

PRESS RELEASE
SHAWCOR LTD. ANNOUNCES THIRD QUARTER 2010 RESULTS

- Third quarter revenue of \$283 million increased by 20% over the \$235 million reported in the second quarter of 2010
- EBITDA increased by 91% to \$58.8 million from \$30.8 million in the second quarter 2010 as operating margins strengthened
- Backlog at September 30, 2010 remained strong at \$382.2 million but did decline from \$421.8 million at the prior quarter end

“I am pleased to report that ShawCor’s third quarter financial results showed a very strong improvement over the levels of the first half of this year as the Company experienced increased pipeline project activity in North America and Latin America and our Asia Pacific region reached full production on the U.S. \$185 million PNG LNG pipe coating project and the U.S.\$42 million Epic Energy QSN3 project” said Bill Buckley, President and CEO of ShawCor Ltd.

Mr. Buckley added, “Also during the third quarter the Company made significant progress on two strategic growth initiatives by initiating our investment in Fineglade Ltd, the new company that will hold ShawCor’s investment in Socotherm S.p.A., and by completing the buyout of our joint venture partners in Brazil in a transaction that closed subsequent to the end of the third quarter.”

FINANCIAL SUMMARY

(in thousands of Canadian dollars except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2010	2009	2010	2009
Operating Results				
Revenue	\$ 282,959	\$ 302,812	\$ 742,077	\$ 923,067
Gross profit	115,818	129,462	294,729	381,729
Selling, general and administrative expenses	58,733	59,464	171,069	170,919
Foreign exchange (gains) losses	(4,698)	2,321	(3,996)	2,506
Research and development expenses	2,983	3,148	8,262	7,864
EBITDA (note 1)	58,800	64,529	119,394	200,440
Amortization of property, plant and equipment	12,959	13,405	37,571	43,200
Amortization of intangible assets	1,098	1,095	3,288	3,285
Income from operations	44,743	50,029	78,535	153,955
Interest expense – net	318	675	2,052	3,910
Income taxes	10,679	15,607	21,861	50,121
Net income	33,746	33,747	54,622	99,924
Net income per share (Class A and B)				
Basic	\$ 0.48	\$ 0.48	\$ 0.77	\$ 1.42
Diluted	0.47	0.48	0.77	1.42
Cash Flow				
Cash provided by operating activities	\$ 18,441	\$ 60,313	\$ 24,935	\$ 157,811
Additions to property, plant and equipment	11,564	5,751	33,396	25,926

	September 30, 2010	December 31, 2009
Financial Position		
Working capital (note 2)	\$ 145,643	\$ 84,972
Total assets	1,187,765	1,185,977
Shareholders' equity per share (Class A and B) (note 3)	\$ 11.62	\$ 11.21

Note 1: EBITDA is a non-GAAP measure calculated by adding back to net income, the sum of interest (income)/expense, taxes and depreciation/amortization of property, plant and equipment and intangible assets. EBITDA does not have a standardized meaning prescribed by GAAP and is not necessarily comparable to similar measures prescribed by other companies. EBITDA is used by many analysts in the oil and gas industry as one of several important analytical tools. The following is the calculation of EBITDA for the periods presented above:

	Three Months Ended September 30, 2010		Nine Months Ended September 30, 2010	
	2009	2009	2009	2009
Net income	\$ 33,746	\$ 33,747	\$ 54,622	\$ 99,924
Add:				
Income taxes	10,679	15,607	21,861	50,121
Interest expense – net	318	675	2,052	3,910
Amortization of property, plant and equipment	12,959	13,405	37,571	43,200
Amortization of intangible assets	1,098	1,095	3,288	3,285
EBITDA	\$ 58,800	\$ 64,529	\$ 119,394	\$ 200,440

Note 2: 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 lease 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.

OUTLOOK

The attainment of full production in the Asia Pacific region on the PNG LNG pipe coating project has, as expected, contributed to a significant improvement in operating results in the third quarter compared with the first half of the year. The Company expects revenue and income to continue at or above current levels in the fourth quarter as noted below:

Pipeline Segment - North America

The increase in drilling activity in North America that has occurred since mid 2010 combined with the effect of seasonality in Western Canada should favorably impact revenue from the Company's businesses that are related to well completions, primarily small diameter pipe coating, flexible composite pipe, and pipe joint protection. This improvement coupled with steady output at the Company's large diameter pipe coating plants should translate into a modest improvement on a quarter over quarter basis in facility utilization and operating margins.

