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

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PRESS RELEASE

SHAWCOR LTD. ANNOUNCES FOURTH QUARTER AND FULL YEAR 2010 RESULTS

- Fourth quarter revenue of $292 million improved by 3% over the $283 million reported in the third quarter of 2010 and increased by 12% over the fourth quarter of 2009.
- EBITDA in the fourth quarter increased by 10% to $64.4 million from $58.8 million in the third quarter of 2010 and improved by 20% over the $53.7 million reported in the fourth quarter of 2009.
- Net income in the fourth quarter reached $50.8 million or $0.71 per share diluted as a result of the improvement in income from operations and the recording of a $18.0 million gain, or $0.25 per share diluted, from the revaluation of the Company's investment in its Brazil pipe coating business following the acquisition of an additional 50% interest in October 2010.
- Backlog at December 31, 2010 remained strong at $375 million, a level slightly below the $382 million at the prior quarter end.

"I am pleased to report that ShawCor's fourth quarter financial results showed a continued improvement from the levels seen in the first half of this year. The Company is now benefiting from increased small diameter pipeline project activity in North America, the US$185 million PNG LNG pipe coating project in Asia Pacific is in full production, and our EMAR operations have commenced production on the US$ 85 million Total Laggan – Tormore project", said Bill Buckley, President and CEO of ShawCor Ltd.

Mr. Buckley added, "During the fourth quarter of 2010 and in the first two months of 2011, the Company's bidding activity has reached an unprecedented level with outstanding firm bids now exceeding $1.5 billion. Based on our expectation that many of the project bids will proceed to full development, and several will be awarded to the Company, we remain confident that 2011 offers the potential for growth in the Company's order backlog."

FINANCIAL SUMMARY

(in thousands of Canadian dollars except per share amounts)	Three Months Ended December 31, **2010**	Three Months Ended December 31, 2009	Year Ended December 31, **2010**	Year Ended December 31, 2009
Operating Results				
Revenue	**$ 292,086**	$ 260,911	**$ 1,034,163**	$ 1,183,978
Cost of goods sold	**176,293**	154,183	**623,641**	695,521
Gross profit	**115,793**	106,728	**410,522**	488,457
Selling, general and administrative expenses	**50,371**	48,638	**221,440**	219,557
Research and development expenses	**2,788**	3,103	**11,050**	10,967
Foreign exchange (gains) losses	**(1,749)**	1,284	**(5,745)**	3,790
Amortization of property, plant and equipment	**12,805**	14,044	**50,376**	57,244
Amortization of intangible assets	**1,958**	1,095	**5,246**	4,380
Impairment of intangible assets and goodwill	**1,166**	–	**1,166**	–
Income from operations	**48,454**	38,564	**126,989**	192,519

FINANCIAL SUMMARY	Three Months Ended December 31,		Year Ended December 31,	
Gain on revaluation of investment	**17,979**	–	**17,979**	–
Investment loss on long-term investment	**(1,939)**	–	**(1,939)**	–
Interest expense – net	**(451)**	(762)	**(2,503)**	(4,672)
Income before income taxes	**64,043**	37,802	**140,526**	187,847
Income taxes	**13,275**	6,276	**35,136**	56,397
Net income	**50,768**	31,526	**105,390**	131,450
Net Income per share (Class A and B)				
Basic	**$ 0.72**	$ 0.44	**$ 1.49**	$ 1.86
Diluted	**0.71**	0.43	**1.48**	1.85
Cash flow				
Cash provided by operating activities	**$ 33,435**	$ 141,522	**$ 53,244**	$ 299,333
Additions to property, plant and equipment	**15,327**	8,432	**48,723**	34,358
EBITDA				
Net Income	**$ 50,768**	$ 31,526	**$ 105,390**	$ 131,450
Add:				
Income taxes	**13,275**	6,276	**35,136**	56,397
Interest expense, net	**451**	762	**2,503**	4,672
Investment loss from long-term investment	**1,939**	–	**1,939**	–
Gain on revaluation of investment	**(17,979)**	–	**(17,979)**	–
Impairment of intangible asset and goodwill	**1,166**	–	**1,166**	–
Amortization of property, plant and equipment and intangible asset	**14,763**	15,139	**55,622**	61,624
EBITDA[(a)]	**$ 64,383**	$ 53,703	**$ 183,777**	$ 254,143

(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.

Financial Position	**December 31, 2010**	December 31, 2009
Operating working capital (note 2)	**$ 161,296**	$ 84,916
Total assets	**1,231,182**	1,185,977
Shareholders' equity per share (Class A and B) (note 3)	$ **11.93**	$ 11.21

Note 2: Operating working capital is defined as working capital minus cash and cash equivalents, current future income taxes, the current portion of long-term debt, current obligations under capital leases and working capital related to discontinued operations.
Note 3: Shareholders' equity per share is a non-GAAP measure calculated by dividing shareholders' equity by the number of Class A and Class B shares outstanding at the date of the balance sheet.

