second quarter of 2011 to \$9.2 million in the third quarter of 2011. The decrease was due to a decrease in operating margins of 4.2 percentage points, partly offset by an increase in revenue as explained above. The operating margins were negatively impacted by lower overhead absorption in the Asia Pacific facilities in Kabil and Kuantan, delayed pipe deliveries in the Middle East and the \$9.6 million increase in the allowance for doubtful accounts as explained in section 2.0.

Nine Months ended September 30, 2011 versus Nine Months ended September 30, 2010

Revenue in the Pipeline and Pipe Services segment for the nine months ended September 30, 2011 was \$715.3 million, an increase of \$62.9 million, or 10%, from the comparable period of 2010. Major contributors to the revenue increase were increased volumes in North America and the EMAR regions, and was partially offset by lower activity in the Asia Pacific and the Latin America regions and the unfavorable impact of foreign exchange fluctuations on the translation of foreign currency operations:

- In North America, revenue increased by \$90.8 million, or 31%, mainly due to increased oil and gas activity in both the US and Canada, which significantly improved volumes of composite flexible pipe and fittings and small diameter pipe coating. Additional revenue from the CSI acquisition also favourably impacted revenues in 2011.
- In Latin America, revenue was down \$18.7 million, or 48% due to the delay on the P55 Risers project, with resulting limited coating activities in Brazil and lower project activity in Mexico due to delays in Pemex investment approvals for a number of pipeline projects. Further, Trinidad had no activity in 2011 compared to \$3.1 million in 2010.
- In EMAR, revenue increased by \$41.2 million, or 35%, primarily driven by higher revenue in 2011 at the Leith, Scotland facility from the Total Laggan, Breagh and Statoil P12 projects, and was partially offset by lower activity at Orkanger.
- In Asia Pacific, revenue decreased by \$50.4 million, or 25%, due to lower project activity in Kuantan, Kabil and Australia.

Operating Income in the Pipeline and Pipe Services segment for the nine months ended September 30, 2011 was \$62.3 million, a decrease of \$29.4 million or 32% compared to the comparable period of 2010. The decrease was due to a 5.4 percentage point reduction in operating margin driven by lower overhead absorption in Latin America and Asia Pacific due to lower volumes and higher yard maintenance costs at Leith, Scotland and Camrose, Canada. Additionally, the Company has recorded a \$9.6 million increase in the allowance for doubtful accounts as explained in section 2.0.

3.2 Petrochemical and Industrial segment

The following table sets forth, by geographic location, the revenue, Operating Income and operating margin for the Petrochemical and Industrial segment for the following periods:

	Three months ended			Nine Months ended	
	September 30, 2011	June 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
North America	\$ 18,823	\$ 20,738	\$ 16,819	\$ 57,295	\$ 50,774
EMAR	13,020	14,020	11,575	41,857	37,962
Asia Pacific	625	1,029	527	2,391	1,169
Total Revenue	\$ 32,468	\$ 35,787	\$ 28,921	\$ 101,543	\$ 89,905
Operating Income	\$ 3,544	\$ 4,471	\$ 2,930	\$ 11,540	\$ 10,008
Operating Margin	10.9%	12.5%	10.1%	11.4%	11.1%

Third Quarter 2011 versus Third Quarter 2010

In the third quarter, revenue increased by \$3.5 million, or 12% to \$32.5 million compared to the third quarter of 2010 due to higher copper prices that increased revenue in the wire and cable business combined with increased heat shrinkable product shipments in the EMAR, Asia Pacific and North America regions.

Operating Income in the third quarter of 2011 was up \$0.6 million to \$3.5 million, or 21%, compared to \$2.9 million in the third quarter of 2010. The increase was primarily due to the higher revenue as explained above.

Third Quarter 2011 versus Second Quarter 2011

Revenue in the third quarter of 2011 totaled \$32.5 million compared to \$35.8 million in the second quarter of 2011, a decrease of \$3.3 million, or 9%. The decrease was attributable to lower copper prices that reduced revenue in the wire and cable business as well as overall softer demand in the North America and EMAR automotive markets.

Operating Income in the third quarter of 2011 was \$3.5 million compared to \$4.5 million in the second quarter of 2011. The operating margin was lower by 1.6 percentage points due to lower gross profit and lower overhead absorption on decreased revenue.