Pipeline Segment - Latin America

The completion of the acquisition of 100% of ShawCor's pipe coating operation in Brazil in early October will positively impact revenue in the fourth quarter. This improvement will be partially offset by lower activity in Mexico where the Company completed some large offshore coating projects at the Coatzacoalcos concrete weight coating plant in the third quarter.

Pipeline Segment - EMAR

Project activity in the Europe, Middle East, Africa, Russia ("EMAR") region is expected to continue to improve in the fourth quarter with the Statoil P12 and U.S.\$93 million Total Laggan projects now in full production in Leith, Scotland and the Ras Al Zur water pipeline project under production in Saudi Arabia

Pipeline Segment - Asia Pacific

The Asia Pacific region is not expected to generate any growth in revenue in the fourth quarter but with the U.S.\$185.0 million PNG LNG project in full production, should be a source of reliable operating income in the quarter.

Petrochemical and Industrial Segment

The Petrochemical and Industrial segment's markets have improved over the recessionary conditions of the first half of 2009; however, higher product sales have been largely offset by the weakening of the U.S. dollar and Euro year over year. Based on current exchange rates and market conditions, revenue and operating income in the fourth quarter should continue to report year over year improvement.

Order Backlog

The Company's order backlog, representing customer orders expected to be completed within one year, did decrease during the third quarter to \$382.2 million at September 30, 2010 from \$421.8 million at June 30, 2010. The Company has however been very active in bidding a number of large projects in Asia Pacific, Middle East, Latin America, and the Gulf of Mexico. As these projects advance towards investment approval, the Company remains confident that this level of bidding activity will result in growth in the backlog in 2011.

THIRD QUARTER 2010 RESULTS

1.0 Core Business Segments

As at September 30, 2010, the Company operated its seven divisions through two reportable operating segments, Pipeline & Pipe Services; and Petrochemical & Industrial:

Pipeline and Pipe Services

The Pipeline and Pipe Services segment is the largest segment of the Company and accounted for 88% of consolidated revenue for the nine month period ended September 30, 2010. This segment includes the Bredero Shaw, Canusa-CPS, Shaw Pipeline Services, Flexpipe Systems and Guardian divisions providing products and services for pipeline applications globally.

Petrochemical and Industrial

The Petrochemical and Industrial segment, which includes the DSG-Canusa and ShawFlex divisions, accounted for 12% of consolidated revenue for the nine month period ended September 30, 2010. Operations within this segment utilize polymer and adhesive technology that was developed for the Pipeline and Pipe Services segment and is now being applied to applications in Petrochemical and Industrial markets.

2.0 Financial highlights

2.1 Selected Third Quarter and Nine Month Financial Information

Revenue

Revenue has decreased by \$19.8 million, or 7%, from \$302.8 million during the third quarter of 2009 to \$283.0 million during the third quarter of 2010, primarily as a result of reduced market activity in the Pipeline and Pipe Services segment and the unfavourable effect of foreign exchange fluctuations. For these same reasons, revenue has also decreased by \$181.0 million, or 20%, from \$923.1 million during the nine month period ended September 30, 2009, to \$742.1 million during the nine month period ended September 30, 2010.

Income from operations

Income from operations decreased by \$5.3 million, or 11%, and \$ 75.5 million, or 49%, to \$44.7 million and \$78.5 million, respectively, for the three and nine month period ended September 30, 2010. This change was primarily due to the decrease in revenue and the reduction in operating income margins in the current year periods compared with the prior year, partially offset by foreign exchange gains of \$4.7 million.

Net income

Net income for the third quarter 2010 at \$33.7 million, was unchanged from the third quarter of the prior year as a decrease in income from operations was offset by lower taxes. For the nine months ended September 30, 2010, net income at \$54.6 million decreased by \$45.3 million from \$99.9 million in the comparable prior year period due to the decline in revenue and income from operations experienced in the first half of 2010.

2.2 Foreign Exchange Impact

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

	Three Months ended September 30,		Nine Months ended September 30,	
	2010	2009	2010	2009
U.S. dollar	1.0447	1.0845	1.0409	1.1722
Euro	1.3527	1.5643	1.3781	1.6074
British Pounds	1.6142	1.7790	1.6003	1.7946

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

	3 months ended September 30, 2010 versus 3 months ended June 30, 2010	3 months ended September 30, 2010 versus 3 months ended September 30, 2009	9 months ended September 30, 2010 versus 9 months ended September 30, 2009
Revenue	\$ (851)	\$ (10,250)	\$ (76,000)
Income from operations	16	(1,881)	(19,730)
Net income	(917)	(1,692)	(13,754)

3.0 Results from Operations

3.1 Business Developments for the Year

Acquisition of Brazilian Joint Ventures

On October 5, 2010, a subsidiary of the Company completed the acquisition of the remaining 50% interest in Thermotite Brasil Ltda. and BS Servicios de Injeção that it did not previously own. The purchase price was US\$35.7 million, and is to be paid in two installments, with the first amount of US\$19.4 million paid upon completion of the transaction, and a second payment of US\$16.3 million to be paid in 2013. As a consequence of the adoption of CICA Handbook section 1582, "Business Combinations," the carrying value of the Company's current investment will be restated to fair value resulting in an after tax gain of approximately \$14 million, which will be recorded in the fourth quarter.