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 expects to see modest growth in the North America region in 2011 with further strengthening in 2012 based on expected steady improvement in oil and gas well drilling and the development of a number of major projects for offshore pipelines in the Gulf of Mexico.

The outlook for offshore Gulf of Mexico pipeline activity has improved significantly with Chevron's decision to proceed with the development of the Jack and St. Malo deepwater oil fields. By securing this important $40 million project, ShawCor is well positioned to benefit from the expected growth in deepwater Gulf of Mexico oil field development in 2012 and beyond.

In contrast to the weakness experienced in 2009 and the first half of 2010, the Company has begun to see the benefit on demand for its products and services as a result of increased well drilling and completions throughout North America. This trend is expected to continue in 2011 and should be a source of revenue growth for the Company. However, with the completion in 2011 of contracted pipe coating for the

TransCanada Keystone XL project, the expected improvement in small diameter volumes will be partially offset by lower large diameter project activity, at least until the next cycle of pipeline infrastructure construction is implemented to connect new and growing sources of supply to continental and international markets.

Pipeline Segment - Latin America

During the fourth quarter of 2010, the Company completed the acquisition of 100% of ShawCor's pipe coating operation in Brazil. This strategic initiative was undertaken to position ShawCor to benefit from the growth in pipeline infrastructure as Brazil's vast deepwater oil resources are developed over the next twenty years. While it will likely be beyond 2011 before the pace of development accelerates, the Company does expect to see a modest increase in volume in Brazil in 2011, both as a result of the full consolidation of the Brazil operation and based on stronger project activity, with the P55 riser program scheduled for production in the second and third quarters of the year.

Elsewhere in the Latin America region, the Company expects activity in Mexico to be consistent with 2010 while other markets in South America offer growth potential.

Pipeline Segment – EMAR

Project activity in the Europe, Middle East, Africa, Russia ("EMAR") region is expected to improve in 2011 over 2010 primarily due to the planned execution of the U.S. $93 million Total Laggan-Tormore project as well as the shift of production from the fourth quarter of 2010 to the first half of 2011 on the Ras Al Zur water pipeline project in Saudi Arabia. Beyond 2011, expansion opportunities are under evaluation for several geographic markets in the region where the Company does not currently have pipe coating facilities.

Pipeline Segment - Asia Pacific

During 2010, revenue generated from the Asia Pacific region reached a record level due to the execution of the $185.0 million PNG LNG and $40.0 million Epic Energy QSN3 projects plus a number of other projects. Production will be completed on both projects in 2011 and this activity, coupled with several large projects in South East Asia anticipated for the second half of 2011, should allow the Company's Asia Pacific region to continue to generate revenue in line with the prior year.

Petrochemical and Industrial Segment

Following the abrupt decline in activity associated with the global economic recession in late 2008 and 2009, the Petrochemical and Industrial segment's markets have shown steady improvement. The Company's operations in Europe have in particular seen significant improvement, with increased shipments to the major German automotive manufacturers. In 2011 and beyond, continued strength in the Company's European operations coupled with modest growth in North America and the continued ramp up of production in the recently established China facility should generate year over year improvement in revenue and operating income.

Order Backlog

The improvement in pipeline outlook has not yet been reflected in the Company's order backlog, representing customer orders expected to be completed within one year. The order backlog totaled $374.6 million at December 31, 2010, a level slightly below the backlog of $382.2 million at the end of the third quarter of 2010 and lower by 8.7% from the $410.5 million level at the start of the year. During the fourth quarter of 2010 and first quarter of 2011, the Company submitted firm project bids totaling in excess of $1.5 billion. These bids relate to projects in Asia Pacific, the Middle East and Northern Europe and represent an unprecedented level of bidding activity for ShawCor. Many of these projects are expected to receive customer investment approval in 2011 and, if successfully awarded to the Company, offer the potential to increase ShawCor's backlog during 2011.

2.0 RESULTS FROM OPERATIONS

2.1 Consolidated Information

Revenue

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

(in thousands of C$)	Three months ended			Year Ended	
	December 31, 2010	September 31, 2010	December 31, 2009	**December 31, 2010**	December 31, 2009
Pipeline and Pipe Services	$ **267,780**	$ 253,447	$ 235,757	$ **920,157**	$ 1,072,858
Petrochemical and Industrial	**25,878**	28,921	25,601	**115,783**	114,935
Elimination	**(1,572)**	591	(447)	**(1,777)**	(3,815)
Consolidated	$ **292,086**	$ 282,959	$ 260,911	$ **1,034,163**	$ 1,183,978

Fourth Quarter 2010 versus Third Quarter 2010

Consolidated revenue of $292.1 million in the fourth quarter of 2010 increased by $9.1 million, or 3% from $283.0 million for the third quarter of 2010 due to an increase in the Pipeline and Pipe Services segment, partially offset by lower revenue in the Petrochemical and Industrial segment.