Nine Months ended September 30, 2011 versus Nine Months ended September 30, 2010

Revenue in the Petrochemical and Industrial segment increased by \$11.6 million, or 13%, from \$89.9 million for the nine month period ended September 30, 2010, to \$101.5 million for the nine month period ended September 30, 2011, mainly due to increased shipments to the industrial and automotive markets in North America, EMAR and Asia Pacific, combined with higher copper prices and increased wire and cable project activity in the nuclear and oil sands markets.

Operating income in the Petrochemical and Industrial segment for the nine months ended September 30, 2011 was \$11.5 million, an increase of \$1.5 million, or 15%, over the same period in the prior year primarily due to higher operating margin of 0.3% on increased revenue as explained above, partly offset by higher selling, general and administration expenses of \$1.1 million.

3.3 Financial and Corporate

Financial and corporate costs include corporate expenses not allocated to the operating segments and other non-operating items, including foreign exchange gains and losses on foreign currency denominated cash and working capital balances. The corporate division of the Company only earns revenue that is considered incidental to the activities of the Company. As a result, it does not meet the definition of a reportable operating segment as defined under GAAP.

The following table sets forth the Company's unallocated financial and corporate expenses, before foreign exchange gains and losses, for the following periods:

	Three months ended			Nine Months ended	
	September 30, 2011	June 30, 2011	September 30, 2010	September 30, 2011	September 30, 2010
Loss from operations	\$ (6,277)	\$ (4,613)	\$ (9,269)	\$ (20,328)	\$ (25,368)

Third Quarter 2011 versus Third Quarter 2010

Financial and corporate costs decreased by \$3.0 million from \$9.3 million during the third quarter of 2010 to \$6.3 million during the third quarter of 2011 due to lower management incentive compensation expenses, pension costs and lower professional fees related to corporate development.

Third Quarter 2011 versus Second Quarter 2011

Financial and corporate costs increased by \$1.7 million from the second quarter of 2011, primarily due to higher capital taxes and professional fees related to product development.

Nine Months ended September 30, 2011 versus Nine Months ended September 30, 2010

Financial and corporate costs decreased by \$5.0 million for the nine months ended September 30, 2011 as compared to the corresponding period of 2010, primarily due to lower management incentive compensation and lower professional fees related to corporate development.

4.0 TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

ShawCor is reporting its financial results in accordance with IFRS from January 1, 2011, the changeover date set by the Canadian Accounting Standards Board (AcSB). IFRS compliant comparative financial information for one year from the changeover date is required.

For the period ended September 30, 2011, ShawCor has restated its operating results as if it had always prepared financial results in accordance with IFRS. As a result of componentization of capital assets, revision in the estimated useful life and applying different rates to the different components starting January 1, 2010 under IFRS, the depreciation expense for the third quarter of 2010 has decreased by \$1.1 million over the amount previously reported. In addition, due to changes in the way temporal entities, decommissioning liabilities and employee defined benefit pension expenses are recorded under IFRS, ShawCor recorded a net increase of \$2.9 million in selling, general and administration expenses and an increase of \$0.1 million in interest expense and \$0.2 million in foreign exchange losses. Together these adjustments decreased third quarter 2010 net income by \$1.6 million after recording a decrease in the deferred tax expense of \$0.5 million.

As a result of componentization of capital assets, revision in the estimated useful life and applying different rates to the different components starting January 1, 2010 under IFRS, the depreciation expense for the nine months ended September 30, 2010 has decreased by \$3.6 million over the amount previously reported. In addition, due to changes in the way temporal entities, decommissioning liabilities and employee defined benefit pension expenses are recorded under IFRS, ShawCor recorded a net increase of \$1.7 million in selling, general and administration expenses, an increase of \$0.2 million in interest expense and an increase of \$0.1 million in foreign exchange losses. Together these adjustments increased net income by \$1.3 million, for the nine months ended September 30, 2010, after recording an increase in the deferred tax expense of \$0.2 million.