Significant Business Contract

In May 2010, the Company was awarded a contract with a value of U.S. \$93.0 million from Corus UK Limited to provide pipeline coatings for the Total E&P UK Ltd. Laggan-Tormore project. Laggan-Tormore is an offshore gas field which lies 125 km north-west of the Shetland Islands in water depths of up to 600 meters. The work, consisting of 3-layer polypropylene anticorrosion coating, internal flow efficiency coating and concrete weight coating, will be executed at the Bredero Shaw pipe coating facility in Leith, Scotland and is expected to commence during the fourth quarter of 2010.

Investment in Socotherm S.p.A.

On May 18, 2010, the Company announced that the Board of Directors of Socotherm S.p.A. (“Socotherm”) had accepted an offer from an investor group consisting of the Company and two private equity firms, 4D Global Energy Advisors of Paris, France and Sophia Capital of Buenos Aires, Argentina (the “Investor Group”) whereby the Investor Group would complete a share capital investment in Socotherm of €50 million attaining a 95% ownership interest in Socotherm. The Investor Group has also entered into an undertaking to invest a further €25 million in Socotherm, if necessary, to discharge potential liabilities that arise subsequent to the completion of Socotherm’s court supervised restructuring. The Company’s interest in the Investor Group is 40%.

On July 2, 2010, the Investor Group established a new entity, Fineglade Limited (Ireland) [“Fineglade”] to hold the proposed investment in Socotherm. Also on this date, the Investor Group capitalized Fineglade with €50 million and Fineglade transferred this amount into an escrow account, such funds to be released to Socotherm upon court approval of the share capital investment. The Company’s investment in Fineglade was €20 million (CDN\$25.7 million). The Company also entered into a shareholders' agreement with the other shareholders of Fineglade that provides the Company with significant influence over the strategic operating, investing and financing activities of Fineglade, without having joint control. Furthermore, on August 17, 2010, the Company made an incremental investment in Fineglade of €4 million (CDN\$5.6 million) as its pro rata share of a secured bridge loan provided by Fineglade to Socotherm.

On October 29, 2010, the Court of Vicenza issued a Homologation Decree that approved the share capital investment and the agreement between the Investor Group and Socotherm was subsequently completed.

Repayment of 5.11% Senior Notes (“Senior Notes”)

Under the terms of the Senior Notes, the Company is required to repay the Senior Notes in three equal installments of U.S.\$25.0 million on June 30, 2009, 2010 and 2011. On June 30, 2010, the Company made the second repayment of U.S.\$25.0 million (CDN\$26.0 million at the then current exchange rate).

3.2 Consolidated Information

Revenue

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

	Three months ended			Nine Months ended	
	September 30, 2010	June 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
Pipeline and Pipe Services	\$ 253,447	\$ 204,350	\$ 273,262	\$ 652,377	\$ 837,101
Petrochemical and Industrial	28,921	30,590	29,916	89,905	89,334
Elimination	591	(394)	(366)	(205)	(3,368)
	\$ 282,959	\$ 234,546	\$ 302,812	\$ 742,077	\$ 923,067

Third Quarter 2010 versus Second Quarter 2010

Consolidated revenue increased by \$48.5 million, or 21%, from \$234.5 million for the second quarter of 2010 to \$283.0 million for the third quarter of 2010, mainly due to an increase of approximately the same amount in the Pipeline and Pipe Services segment.

Revenue for the Pipeline and Pipe Services segment was \$49.0 million higher in the third quarter of 2010 than in the second quarter, because of higher revenue in North America, Asia Pacific and Latin America which was partially offset by lower revenue in EMAR. See section 3.3 – Segment Information for additional disclosure with respect to the change in revenue in the Pipeline and Pipe Services segment.

Third Quarter 2010 versus Third Quarter 2009

Consolidated revenue decreased by \$19.8 million, or 7%, from \$302.8 million during the third quarter of 2009 to \$283.0 million during the third quarter of 2010, mainly due to a decrease of approximately the same amount in the Pipeline and Pipe Services segment.