Revenue for the Pipeline and Pipe Services segment was $14.3 million higher in the fourth quarter of 2010 than in the third quarter, because of higher revenue in North America and EMAR which was partially offset by lower revenue in Latin America and Asia Pacific. See section 3.1 and 3.2 – Segment information, for additional disclosure with respect to the change in revenue.

Fourth Quarter 2010 versus Fourth Quarter 2009

Consolidated revenue of $292.1 million in the fourth quarter of 2010 increased by $31.2 million, or 12%, from $260.9 million for the fourth quarter of 2009 due to strong growth in the Pipeline and Pipe Services segment.

Revenue for the Pipeline and Pipe Services segment was $32.0 million higher in the fourth quarter of 2010 than in the fourth quarter of 2009, mainly due to higher revenue in North America and EMAR which was partially offset by lower revenue in Latin America and Asia Pacific. See section 3.1 – Segment information, for additional disclosure with respect to the change in revenue in the Pipeline and Pipe Services segment.

Twelve Months ended December 31, 2010 versus Twelve Months ended December 31, 2009

Consolidated revenue decreased by $150.0 million, or 13%, from $1,184 million in 2009 to $1,034 million in 2010, due to a decrease in revenue in the Pipeline and Pipe Services segment.

Pipeline and Pipe Services revenue decreased by $152.7 million, or 14%, from $1,072.9 million in 2009 to $920.2 million in 2010. The decrease was due to the unfavourable effect of foreign exchange fluctuations combined with lower revenue in EMAR and Latin America of $76.1 million and $132.4 million, respectively, and was partially offset by an increase in revenue from North America and Asia Pacific of $18.7 million and $37.1 million, respectively. See section 3.1 - Pipeline and Pipe Services segment for additional information with respect to the changes in revenue in the Pipeline and Pipe Services segment.

Operating Income

The following table sets forth income from operations and operating margin for the following periods:

(in thousands of C$)		Three months ended			Year Ended		
		December 31, 2010	September 31, 2010	December 31, 2009	**December 31, 2010**		December 31, 2009
Operating Income	**$**	**48,454**	44,743	38,564	**126,989**	$	192,519
Operating Margin[(a)]		**16.6%**	15.8%	14.8%	**12.3%**		16.3%

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

Fourth Quarter 2010 versus Third Quarter 2010

Operating income increased by $3.8 million, or 8.4%, from $44.7 million during the third quarter of 2010 to $48.5 million during the fourth quarter of 2010, primarily due to an increase in revenue as explained above.

Fourth Quarter 2010 versus Fourth Quarter 2009

Operating income increased by $9.9 million, or 26%, from $38.6 million for the fourth quarter of 2009 to $48.5 million for the fourth quarter of 2010, mainly due to an increase in revenue as explained above and foreign exchange gains of $1.7 million recorded in the fourth quarter of 2010 compared to a foreign exchange loss of $1.3 million in the prior year.

Twelve Months ended December 31, 2010 versus Twelve Months ended December 31, 2009

Operating income decreased by $65.5 million from $192.5 million in 2009 to 127.0 million in 2010, mainly due to the reduction in revenue as explained above and a decrease in the operating margin of 3.9 percentage points. The decrease in operating margin was attributable to the Pipeline and Pipe Services segment and was due to the under absorption of fixed manufacturing overhead, a slight decline in segment contribution margin and the unfavourable effect of foreign exchange fluctuations – See section 2.2 – Foreign Exchange impact.

Income taxes

Fourth Quarter 2010 versus Third Quarter 2010

The Company recorded income tax expense of $13.3 million (20.7% of income before income taxes) in the fourth quarter of 2010, compared to income tax expense of $10.7 million (24.0% of income before income taxes) in the third quarter of 2010. The effective income tax rate in the fourth quarter was lower than the Company's expected effective income tax rate of 30.5%, mainly due to the fact that a substantial portion of the Company's taxable income in the fourth quarter of 2010 was earned in Asia Pacific and other jurisdictions where the expected tax rate is 25% or less, combined with the fact that the $18.0 million gain on revaluation of investment was not taxable.

Fourth Quarter 2010 versus Fourth Quarter 2009

The Company recorded income tax expense of $13.3 million (20.7% of income before income taxes) in the fourth quarter of 2010, compared to income tax expense of $6.3 million (16.6% of income before income taxes) in the fourth quarter of 2009. The effective income tax rate in the fourth quarter was lower than the Company's expected effective income tax rate of 30.5%, for the reasons discussed above.

