November 8th, 2012

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

PRESS RELEASE

SHAWCOR LTD. ANNOUNCES THIRD QUARTER 2012 RESULTS

- Revenue in the third quarter of $395.3 million increased by 21% from the $326.9 million reported in the second quarter of 2012 and increased by 46% from the $271.5 million reported in the third quarter a year ago.
- EBITDA in the third quarter of 2012 was $84.1 million, an improvement of $49.1 million from the second quarter of 2012 and an improvement of over $72 million from the same period of the prior year.
- The EBITDA margin on a consolidated basis reached 21.3% as a result of favourable revenue mix and the benefits of significantly higher facility utilization from the growth in revenue in the Company's Latin America and Asia Pacific operations.
- Net income (attributable to shareholders of the Company) in the third quarter was $53.4 million (or $0.75 per share diluted) compared with net income of $21.4 million, (or $0.30 per share diluted) in the second quarter of 2012 and a net loss of $3.1 million in the third quarter of the prior year.

Mr. Bill Buckley, President and CEO of ShawCor Ltd. remarked "Strong revenue growth coupled with excellent execution enabled the Company to achieve a significant increase in earnings this quarter. The ramp-up in production on the major contracts in the Asia Pacific region of Bredero Shaw has progressed very well. It should be noted that all regions of Bredero Shaw, as well as Flexpipe and ShawFlex, achieved significant year over year improvement in profitability. The Company's backlog remains strong and new project bidding activity is very robust."

Mr. Buckley added "Consistent with ShawCor's growth agenda, our Guardian OCTG pipe inspection and refurbishment business expanded into the Eagle Ford shale region of Texas during the quarter. In addition, subsequent to the quarter end, we announced that we had acquired the remaining shares of Fineglade and as a result we are pleased to welcome Socotherm, a leading pipe coating company with unique locations and technologies, as the eighth division of ShawCor."

Selected Financial Highlights

(in thousands of Canadian dollars, except per share amounts and percentages)	Three Months ended September 30,			Nine Months ended September 30,		
		2012	2011		**2012**	2011
Revenue	$	**395,275**	271,478	$	**1,034,465**	$ 815,485
Gross profit		**164,009**	91,504		**396,146**	291,204
Gross profit %		**41.5%**	33.7%		**38.3%**	35.7%
EBITDA(a)		**84,120**	12,548		**161,712**	89,686
Income (Loss) from operations		**67,277**	(60)		**120,927**	52,695
Net income (loss) for the period(b)	$	**53,438**	(3,144)	$	**98,116**	$ 33,044
Earnings per share:						
Basic	$	**0.76**	(0.04)	$	**1.39**	$ 0.47
Fully diluted	$	**0.75**	(0.04)	$	**1.38**	$ 0.46

(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, impairment of assets, investment losses and gains and accounting gain on acquisition. 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.

(b) Attributable to shareholders of the Company

1.0 KEY DEVELOPMENTS

Strategic Review

On September 5, 2012, Ms. Virginia Shaw, the Chair of the ShawCor Board of Directors and the controlling shareholder of the Company (indirectly through a holding company), advised the Board of Directors that she is prepared to consider a possible sale of her shares of ShawCor as part of a sale of the company.

The Board has struck a committee of independent directors to conduct a strategic review of alternatives, including canvassing potentially interested third parties to determine if an appropriate transaction is available that would be acceptable to Ms. Shaw and would be in the best interests of ShawCor and its shareholders. The independent committee has engaged Credit Suisse Canada as financial advisors and the strategic review is currently in progress.

There can be no assurance that a sale or any other transaction will occur. There is no defined timeline for the completion of the strategic review. In addition, the Company does not intend to comment further regarding the strategic review until such time, if any, as the Company enters into a definitive agreement in respect of a particular transaction or otherwise determines that disclosure is appropriate or required.

Acquisition of Fineglade

On October 24, 2012, ShawCor Ltd., through one of its subsidiaries, acquired the remaining 60% of Fineglade Limited. Fineglade Limited, which currently holds approximately 96% of the outstanding shares of Socotherm S.p.A, was previously owned 40% by ShawCor Ltd. and 60% by an entity controlled by Sophia Capital.