Revenue for the Pipeline and Pipe Services segment was \$19.9 million lower in the third quarter of 2010 than in the third quarter of 2009, mainly because of lower revenue in Latin America, which was partially offset by higher revenue in Asia Pacific. See section 3.3 – Segment Information for additional disclosure with respect to the change in revenue in the Pipeline and Pipe Services segment.

Nine Months ended September 30, 2010 versus Nine Months ended September 30, 2009

Consolidated revenue decreased by \$181.0 million, or 20%, from \$923.1 million for the nine month period ended September 30, 2009, to \$742.1 million for the nine month period ended September 30, 2010, mainly due to a decrease of approximately the same amount in the Pipeline and Pipe Services segment.

Revenue for the Pipeline and Pipe Services segment was \$184.7 million lower during the nine month period ended September 30, 2010 than in the nine month period ended September 30, 2009, because of lower revenue in North America, Latin America and EMAR of \$59.7 million, \$120.8 million and \$44.6 million, respectively, partially offset by higher revenue of \$40.5 million in Asia Pacific. See section 3.3 – Segment Information for additional disclosure with respect to the change in revenue in the Pipeline and Pipe Services 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, 2010	June 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
Operating Income	\$ 44,743	\$ 17,328	\$ 50,029	\$ 78,535	\$ 153,955
Operating Margin ^(a)	15.8%	7.4%	16.5%	10.6%	16.7%

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

Third Quarter 2010 versus Second Quarter 2010

Operating Income increased by \$27.4 million, or 158%, from \$17.3 million during the second quarter of 2010 to \$44.7 million during the third quarter of 2010 due to an increase in gross profit of \$23.0 million from higher revenue as explained above and foreign exchange gains of \$4.7 million.

Third Quarter 2010 versus Third Quarter 2009

Operating Income decreased by \$5.3 million, or 11%, from \$50.0 million for the third quarter of 2009 to \$44.7 million for the third quarter of 2010, mainly due to lower gross profit from the reduction in revenue as explained above and partially offset by foreign exchange gains of \$4.7 million.

Nine Months ended September 30, 2010 versus Nine Months ended September 30, 2009

Operating Income decreased by \$75.5 million, or 49%, from \$154.0 million for the nine month period ended September 30, 2009 to \$78.5 million for the nine month period ended September 30, 2010, mainly due to the reduction in revenue as explained above, and a decrease in the operating margin of 6.1 percentage points, which was the result of under absorption of fixed manufacturing overhead (included in cost of goods sold) and selling, general and administrative expenses associated with the 20% year over year revenue decline.

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, 2010	June 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
Interest income on short-term deposits	\$ 410	\$ 312	\$ 191	\$ 949	\$ 507
Interest expense, other	(339)	(323)	(368)	(1,106)	(1,343)
Interest expense on long-term debt	(389)	(781)	(498)	(1,895)	(3,074)
Interest expense – net	\$ (318)	\$ (792)	\$ (675)	\$ (2,052)	\$ (3,910)

Third Quarter 2010 versus Second Quarter 2010

The interest expense – net balance decreased by \$0.5 million, or 63%, from \$0.8 million during the second quarter of 2010 to \$0.3 million during the third quarter of 2010, due to the repayment of US\$25 million of long term debt at the end of June 2010, and the resulting reduction in interest on long-term debt in the amount of \$0.4 million for the current quarter.

Third Quarter 2010 versus Third Quarter 2009

The interest expense – net balance decreased by \$0.4 million, or 57%, from \$0.7 million during the third quarter of 2009 to \$0.3 million during the third quarter of 2010, mainly due to lower interest expense on long-term debt in the current period as a result of the repayment of U.S.\$25.0 million of the Senior Notes on June 30, 2010.

Nine Months ended September 30, 2010 versus Nine Months ended September 30, 2009

The interest expense – net balance decreased by \$1.8 million, or 46%, from \$3.9 million for the nine month period ended September 30, 2009 to \$2.1 million for the nine month period ended September 30, 2010, due to lower interest expense on long-term debt in the current period and higher interest income of \$0.4 million. The interest expense on long-term debt was lower in the nine month period ended September 30, 2010, because two installments of U.S.\$25.0 million of the Senior Notes were repaid on June 30, 2009 and 2010.

Income taxes

Third Quarter 2010 versus Second Quarter 2010

The Company recorded income tax expense of \$10.7 million (24.0% of income before income taxes) in the third quarter of 2010, compared to income tax expense of \$5.7 million (34.2% of income before income taxes) in the second quarter of 2010. The effective income tax rate in the third 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 third quarter 2010 was earned in Asia Pacific and other jurisdictions where the expected tax rate is 25% or less.