Twelve Months ended December 31, 2010 versus Twelve Months ended December 31, 2009

The Company recorded income tax expense of $35.1 million (25.0% of income before income taxes) for the year ended December 31, 2010, compared to income tax expense of $56.4 million (30.0% of income before income taxes) for the year ended December 31, 2009. The effective income tax rate for the year ended December 31, 2010 was lower than the Company's expected effective income tax rate of 30.5%, due to a significant portion of the Company’s taxable income being earned in Asia Pacific and other jurisdictions where the expected tax rate is 25% or less, combined with the fact that the $18.0 million gain on revaluation of investment was not taxable.

Net Income

Fourth Quarter 2010 versus Third Quarter 2010

Net income increased by $17.1 million, or 51.0% from $33.7 million in the third quarter to $50.8 million in the fourth quarter of 2010. The increase was primarily driven by the increased income from operations as discussed above, the gain on revaluation of investment of $18.0 million, and the lower tax rate recorded in the fourth quarter of 2010.

Fourth Quarter 2010 versus Fourth Quarter 2009

Net income increased by $19.3 million, or 61%, from $31.5 million in the fourth quarter of 2009 to $50.8 million in the fourth quarter of 2010. The increase was primarily driven by the increased income from operations as discussed above, the gain on revaluation of investment of $18.0 million and the lower tax rate recorded in the fourth quarter of 2010.

Twelve Months ended December 31, 2010 versus Twelve Months ended December 31, 2009

Net income decreased by $26.1 million, or 20.0%, from $131.5 million in 2009 to $105.4 million in 2010. The decrease was primarily due to the decrease in revenue and income from operations as explained above and was partially offset by a gain on revaluation of investment of $18.0 million and a 5.0 percentage point reduction in the effective income tax rate from 30.0% in 2009 to 25.0% in 2010.

2.2 Foreign Exchange Impact

The following table sets forth the significant currencies in which the Company operates and the average foreign exchange rates for these currencies versus Canadian dollars, for the following periods:

	Three Months Ended December 31,		**Year Ended December 31,**	
	2010	2009	**2010**	2009
U.S. dollar	**1.0157**	1.0544	**1.0351**	1.1450
Euro	**1.3797**	1.5569	**1.3785**	1.5958
British Pounds	**1.5935**	1.7154	**1.5987**	1.7763

The following table sets forth the impact on revenue, income from operations and net income, compared with the prior year period, as a result of foreign exchange fluctuations on the translation of foreign currency operations:

(in thousands of C$)	**Three months ended December 31, 2010**	**Year ended December 31, 2010**
Revenue	$ (10,427)	$ (77,776)
Income from operations	(1,138)	(18,536)
Net income	(986)	(12,706)

3.0 SEGMENT INFORMATION

3.1 Pipeline and Pipe Services segment

The following table sets forth, by geographic location, the revenue, income from operations ("Operating Income") and operating margin for the Pipeline and Pipe Services segment for the following periods:

(in thousands of C$)	Three months ended			Years ended	
	December 31, 2010	September 30, 2010	December 31, 2009	**December 31, 2010**	December 31, 2009
North America	**$ 116,969**	$ 113,590	$ 84,846	**$ 412,622**	$ 393,926
Latin America	**17,647**	19,730	29,209	**56,400**	188,758
EMAR	**65,058**	39,204	50,340	**184,768**	260,861
Asia Pacific	**68,105**	80,923	71,364	**266,366**	229,314
Total Revenue	**$ 267,780**	$ 253,447	$ 235,759	**$ 920,157**	$ 1,072,859
Operating Income	**$ 45,612**	$ 43,712	$ 43,819	**$ 133,617**	$ 213,123
Operating Margin	**17.0%**	17.2%	18.6%	**14.5%**	19.9%

Fourth Quarter 2010 versus Third Quarter 2010

Revenue in the fourth quarter of 2010 was $267.8 million, an increase of $14.4 million, or 6%, over the third quarter of 2010, with a significant improvement in the EMAR region offsetting a reduction in Asia Pacific:

- In North America, revenue increased by $3.4 million, or 3%, due to increased volumes of small diameter pipe coating, flexible composite pipe and drill pipe inspection volumes from the general improvement in well completion activity throughout North America.
- Revenue in Latin America declined by $2.1 million as a result of lower volumes in Mexico following the third quarter completion of several offshore concrete weight coating projects.
- EMAR revenue increased by a substantial $25.9 million, or 66%, as a result of the launch of full production at the Leith, Scotland facility for the Statoil P12, Total Laggan, and Chevron Congo River Crossing projects as well as increased offshore weld inspection volumes.
- In Asia Pacific, revenue experienced a temporary decrease of $12.8 million, or 16%, as a result of the completion in the third quarter of the PNG LNG onshore pipe coating at the Kabil facility combined with lower production on the PNG LNG offshore pipe coating at the Kuantan, Malaysia facility due to reductions in pipe availability.