5.0 FORWARD-LOOKING INFORMATION

This document includes certain statements that reflect management's expectations and objectives for Company's future performance, opportunities and growth, which statements constitute forward-looking information under applicable securities laws. Such statements, other than statements of historical fact, are predictive in nature or depend on future events or conditions. Forward-looking information involves estimates, assumptions, judgments and uncertainties. These statements may be identified by the use of forward-looking terminology such as "may", "will", "should", "anticipate", "expect", "believe", "predict", "estimate", "continue", "intend", "plan" and variations of these words or other similar expressions. Specifically, this document includes forward-looking information in respect of, among other things, the impact of global economic activity on the demand for the Company's products as well as the prices of commodities used by the Company, the impact of changing energy demand, supply and prices, the impact of changes in competitive conditions in the markets in which the Company participates, the impact of changing laws for environmental compliance on the Company's capital and operating costs, and the adequacy of the Company's existing accruals in respect thereof, the Company's relationships with its employees, the continued establishment of international operations, the effect of continued development in emerging economies, as well as the Company's plans as they relate to research and development activities and the maintenance of its current dividend policies, the outlook for revenue and operating income and the expected development in the Company's order backlog.

Forward-looking information involves known and unknown risks and uncertainties that could cause actual results to differ materially from those predicted by the forward-looking information. We caution readers not to place undue reliance on forward looking information as a number of factors could cause actual events, results and prospects to differ materially from those expressed in or implied by the forward looking information. Significant risks facing the Company include, but are not limited to: changes in global economic activity and changes in energy supply and demand which impact on the level of drilling activity and pipeline construction; exposure to product and other liability claims; compliance with environmental, trade and other laws; political, economic and other risks arising from the Company's international operations; fluctuations in foreign exchange rates, as well as other risks and uncertainties, as more fully described herein under the heading "Risks and Uncertainties".

These statements of forward-looking information are based on assumptions, estimates and analysis made by management in light of its experience and perception of trends, current conditions and expected developments as well as other factors believed to be reasonable and relevant in the circumstances. These assumptions include assumptions in respect of the potential for improvement in demand for the Company's products and services as a result of continued global economic recovery, the potential for increased investment in global energy infrastructure as a result of stabilization of capital markets, the Company's ability to execute projects under contract, the continued supply of and stable pricing for commodities used by the Company and the availability of personnel resources sufficient for the Company to operate its businesses. The Company believes that the expectations reflected in the forward-looking information are based on reasonable assumptions in light of

currently available information. However, should one or more risks materialize or should any assumptions prove incorrect, then actual results could vary materially from those expressed or implied in the forward-looking information included in this document and the Company can give no assurance that such expectations will be achieved.

When considering the forward looking information in making decisions with respect to the Company, readers should carefully consider the foregoing factors and other uncertainties and potential events. ShawCor Ltd. does not assume the obligation to revise or update forward looking information after the date of this document or to revise it to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws.

Other information relating to the Company, including its Annual Information Form is available on SEDAR at www.sedar.com.

ShawCor will be hosting a Shareholder and Analyst Conference Call and Webcast on Thursday November 10, 2011, at 10:00 AM EST, which will discuss the company's third quarter financial results.

Please visit our website at www.shawcor.com for further details.

For further information, please contact:

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ShawCor Ltd.

Interim Consolidated Balance Sheets

(Unaudited)

(in thousands of Canadian dollars)

	September 30, 2011	December 31, 2010
Assets		
Current assets		
Cash and cash equivalents	\$ 67,234	\$ 155,998
Accounts receivable	255,220	243,955
Income taxes receivable	14,629	13,823
Inventories	148,251	126,132
Prepaid expenses	26,040	14,171
Derivative financial instruments	359	1,130
	<u>511,733</u>	<u>555,209</u>
Non-current assets		
Property, plant and equipment	301,956	287,697
Intangible assets	88,020	91,353
Long-term investment	35,428	31,995
Deferred income taxes	46,293	33,555
Other assets	23,731	15,622
Goodwill	223,770	220,092
	<u>719,198</u>	<u>680,314</u>
	<u>\$ 1,230,931</u>	<u>\$ 1,235,523</u>
Liabilities		
Current liabilities		
Loan payable	5,011	5,126
Accounts payable and accrued liabilities	132,366	120,392
Provisions	8,005	3,497
Income taxes payable	35,121	50,860
Derivative financial instruments	1,285	527
Deferred revenue	40,828	54,751
Current portion of long-term debt	—	25,005
Finance lease obligation	259	345
	<u>222,875</u>	<u>260,503</u>
Non-current liabilities		
Finance lease obligation	190	339
Derivative financial instruments	1,592	807
Deferred income taxes	85,784	75,167
Provisions	60,278	61,576
	<u>147,844</u>	<u>137,889</u>
	<u>370,719</u>	<u>398,392</u>
Commitments and contingencies		
Shareholders' Equity		
Share capital	217,792	206,775
Contributed surplus	15,989	18,144
Retained earnings	652,615	648,989
Accumulated other comprehensive loss	(26,184)	(36,777)
	<u>860,212</u>	<u>837,131</u>
	<u>\$ 1,230,931</u>	<u>\$ 1,235,523</u>