Third Quarter 2010 versus Third Quarter 2009

The Company recorded income tax expense of \$10.7 million (24.0% of income before income taxes) in the third quarter of 2010, compared to income tax expense of \$15.6 million (31.6% of income before income taxes) in the third quarter of 2009. The effective income tax rate in the third quarter was lower than the Company's expected effective income tax rate of 30.5%, as discussed above.

Nine Months ended September 30, 2010 versus Nine Months ended September 30, 2009

The Company recorded income tax expense of \$21.9 million (28.6% of income before income taxes) for the nine month period ended September 30, 2010, compared to income tax expense of \$50.1 million (33.4% of income before income taxes) for the nine month period ended September 30, 2009. The effective income tax rate for the nine month period ended September 30, 2010 was lower than the Company's expected effective income tax rate of 30.5%, primarily due to the fact that a significant portion of the Company's taxable income was earned in Asia Pacific and other jurisdictions where the expected tax rate is 25% or less. In the nine months ended 2009, the effective income tax rate at 33.4% was marginally higher than the Company's expected tax rate of 31.0%, primarily as a result of foreign withholding taxes on inter-corporate dividends and the impact of certain costs which are not deductible for income tax purposes.

3.3 Segment Information

3.3.1 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:

	Three months ended			Nine Months ended	
	September 30, 2010	June 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
North America	\$ 113,590	\$ 89,046	\$ 109,802	\$ 295,653	\$ 355,393
Latin America	19,730	11,028	81,289	38,753	159,550
EMAR	39,204	47,862	30,097	119,710	164,314
Asia Pacific	80,923	56,414	52,074	198,261	157,844
Total Revenue	\$ 253,447	\$ 204,350	\$ 273,262	\$ 652,377	\$ 837,101
Operating Income	\$ 43,712	\$ 24,329	\$ 53,490	\$ 88,005	\$ 169,303
Operating Margin	17.2%	11.9%	19.6%	13.5%	20.2%

Third Quarter 2010 versus Second Quarter 2010

Revenue in the third quarter of 2010 was \$253.4 million, an increase of \$49.0 million, or 24%, over the second quarter of 2010, with significant improvements in Latin America, North America and Asia Pacific offsetting softness in the EMAR region:

- In North America, revenue increased by \$24.6 million, or 28%, due to strong large diameter project volumes in Canada from the TransCanada Keystone XL and Groundbirch pipelines, combined with 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, and the rebound in Western Canada following the end of the spring break-up.
- Revenue in Latin America improved by \$8.7 million as a result of several offshore pipe coating projects executed at the Company's Coatzacoalcos concrete weight coating plant in Mexico.
- EMAR revenue declined by \$8.7 million, or 18%, as activity was reduced at the Orkanger Norway facility following the completion of the Block 31 Angola project in the second quarter. The reduction at Orkanger was partially offset by higher revenue from the launch of production of the Statoil P12 and Total Laggan projects at the Leith Scotland facility.
- In Asia Pacific, revenue increased \$24.5 million, or 43%, following the attainment of full production in Kuantan, Malaysia on the PNG LNG pipeline project coupled with higher volumes in Australia from the Epic Energy QSN3 project.

Operating Income in the third quarter of 2010 was \$43.7 million compared to \$24.3 million in the second quarter of 2010, an increase of \$19.4 million, or 80%. The increase was primarily due to the increase in revenue explained above and in particular the impact of revenue on facility utilization in Kuantan Malaysia. Operating margins improved by 5.3 percentage points as the higher revenue led to an improvement in the absorption of the fixed manufacturing overhead (included in cost of goods sold) and selling, general and administrative expenses.

Third Quarter 2010 versus Third Quarter 2009

Revenue in the third quarter of 2010 decreased by \$19.9 million, or 7%, from \$273.3 million in the third quarter of 2009. Major contributors to the revenue decline were the unfavourable impact of foreign exchange fluctuations on the translation of foreign currency operations (See section 2.2 – Foreign Exchange Impact) and the following regional factors:

- In North America, revenue increased by \$3.8 million, or 3%, as a result of stronger small diameter pipe coating and drill pipe inspection volumes in Canada, partially offset by lower large diameter pipe coating and pipeline weld inspection in the USA.
- The \$61.6 million decrease in revenue in Latin America was due to the completion in 2009 of the Trinidad North East Offshore and Tobago Pipelines project that had generated quarterly revenue in the second quarter of 2009 of U.S.\$48 million, as well as lower project activity in Mexico.
- Revenue in EMAR increased by \$9.1 million, or 30%, due to the remobilization of the Leith Scotland facility for several major concrete weight coating projects, including the Total Laggan project, as well as the start up of production of the Ras Al Zur water pipeline coating project in Saudi Arabia.
- In Asia Pacific, revenue increased by \$28.8 million, or 55%, as the Company reached full volume 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 third quarter of 2010 decreased by \$9.8 million, or 18%, from the \$53.5 million reported in the third quarter of 2009. The decrease was primarily due to the lower revenue explained above and the unfavourable effect of foreign exchange fluctuations. The operating margin declined by 2.4 percentage points as a result of the under absorption of the fixed manufacturing overhead (included in cost of goods sold) and selling, general and administrative expenses as a result of the year over year revenue decline.