Operating Income in the fourth quarter of 2010 was $45.6 million compared to $43.7 million in the third quarter of 2010, an increase of $1.9 million, or 4%. The increase was primarily due to the increase in revenue explained above and in particular the impact of revenue on facility utilization in Leith, Scotland. Operating margins declined slightly as the improvement in the absorption of the fixed manufacturing overhead was offset by the change in project mix from Asia Pacific to EMAR.

Fourth Quarter 2010 versus Fourth Quarter 2009

Revenue in the fourth quarter of 2010 increased by $32.0 million, or 14%, from $235.8 million in the fourth quarter of 2009 with strong growth in North America and EMAR offsetting weakness in Latin America and Asia Pacific:

- In North America, revenue increased by $32.1 million, or 38%, as a result of stronger small diameter pipe coating and spoolable composite pipe volumes in Canada, combined with an increase in large diameter pipe project activity that benefited pipe coating and weld inspection volumes in Canada and the USA.
- The $11.6 million decrease in revenue in Latin America was due to the completion in 2009 of the Trinidad North East Offshore and Tobago Pipelines project as well as lower project activity in Mexico, partially offset by the additional revenue contributed by the Company's acquisition of 100% of its operations in Brazil in October 2010.
- Revenue in EMAR increased by $14.7 million, or 29%, due to the attainment of full production at the Leith, Scotland facility from the Statoil P12, Total Laggan and Chevron Congo River Crossing projects plus increased pipeline weld inspection activity.
- In Asia Pacific, revenue decreased by $3.3 million, or 5%, due to low production activity at the Kabil, Indonesia facility which completed the PNG LNG onshore pipe coating project in September and had low utilization in November and December. This weakness offset the growth in volumes from the PNG LNG offshore project at the Kuantan, Malaysia facility and the Epic Energy QSN3 project in Kembla Grange, Australia.

Operating Income in the fourth quarter of 2010 of $45.6 million increased by $1.8 million, or 4%, from the $43.8 million reported in the fourth quarter of 2009. The increase was due to the higher revenue explained above partially offset by a reduction in the operating margin of 1.6 percentage points. The decrease in operating margin was due to a reduction in contribution margins caused by the change in project mix from Asia Pacific to the EMAR and North America regions.

Year ended December 31, 2010 versus 2009

Revenue in the Pipeline and Pipe Services segment for the year ended December 31, 2010 was $920.2 million, a decrease of $152.7 million, or 14%, from the prior year. The decrease was due to the unfavourable impact of foreign exchange fluctuations on the translation of foreign currency operations (See section 2.2 – Foreign Exchange Impact) combined with lower project activity in Latin America, and EMAR, partially offset by increased project volumes in Asia Pacific and a modest improvement in volumes related to North American well completions:

- The increase in revenue in North America of $18.7 million was primarily due to a pick up in drilling and well completions in Canada and the U.S. in the second half of 2010 compared with the prior year, which benefited several of the Company's key product markets including small diameter pipe coating, spoolable composite pipe and drill pipe inspection services.
- A decrease in revenue in Latin America of $132.4 million was due to the Trinidad North East Offshore and Tobago Pipelines project that had generated revenue in 2009 of US$81 million and for which production was completed in the fourth quarter of 2009. Also negatively impacting revenue were reductions in pipe coating project activity of 51% in Mexico and 17% in Brazil. The decline in project activity in Brazil continued in the fourth quarter but was offset by the Company's acquisition of 100% of its Brazil operation with the result that the Company's reported revenue from Brazil increased by 27%.
- The decrease in EMAR revenue of $76.1 million was mainly due to the unfavourable effect of foreign exchange fluctuations combined with lower pipe coating volumes at the Company's flow assurance insulation coating facility in Orkanger, Norway, a significant decline in joint protection product shipments, field joint and custom coating project activity and offshore pipeline weld inspection. Each of these markets were impacted by the deferral of client commitments for new pipeline infrastructure that had occurred in 2009 in response to the global economic downturn.
- In Asia Pacific, revenue increased by $37.1 million as a result of growth in the second half of 2010 associated with the launch of production on the Epic Energy QSN3 project in Kembla Grange, Australia and the PNG LNG pipeline project at Kabil, Indonesia and Kuantan, Malaysia.