ShawCor Ltd.

Interim Consolidated Statement of Income

(Unaudited)

(in thousands of Canadian dollars)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Revenue				
Sale of products	\$ 84,108	\$ 64,099	\$ 228,237	\$ 256,151
Rendering of services	187,370	218,860	587,248	485,926
	<u>271,478</u>	<u>282,959</u>	<u>815,485</u>	<u>742,077</u>
Cost of goods sold	<u>179,974</u>	<u>167,141</u>	<u>524,281</u>	<u>447,348</u>
Gross profit	<u>91,504</u>	<u>115,818</u>	<u>291,204</u>	<u>294,729</u>
Selling, general and administrative expenses	69,829	61,663	191,498	172,800
Research and development expenses	2,617	2,982	9,225	8,262
Foreign exchange losses (gains)	6,510	(4,510)	795	(3,850)
Amortization of property, plant and equipment	10,766	11,867	31,553	34,020
Amortization of intangible assets	1,842	1,098	5,438	3,288
(Loss) income from operations	<u>(60)</u>	<u>42,718</u>	<u>52,695</u>	<u>80,209</u>
Investment loss on long-term investment	(3,114)	—	(8,132)	—
Interest expense, net	<u>(1,140)</u>	<u>(404)</u>	<u>(3,353)</u>	<u>(2,249)</u>
(Loss) income before income taxes	<u>(4,314)</u>	<u>42,314</u>	<u>41,210</u>	<u>77,960</u>
Income tax (recovery) expense	<u>(1,170)</u>	<u>10,188</u>	<u>8,166</u>	<u>22,064</u>
Net (loss) income for the period	<u>\$ (3,144)</u>	<u>\$ 32,126</u>	<u>\$ 33,044</u>	<u>\$ 55,896</u>
Earnings per share				
Basic	\$ (0.04)	\$ 0.46	\$ 0.47	\$ 0.79
Diluted	\$ (0.04)	\$ 0.45	\$ 0.46	\$ 0.78

ShawCor Ltd.

Interim Consolidated Statement of Comprehensive Income

(Unaudited)

(in thousands of Canadian dollars)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Net (loss) income for the period	\$ (3,144)	\$ 32,126	\$ 33,044	\$ 55,896
Other comprehensive income (loss), net of income taxes				
Unrealized gain (loss) on translation of foreign operations	10,655	5,344	11,615	(11,831)
Gain on hedges of unrealized foreign currency translation	—	225	603	610
Gain on hedges of unrealized foreign currency translation transferred to net income during the period	—	—	(1,833)	(193)
Income tax expense	—	(43)	(103)	(439)
Income tax expense transferred to net income during the period	—	—	311	—
Other comprehensive income (loss), net of income taxes	10,655	5,526	10,593	(11,853)
Comprehensive income for the period	\$ 7,511	\$ 37,652	\$ 43,637	\$ 44,043

ShawCor Ltd.