Nine Months ended September 30, 2010 versus Nine Months ended September 30, 2009

Revenue in the Pipeline and Pipe Services segment for the nine months ended September 30, 2010 was \$652.4 million, a decrease of \$184.7 million, or 22%, from the comparable period of 2009. 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 North America, Latin America, and EMAR, partially offset by increased volumes in Asia Pacific.

- A decrease in revenue in North America of \$59.7 million was primarily due to reduced drilling and well completions in Canada and the U.S., which negatively impacted volumes in the first half of 2010 in several of the Company's key product markets including small diameter pipe coating, spoolable composite pipe and pipeline weld inspection services.
- A decrease in revenue in Latin America of \$120.8 million was due to the Trinidad North East Offshore and Tobago Pipelines project that had generated revenue in 2009 of U.S.\$76 million and for which production was completed in the fourth quarter of 2009, as well as lower project activity in both Brazil and Mexico.
- The decrease in EMAR revenue of \$44.6 million was mainly due to lower pipe coating volumes in Europe and the Middle East as a result of a reduction in large project activity, as well as a reduction in associated field joint coating project activity and offshore pipeline weld inspection.
- In Asia Pacific revenue has increased by \$40.5 million as a result of 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 nine months ended September 30, 2010 was \$88.0 million, a decrease of \$81.3 million, or 48%, from \$169.3 million in the comparable period of 2009, primarily due to the reduction in revenue explained above and the unfavourable effect of foreign exchange fluctuations. The reduction in operating margin of 6.7 percentage points was a result of the under absorption of fixed manufacturing overhead (included in cost of goods sold) and selling, general and administrative expenses associated with the 22% revenue decline discussed above.

3.3.2 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, 2010	June 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
North America	\$ 16,819	\$ 17,147	\$ 18,317	\$ 50,774	\$ 53,241
EMAR	11,575	13,093	11,599	37,962	35,911
Asia Pacific	527	350	–	1,169	182
Total Revenue	\$ 28,921	\$ 30,590	\$ 29,916	\$ 89,905	\$ 89,334
Operating Income	\$ 2,832	\$ 3,954	\$ 2,092	\$ 9,707	\$ 4,625
Operating Margin	9.8%	12.9%	7.1%	10.8%	5.2%

Third Quarter 2010 versus Second Quarter 2010

In the Petrochemical and Industrial segment, revenue in the third quarter of 2010 totaled \$28.9 million compared to \$30.6 million in the second quarter of 2010, a decrease of \$1.7 million, or 6%. The decrease was attributable to reduced revenue in EMAR.

Operating Income in the third quarter of 2010 was \$2.8 million compared to \$4.0 million in the second quarter of 2010, a decrease of \$1.2 million, or 30%. The decrease was primarily due to the decrease in revenue explained above with the operating margin declining by 3.1 percentage points on lower facility utilization and a change in product mix.

Third Quarter 2010 versus Third Quarter 2009

Revenue in the Petrochemical and Industrial segment in the third quarter of 2010 at \$28.9 million was down 3% from the third quarter of 2009 as improved product shipments in EMAR was 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 third quarter of 2010 was \$2.8 million compared to \$2.1 million in the third quarter of 2009, an increase of \$0.7 million, or 33%. The increase was due to improved operating performance at the segment's EMAR operations which offset softness in wire and cable project activity in Canada.

Nine Months ended September 30, 2010 versus Nine Months ended September 30, 2009

Revenue in the Petrochemical and Industrial segment for the nine months ended September 30, 2010 was \$89.9 million, basically unchanged from the comparable period of 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 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 nine months ended September 30, 2010 was \$9.7 million, an increase of \$5.1 million, or 111%, from \$4.6 million in the comparable period of 2009. The operating margin improved by 5.6 percentage points primarily due to the improvement in facility utilization from the higher product shipments noted above and the one time fixed costs incurred in 2009 related to restructuring at DSG-Canusa.