Operating Income in the Pipeline and Pipe Services segment for the year ended December 31, 2010 was $133.6 million, a decrease of $79.5 million, or 37%, from $213.1 million in 2009. The operating margin decreased by 5.4 percentage points from 19.9% in 2009 to 14.5% in 2010. Key factors in the decline in the operating margin were:

- The reduction in absorption of fixed overhead costs as a result of the 14% reduction in segment revenue, impacted operating margins negatively by 3.4 percentage points.
- A reduction in segment contribution margins due primarily to changes in project activity in North America and Latin America that reduced operating margin by approximately 1 percentage point.
- The unfavourable effect of foreign exchange fluctuations reduced the segment operating margin by just under 1 percentage point.

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:

(in thousands of C$)	Three months ended			Years ended	
	December 31, 2010	September 30, 2010	December 31, 2009	**December 31, 2010**	December 31, 2009
North America	**$ 13,279**	$ 16,819	$ 12,775	**$ 64,053**	$ 69,719
EMAR	**12,040**	11,575	12,378	**50,002**	45,216
Asia Pacific	**559**	527	-	**1,728**	-
Total Revenue	**$ 25,878**	$ 28,921	$ 25,153	**$ 115,783**	$ 114,935
Operating Income	**$ 3,452**	$ 2,832	$ 437	**$ 13,159**	$ 5,062
Operating Margin	**13.3%**	9.8%	1.7%	**11.4%**	4.4%

Fourth Quarter 2010 versus Third Quarter 2010

In the Petrochemical and Industrial segment, revenue in the fourth quarter of 2010 totaled $25.9 million compared to $28.9 million in the third quarter of 2010, a decrease of $3.0 million, or 12%. The decrease was attributable to reduced shipments of wire and cable products.

Operating Income in the fourth quarter of 2010 was $3.5 million compared to $2.8 million in the third quarter of 2010, an increase of $0.7 million, or 25%. The increase in operating income, despite the revenue reduction, resulted from a gain in the operating margin of 3.5 percentage points to 13.3%, with an improvement in segment contribution margins combined with a modest reduction in fixed overhead costs.

Fourth Quarter 2010 versus Fourth Quarter 2009

Revenue in the Petrochemical and Industrial segment in the fourth quarter of 2010 at $25.9 million increased by $0.7 million, or 3%, from the fourth quarter of 2009 as the Company experienced a significant improvement in product shipments in EMAR which was partially offset by the year over year weakening of the Euro versus the Canadian dollar and the resulting effect on the translation of the EMAR operating results.

Operating Income in the fourth quarter of 2010 was $3.5 million compared to $0.4 million in the fourth quarter of 2009, an increase of $3.1 million. The increase in operating income was due to improved contribution margins in heat shrink products and a $2.0 million reduction in fixed overhead costs and one time restructuring costs that had been incurred in 2009 at the segment’s EMAR operations.

Year ended December 31, 2010 versus 2009

Revenue in the Petrochemical and Industrial segment for the year ended December 31, 2010 was $115.8 million, basically unchanged from 2009, as increased heat shrink sleeve product shipments resulting from a strengthening in industrial and automotive markets in North America and EMAR were largely offset by a weakening of demand for the segment's wire and cable products and the impact on the translation of the EMAR operations, due to the weakening of the Euro versus the Canadian dollar (See section 2.2 – Foreign Exchange Impact).

Operating Income in the Petrochemical and Industrial segment for the year ended December 31, 2010 was $13.2 million, an increase of $8.1 million, or 159%, from $5.1 million in 2009. The operating margin improved by 7.0 percentage points due to the following factors:

- Improved contribution margins in heat shrink products were partially offset by foreign exchange impacts and weaker margins in wire and cable products, with a net benefit to operating margins of 2.9 percentage points.
- A reduction in fixed overhead costs and the elimination of one time restructuring costs that had been incurred in 2009 related to restructuring at DSG-Canusa's European operations that improved operating margins by 4.1 percentage points on a year over year basis.

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:

(in thousands of C$)	Three months ended			Years ended	
	December 31, 2010	September 30, 2010	December 31, 2009	**December 31, 2010**	December 31, 2009
Financial and corporate expense	**$ 2,150**	$ 6,497	$ 4,409	**$ 25,323**	$ 21,876

Fourth Quarter 2010 versus Third Quarter 2010

Financial and corporate costs decreased by $4.3 million from the third quarter of 2010 primarily due to lower management incentive compensation and a reduction in professional fees related to corporate development in the fourth quarter of 2010 compared to the third quarter of 2010.

Fourth Quarter 2010 versus Fourth Quarter 2009

Financial and corporate costs decreased by $2.3 million from $4.4 million during the fourth quarter of 2009 to $2.2 million during the fourth quarter of 2010 due to lower expenses related to management incentive compensation plans.