Interim Consolidated Statement of Shareholders' Equity

(Unaudited)

(in thousands of Canadian dollars)

	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive loss	Total shareholders' equity
Balance – January 1, 2010	\$ 204,151	\$ 17,277	\$ 569,587	\$ –	\$ 791,015
Net income for the period	–	–	55,896	–	55,896
Issued on exercise of stock options	1,066	–	–	–	1,066
Compensation cost on exercised options	296	(296)	–	–	–
Stock-based compensation expense	–	1,747	–	–	1,747
Other comprehensive loss	–	–	–	(11,853)	(11,853)
Dividends paid	–	–	(15,261)	–	(15,261)
Balance – September 30, 2010	<u>\$ 205,513</u>	<u>\$ 18,728</u>	<u>\$ 610,222</u>	<u>\$ (11,853)</u>	<u>\$ 822,610</u>
Balance – December 31, 2010	\$ 206,775	\$ 18,144	\$ 648,989	\$ (36,777)	\$ 837,131
Net income for the period	–	–	33,044	–	33,044
Issued on exercise of stock options	9,323	–	–	–	9,323
Compensation cost on exercised options	3,908	(3,908)	–	–	–
Compensation cost on exercised RSUs	7	(7)	–	–	–
Stock-based compensation expense	–	1,760	–	–	1,760
Other comprehensive income	–	–	–	10,593	10,593
Dividends paid	–	–	(16,372)	–	(16,372)
Purchase – Normal Course Issuer Bid	(2,221)	–	–	–	(2,221)
Excess of purchase price over stated value of shares	–	–	(13,046)	–	(13,046)
Balance – September 30, 2011	<u>\$ 217,792</u>	<u>\$ 15,989</u>	<u>\$ 652,615</u>	<u>\$ (26,184)</u>	<u>\$ 860,212</u>

ShawCor Ltd.

Interim Consolidated Statement of Cash Flows

(Unaudited)

(in thousands of Canadian dollars)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Operating activities				
Net (loss) income for the period	\$ (3,144)	\$ 32,126	\$ 33,044	\$ 55,896
Add (deduct) items not affecting cash				
Amortization of property, plant and equipment	10,766	11,867	31,553	34,020
Amortization of intangible assets	1,842	1,098	5,438	3,288
Amortization of transaction costs	—	(225)	—	(426)
Amortization of long-term prepaid expenses	289	(8)	754	38
Decommissioning liabilities expense	117	806	351	920
Provisions expense	(931)	1,949	1,422	5,957
Stock-based compensation	(691)	1,495	2,975	3,874
Deferred income taxes	(3,625)	(7,076)	1,809	(7,655)
Loss (gain) on disposal of property, plant and equipment	15	361	198	(830)
Loss (gain) on derivative financial instruments	1,954	(1,042)	2,314	—
Accretion expense on long-term provisions	193	—	565	—
Investment loss on long-term investment	3,114	—	8,132	—
Settlement of decommissioning liabilities	(284)	1,649	(284)	(725)
Settlement of provisions	1,285	(955)	(1,839)	(2,882)
Net change in employee future benefits	—	829	—	1,335
Net change in non-cash working capital and foreign exchange	(11,712)	(24,431)	(62,952)	(67,875)
Cash (used in) provided by operating activities	(812)	18,443	23,480	24,935
Investing activities				
Purchases of property, plant and equipment	(13,776)	(11,565)	(37,428)	(33,396)
Proceeds on disposal of property, plant, and equipment	5	—	424	3,420
Purchase of intangible assets	(20)	—	(20)	—
Acquisition of long-term investment	(1,432)	(31,339)	(10,517)	(31,339)
Business acquisition	—	—	(12,839)	—
Advances to related party	(8,239)	—	(8,239)	—
(Increase) decrease in long-term notes receivable	(50)	10	9	6
Cash used in investing activities	(23,512)	(42,894)	(68,610)	(61,309)
Financing activities				
Proceeds from (repayment of) bank indebtedness	(1,774)	—	—	—
Repayments of finance lease obligation	(66)	(46)	(235)	(104)
Repayments of long-term debt	—	—	(24,402)	(26,043)
Issuance of shares	7,530	258	9,323	1,066
Repurchase of shares	(12,312)	—	(15,267)	—
Dividends paid to shareholders	(5,595)	(5,203)	(16,372)	(15,261)
Cash used in financing activities	(12,217)	(4,991)	(46,953)	(40,342)
Effect of foreign exchange on cash and cash equivalents	5,862	(607)	3,319	(1,572)
Net decrease in cash and cash equivalents during the period	(30,679)	(30,049)	(88,764)	(78,288)
Cash and cash equivalents - beginning of period	97,913	201,749	155,998	249,988
Cash and cash equivalents - end of period	\$ 67,234	\$ 171,700	\$ 67,234	\$ 171,700