3.3.3 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, 2010	June 30, 2010	September 30, 2009	September 30, 2010	September 30, 2009
Income (loss) from operations	\$ (6,497)	\$ (8,835)	\$ (3,232)	\$ (23,173)	\$ (17,467)

Third Quarter 2010 versus Second Quarter 2010

Financial and corporate costs decreased by \$2.3 million from a loss of \$8.8 million during the second quarter of 2010 to a loss of \$6.5 million during the third quarter of 2010 mainly due to a reduction in professional fees that were incurred in the second quarter relating to corporate development activities.

Third Quarter 2010 versus Third Quarter 2009

Financial and corporate costs increased by \$3.3 million from \$3.2 million during the third quarter of 2009 to \$6.5 million during the third quarter of 2010 due to higher employee benefit costs and expenses related to the introduction of new management incentive compensation plans, coupled with provision reversals that had favorably impacted the third quarter of 2009.

Nine Months ended September 30, 2010 versus Nine Months ended September 30, 2009

Financial and corporate costs increased by \$5.7 million from \$17.5 million for the nine month period ended September 30, 2009 to \$23.2 million for the nine month period ended September 30, 2010, mainly due to increases 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 the 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, 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, the maintenance of its current dividend policies, the outlook for revenue and operating income in upcoming quarters 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; 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 the following: 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 November 3, 2010 at 10:00 am EDT to discuss the Company's third quarter 2010 financial results. Please visit our website at www.shawcor.com for further details.

For further information, please contact:

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SHAWCOR LTD.**CONSOLIDATED BALANCE SHEETS (UNAUDITED)**

(in thousands of Canadian dollars)

As at	September 30, 2010	December 31, 2009
Assets		
Current assets		
Cash and cash equivalents	\$ 171,700	\$ 249,988
Accounts receivable	237,191	191,821
Taxes receivable	7,533	14,055
Inventories	120,350	109,379
Prepaid expenses	19,254	14,392
Derivative financial instruments	1,397	1,782
Current future income taxes	4,697	4,668
	562,122	586,085
Property, plant and equipment, net	267,310	270,219
Intangible assets	59,577	62,784
Future income taxes	41,311	36,249
Derivative financial instruments	63	39
Long-term investments	33,629	24
Other assets	16,229	16,128
Goodwill	207,524	214,449
TOTAL ASSETS	\$ 1,187,765	\$ 1,185,977
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 121,898	\$ 127,932
Taxes payable	48,926	42,971
Deferred revenue	68,919	75,100
Derivative financial instruments	339	510
Current portion of long-term debt	25,818	26,235
Current obligations under capital lease	372	371
	266,272	273,119
Long-term debt	–	26,052
Obligations under capital lease	387	492
Derivative financial instruments	59	–
Future income taxes	73,785	76,552
Other non-current liabilities	26,950	19,340
TOTAL LIABILITIES	367,453	395,555
Shareholders' Equity		
Capital stock	205,513	204,151
Contributed surplus	18,728	17,277
Retained earnings	735,161	695,800
Accumulated other comprehensive loss	(139,090)	(126,806)
TOTAL SHAREHOLDERS' EQUITY	820,312	790,422
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 1,187,765	\$ 1,185,977

SHAWCOR LTD.**CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)**

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

	Three Months ended September 30,		Nine Months ended September 30,	
	2010	2009	2010	2009
Revenue	\$ 282,959	\$ 302,812	\$ 742,077	\$ 923,067
Cost of goods sold	167,141	173,350	447,348	541,338
Gross profit	115,818	129,462	294,729	381,729
Selling, general and administrative expenses	58,733	59,464	171,069	170,919
Research and development expenses	2,983	3,148	8,262	7,864
Foreign exchange (gain) losses	(4,698)	2,321	(3,996)	2,506
Amortization of property, plant and equipment	12,959	13,405	37,571	43,200
Amortization of intangible assets	1,098	1,095	3,288	3,285
Income from operations	44,743	50,029	78,535	153,955
Interest income on short term deposits	410	191	949	507
Interest expense, other	(339)	(368)	(1,106)	(1,343)
Interest expense on long-term debt	(389)	(498)	(1,895)	(3,074)
Income before income taxes	44,425	49,354	76,483	150,045
Income taxes	10,679	15,607	21,861	50,121
Net income for the period	\$ 33,746	\$ 33,747	\$ 54,622	\$ 99,924

Earnings per share

Basic	\$ 0.48	\$ 0.48	\$ 0.77	\$ 1.42
Diluted	\$ 0.47	\$ 0.48	\$ 0.77	\$ 1.42

**Weighted average number of shares outstanding
[000's]**

Basic	70,572	70,464	70,552	70,440
Diluted	71,372	71,058	71,373	70,784

SHAWCOR LTD.**CONSOLIDATED STATEMENTS OF RETAINED EARNINGS (UNAUDITED)**

(in thousands of Canadian dollars)