Twelve Months ended December 31, 2010 versus Twelve Months ended December 31, 2009

Financial and corporate expense, before foreign exchange gains and losses, increased by $3.4 million, or 15.8%, in 2010 compared to 2009, mainly due to an increase in professional fees relating to corporate development activities, higher employee benefit costs and expenses related to the introduction of new management incentive compensation plans.

4.0 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 Ltd. will be hosting a Shareholder and Analyst conference call and Webcast on Friday, March 4, 2011 at 10:00 am EST to discuss the company's fourth quarter 2010 financial results. Please visit our website at www.shawcor.com for future details.

For further information, please contact:

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SHAWCOR LTD.

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(in thousands of Canadian dollars)

As at		December 31, 2010		December 31, 2009
Assets				
Current assets				
Cash and cash equivalents	**$**	**155,998**	$	249,988
Accounts receivable		**243,955**		191,821
Taxes receivable		**13,823**		14,055
Inventories		**126,132**		109,379
Prepaid expenses		**14,171**		14,392
Derivative financial instruments		**1,130**		1,782
Current future income taxes		**4,590**		4,668
		559,799		586,085
Property, plant and equipment, net		**283,286**		270,219
Intangible assets		**91,353**		62,784
Future income taxes		**29,035**		36,249
Derivative financial instruments		**–**		39
Long-term investments		**31,995**		24
Other assets		**15,622**		16,128
Goodwill		**220,092**		214,449
TOTAL ASSETS	**$**	**1,231,182**	$	1,185,977
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities	**$**	**131,777**	$	127,932
Taxes payable		**50,860**		42,971
Loan payable		**5,126**		–
Deferred revenue		**54,751**		75,100
Derivative financial instruments		**527**		510
Current portion of long-term debt		**25,005**		26,235
Current obligations under capital lease		**345**		371
		268,391		273,119
Long-term debt		**–**		26,052
Obligations under capital lease		**339**		492
Future income taxes		**78,516**		76,552
Derivative financial instruments		**807**		–
Other non-current liabilities		**40,378**		19,340
TOTAL LIABILITIES		**388,431**		395,555
Shareholders' Equity				
Capital stock		**206,775**		204,151
Contributed surplus		**18,144**		17,277
Retained earnings		**780,722**		695,800
Accumulated other comprehensive loss		**(162,890)**		(126,806)
TOTAL SHAREHOLDERS' EQUITY		**842,751**		790,422
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**$**	**1,231,182**	$	1,185,977

SHAWCOR LTD.

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(in thousands of Canadian dollars, except per share amounts)

	Three Months Ended December 31,		Year Ended December 31,	
	2010	**2009**	**2010**	2009
Revenue	**$ 292,086**	$ 260,911	**$ 1,034,163**	$ 1,183,978
Cost of goods sold	**176,293**	154,183	**623,641**	695,521
Gross profit	**115,793**	106,728	**410,522**	488,457
Selling, general and administrative expenses	**50,371**	48,638	**221,440**	219,557
Research and development expenses	**2,788**	3,103	**11,050**	10,967
Foreign exchange (gains) losses	**(1,749)**	1,284	**(5,745)**	3,790
Amortization of property, plant and equipment	**12,805**	14,044	**50,376**	57,244
Amortization of intangible assets	**1,958**	1,095	**5,246**	4,380
Impairment of intangible assets	**958**	–	**958**	–
Impairment of goodwill	**208**	–	**208**	–
Income from operations	**48,454**	38,564	**126,989**	192,519
Gain on revaluation of investment	**17,979**	–	**17,979**	–
Investment loss on long-term investment	**(1,939)**	–	**(1,939)**	–
Interest income on short-term deposits	**506**	409	**1,455**	916
Interest expense, other	**(525)**	(437)	**(1,631)**	(1,780)
Interest expense on long-term debt	**(432)**	(734)	**(2,327)**	(3,808)
Income before income taxes	**64,043**	37,802	**140,526**	187,847
Income taxes	**13,275**	6,276	**35,136**	56,397
Net income for the year	**$ 50,768**	$ 31,526	**$ 105,390**	$ 131,450
Earnings per share				
Basic	**$ 0.72**	$ 0.44	**$ 1.49**	$ 1.86
Diluted	**0.71**	0.43	**1.48**	1.85

SHAWCOR LTD.