The purchase price to acquire Sophia Capital's interest in Fineglade was approximately C$135 million and was satisfied by a cash payment of approximately C$77 million and the set-off of a pre-existing loan from ShawCor to Sophia Capital in the amount of approximately C$58 million.

Socotherm S.p.A., headquartered in Italy, is an international pipe coating contractor primarily serving the oil and gas industry from active operations in Brazil, Argentina, Venezuela, the Gulf of Mexico and Italy.

1.1 OUTLOOK

The outlook for market activity in the Company's Pipeline segment by region and in the Petrochemical and Industrial segment is outlined below:

Pipeline Segment - North America

The Company expects that revenues from the pipeline segment businesses in North America in the fourth quarter of 2012 will be consistent with the third quarter. The Company expects that increasing market share gains in spoolable composite pipe and at ShawCor's Guardian OCTG pipe inspection and refurbishment business, where the previously announced expansion into the Eagleford region of Texas is underway, should offset any weakness in well drilling and completions. Furthermore, the Company is expecting to see an increase in large diameter pipe coating projects in Canada based on bidding activity and a recently awarded project with a value in excess of $30 million. In the fourth quarter, this pick up in large diameter pipe coating activity will largely offset the reduction in offshore activity following the completion of the Jack St. Malo and Cardon IV projects.

Pipeline Segment - Latin America

The Company's Latin America region delivered the expected growth in revenue in the third quarter from the launch of full production at the Company's mobile concrete coating site in Trinidad for the $90 million Technip project as well as the $40 million Linea 5 project at the Company's concrete coating facility in Mexico. Production on these orders will continue in the fourth quarter and into 2013 and will be complemented by higher production levels at ShawCor's pipe coating facility in Belo Horizonte, Brazil.

Pipeline Segment - EMAR

The Company's Europe, Middle East, Africa, Russia ("EMAR") region has experienced strong project revenues from the pipe coating facilities in Orkanger, Norway and Ras Al Khaimah, UAE and this is expected to continue in the fourth quarter at a modestly reduced level due to the completion of the $45 million Barzan project.

Pipeline Segment - Asia Pacific

The Company's Asia Pacific region commenced full production of the Pearl Energy and Wheatstone gas supply trunk line pipeline projects in the third quarter and is on schedule to commence production on the Ichthys gas export pipeline in the fourth quarter. With the successful ramp up in production volumes, the Company's Asia Pacific facilities reached record revenue and operating income levels in the third quarter. With the addition of the Ichthys project volumes in the fourth quarter, further gains in revenue and operating income are expected.

Petrochemical and Industrial Segment

ShawCor's Petrochemical and Industrial segment businesses are significantly exposed to demand in the North American and European automotive and industrial markets. As a result, the onset of recession in Europe and any deceleration of economic activity in North America will negatively impact segment revenue and profit. Although order backlogs continue to be at high levels, the prospect for a weakening trend has increased and the Company will be focused on seeking to capture market opportunities in areas less sensitive to the performance of the developed economies, such as growth in Asia at the DSG-Canusa China facility and the demand for highly engineered wire and cable systems related to continued oil sands development.

Order Backlog

The Company's order backlog consists of firm customer orders only and represents the revenue the Company expects to realize on booked orders over the succeeding twelve months. The Company reports the twelve month billable backlog because it provides a leading indicator of significant changes in consolidated revenue. The order backlog at September 30, 2012 was $722 million, down 3.6% from the record level of $749 million at June 30, 2012, but up 93.0% from the $374 million level reported one year ago. The small decline in the reported backlog over the quarter is due to the appreciation of the Canadian dollar as the backlog in US dollars has continued to grow from the level at the start of the third quarter. Including the value of booked projects that are expected to be executed beyond the next twelve months, the Company's order book at September 30, 2012 is approximately one billion dollars. This order backlog and longer term order book supports our outlook for continued strong performance in the quarters ahead.