	Three Months ended September 30,		Nine Months ended September 30,	
	2010	2009	2010	2009
Balance, beginning of period	\$ 706,618	\$ 640,229	\$ 695,800	\$ 601,407
Net income for the period	33,746	33,747	54,622	99,924
	740,364	673,976	750,422	701,331
Dividends declared	(5,203)	(4,850)	(15,261)	(32,205)
Balance, end of period	\$ 735,161	\$ 669,126	\$ 735,161	\$ 669,126

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	Three Months ended September 30,		Nine Months ended September 30,	
	2010	2009	2010	2009
Net income for the period	\$ 33,746	\$ 33,747	\$ 54,622	\$ 99,924
Other comprehensive income (loss), net of income taxes:				
Unrealized gain (loss) on translating financial statements of self sustaining foreign operations	4,442	(15,822)	(12,455)	(41,374)
Gain on translating financial statements of self-sustaining foreign operations transferred to net income in the current period	–	–	–	678
Gain on hedges of unrealized foreign currency translation	225	3,460	610	6,948
Income tax expense	(43)	(592)	(439)	(1,189)
Unrealized foreign currency translation gain (loss), net of hedging activities	4,624	(12,954)	(12,284)	(34,937)
Unrealized loss on available for sale financial assets arising in the period	–	–	–	(336)
Unrealized gain on available-for-sale financial assets transferred to net income in the current period	–	–	–	336
Change in unrealized loss on available for sale financial assets	–	–	–	–
Other comprehensive income (loss)	4,624	(12,954)	(12,284)	(34,937)
Comprehensive income for the period	\$ 38,370	\$ 20,793	\$ 42,338	\$ 64,987

SHAWCOR LTD.**CONSOLIDATED STATEMENTS OF CASH FLOW (UNAUDITED)**

(in thousands of Canadian dollars)

	Three Months ended September 30,		Nine Months ended September 30,	
	2010	2009	2010	2009
Operating activities				
Net income for the period	\$ 33,746	\$ 33,747	\$ 54,622	\$ 99,924
Add (deduct) items not affecting cash:				
Amortization of property, plant and equipment	12,959	13,405	37,571	43,200
Amortization of intangible assets	1,098	1,095	3,288	3,285
Amortization of transaction costs	(225)	111	(426)	333
Amortization of long-term prepaid expenses	(8)	(467)	38	–
Asset retirement obligations expense	(2,306)	(427)	(1,336)	2,033
Stock-based compensation	(658)	772	1,747	2,394
Future income taxes	(6,585)	(1,977)	(7,858)	(327)
Loss (gain) on disposal of property, plant and equipment	329	1,028	(885)	1,361
Gain on short-term investments	–	(73)	–	(1,202)
Impairment of available-for-sale financial asset	–	–	–	336
Settlement of asset retirement obligations	1,649	(280)	(725)	(2,244)
Change in employee future benefits	958	1,272	1,718	3,087
Change in non-cash working capital and foreign exchange	(22,516)	12,107	(62,819)	5,631
Cash provided by operating activities	18,441	60,313	24,935	157,811
Investing activities				
Purchases of property, plant and equipment	(11,564)	(5,751)	(33,396)	(25,926)
Proceeds on disposal of property, plant and equipment	–	(61)	3,420	44
Acquisition of long-term investment	(31,339)	–	(31,339)	–
Increase (decrease) in long-term notes receivable	10	180	6	(4,068)
Cash used in investing activities	(42,893)	(5,632)	(61,309)	(29,950)
Financing activities				
Decrease in bank indebtedness	–	(689)	–	(15,418)
Increase (decrease) in capital lease	(46)	–	(104)	–
Repayment of long-term debt	–	–	(26,043)	(28,705)
Issuance of shares	258	816	1,066	1,301
Dividends paid to shareholders	(5,203)	(4,850)	(15,261)	(32,205)
Cash used in financing activities	(4,991)	(4,723)	(40,342)	(75,027)
Foreign exchange gain (loss) on foreign cash and cash equivalents				
	(606)	(4,479)	(1,572)	(8,395)
Net change in cash and cash equivalents for the period	(30,049)	45,479	(78,288)	44,439
Cash and cash equivalents, at beginning of period	201,749	77,892	249,988	78,932
Cash and cash equivalents, at end of period	\$ 171,700	\$ 123,371	\$ 171,700	\$ 123,371