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS (UNAUDITED)

(in thousands of Canadian dollars)

	Three Months Ended December 31,		Year ended December 31,	
	2010	2009	**2010**	2009
Balance, beginning of period	**$ 735,161**	$ 669,126	**$ 695,800**	$ 601,407
Net income for the period	**50,768**	31,526	**105,390**	131,450
	785,929	700,652	**801,190**	732,857
Dividends declared	**(5,207)**	(4,852)	**(20,468)**	(37,057)
Balance, end of period	**$ 780,722**	$ 695,800	**$ 780,722**	$ 695,800

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

(in thousands of Canadian dollars)

	Three Months Ended December 31,		Year ended December 31,	
	2010	2009	**2010**	2009
Net income for the period	**$ 50,768**	$ 31,526	**$ 105,390**	**$** 131,450
Other comprehensive loss, net of income taxes:				
Unrealized loss on translating financial statements of self sustaining foreign operations	**(24,833)**	(7,775)	**(37,289)**	(49,149)
Gain on translating financial statements of self-sustaining foreign operations transferred to net income in the period	**–**	–	**–**	678
Gain on hedges of unrealized foreign currency translation	**812**	1,480	**1,423**	8,428
Income tax expense	**221**	(34)	**(218)**	(1,223)
Unrealized foreign currency translation loss, net of hedging activities	**(23,800)**	(6,329)	**(36,084)**	(41,266)
Unrealized loss on available for sale financial asset	**–**	–	**–**	(336)
Unrealized gain on available-for-sale financial asset transferred to net income	**–**	–	**–**	336
Other comprehensive loss for the period	**(23,800)**	(6,329)	**(36,084)**	(41,266)
Comprehensive income for the period	**$ 26,968**	$ 25,197	**$ 69,306**	**$** 90,184

SHAWCOR LTD.

CONSOLIDATED STATEMENTS OF CASH FLOW (UNAUDITED)

(in thousands of Canadian dollars)

	Three Months Ended December 31, 2010	Three Months Ended December 31, 2009	Year ended December 31, 2010	Year ended December 31, 2009
Operating activities				
Net income for the year	**$ 50,768**	$ 31,526	**$ 105,390**	$ 131,450
Add (deduct) items not affecting cash:	**–**	–		
Amortization of property, plant and equipment	**12,805**	14,044	**50,376**	57,244
Amortization of intangible assets	**1,958**	1,095	**5,246**	4,380
Amortization of transaction costs	**426**	111	–	444
Amortization of long-term prepaid expenses	**(34)**	1,173	**4**	1,173
Asset retirement obligations expense	**1,605**	(6,885)	**269**	(4,852)
Stock-based compensation	**(269)**	771	**1,478**	3,165
Future income taxes	**2,326**	(3,482)	**(5,532)**	(3,809)
Loss (gain) on disposal of property, plant and equipment	**(341)**	4	**(1,226)**	1,365
Loss on derivative financial instruments	**708**	–	**708**	–
Gain on short-term investments	**–**	–		
Accounting gain on acquisition	**(17,979)**	–	**(17,979)**	–
Investment loss on long-term significant influence investment	**1,939**	–	**1,939**	–
Impairment of available-for-sale financial asset	**–**	–	–	336
Impairment of intangible assets	**958**	–	**958**	–
Impairment of goodwill	**208**	–	**208**	–
Settlement of asset retirement obligations	**(2,493)**	937	**(3,218)**	(1,307)
Change in employee future benefits	**(1,993)**	(3,544)	**(275)**	(457)
Change in non-cash working capital and foreign exchange	**(17,157)**	105,772	**(85,102)**	110,201
Cash provided by operating activities	**33,435**	141,522	**53,244**	299,333
Investing activities				
Purchases of property, plant and equipment	**(15,327)**	(8,432)	**(48,723)**	(34,358)
Proceeds on disposal of property, plant and equipment	**–**	562	**3,420**	606
Purchase of intangible assets	**(302)**	–	**(302)**	–
Acquisition of long-term investment	**(3,578)**	–	**(34,917)**	–
Acquisition of subsidiaries	**(19,728)**	(3,943)	**(19,728)**	–
Increase (decrease) in long-term notes receivable	**(6)**	4,068	**–**	(3,943)
Cash used in investing activities	**(38,941)**	(7,745)	**(100,250)**	(37,695)
Financing activities				
Decrease in bank indebtedness	**–**	–	**–**	(15,418)
Proceeds from loan	**(75)**	(107)	**5,126**	–
Repayments on capital leases	**–**	–	**(179)**	(107)
Repayment of long-term debt	**947**	378	**(26,043)**	(28,705)
Issuance of shares	**–**	–	**2,013**	1,679
Dividends paid to shareholders	**(5,207)**	(4,852)	**(20,468)**	(37,057)
Cash used in financing activities	**(4,335)**	(4,581)	**(39,551)**	(79,608)
Foreign exchange (loss) on foreign cash and cash equivalents	**(5,861)**	(2,579)	**(7,433)**	(10,974)
Net change in cash and cash equivalents for the year	**(15,702)**	126,617	**(93,990)**	171,056
Cash and cash equivalents, beginning of year	**171,700**	123,371	**249,988**	78,932
Cash and cash equivalents, end of year	**$ 155,998**	$ 249,988	**$ 155,998**	$ 249,988