2.0 CONSOLIDATED INFORMATION AND RESULTS FROM OPERATIONS

2.1 Revenue

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

(in thousands of Canadian dollars)	Three Months ended			Nine Months ended	
	September 30, 2012	June 30, 2012	September 30, 2011	**September 30, 2012**	September 30, 2011
Pipeline and Pipe Services	**$ 359,591**	$ 287,931	$ 240,360	**$ 922,419**	$ 715,292
Petrochemical and Industrial	**36,374**	39,528	32,468	**113,655**	101,543
Elimination	**(690)**	(536)	(1,350)	**(1,609)**	(1,350)
	$ 395,275	$ 326,923	$ 271,478	**$ 1,034,465**	$ 815,485

Third Quarter 2012 versus Third Quarter 2011

Consolidated revenue increased 46%, or $123.8 million, from $271.5 million during the third quarter of 2011 to $395.3 million during the third quarter of 2012, due to increases of $119.2 million, or 50%, in the Pipeline and Pipe Services segment and $3.9 million, or 12%, in the Petrochemical and Industrial segment.

Revenue for the Pipeline and Pipe Services segment was significantly higher in the third quarter of 2012 than in the third quarter of 2011, because of increased activity in all regions, particularly in Latin America and Asia Pacific. See section 3.1 – *Pipeline and Pipe Services segment* for additional disclosure with respect to the change in revenue in the Pipeline and Pipe Services segment.

Revenue for the Petrochemical and Industrial segment was higher in the third quarter of 2012 than in the third quarter of 2011, mainly because of an increase of 27% in North American revenues, partially offset by decreased activity in EMAR. See section 3.2 – *Petrochemical and Industrial segment* for additional disclosure with respect to the change in revenue in the Petrochemical and Industrial segment.

Third Quarter 2012 versus Second Quarter 2012

Consolidated revenue increased by $68.4 million, or 21%, from $326.9 million during the second quarter of 2012 to $395.3 million during the third quarter of 2012, due to an increase of $71.7 million, or 25%, in the Pipeline and Pipe Services segment, partially offset by a decrease of $3.2 million, or 8%, in the Petrochemical and Industrial segment.

Revenue for the Pipeline and Pipe Services segment in the third quarter of 2012 was $359.6 million, or $71.7 million higher than in the second quarter of 2012, primarily due to increased activity in Latin America, Asia Pacific and North America, partially offset by lower revenue in EMAR. See section 3.1 – *Pipeline and Pipe Services segment* for additional disclosure with respect to the change in revenue in the Pipeline and Pipe Services segment.

Revenue for the Petrochemical and Industrial segment decreased by $3.2 million during the third quarter of 2012 compared to the second quarter of 2012, primarily due to lower activity levels in North America and EMAR. See section 3.2 – *Petrochemical and Industrial segment* for additional disclosure with respect to the change in revenue in the Petrochemical and Industrial segment.

Nine Months ended September 30, 2012 versus Nine Months ended September 30, 2011

Consolidated revenue increased by $219.0 million, or 27%, from $815.5 million for the nine month period ended September 30, 2011 to $1,034.5 million for the nine month period ended September 30, 2012, due to an increase of $ 207.1 million, or 29 %, in the Pipeline and Pipe Services segment and $12.1 million, or 12%, in the Petrochemical and Industrial segment.

Revenue for the Pipeline and Pipe Services segment in 2012 was $922.4 million, or $207.1 million higher than in 2011, due to higher revenue in all regions, in particular North America and Latin America. See section 3.1 – *Pipeline and Pipe Services segment* for additional disclosure with respect to the change in revenue in the Pipeline and Pipe Services segment.

Revenue for the Petrochemical and Industrial segment increased by $12.1 million in 2012 compared to 2011, primarily due to higher activity levels in North America and Asia Pacific, partially offset by lower revenue in EMAR. See section 3.2 – *Petrochemical and Industrial segment* for additional disclosure with respect to the change in revenue in the Petrochemical and Industrial segment.

2.2 Income from Operations

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

(in thousands of Canadian dollars)	Three Months ended			Nine Months ended	
	September 30, 2012	June 30, 2012	September 30, 2011	**September 30, 2012**	September 30, 2011
Operating Income	**$ 67,277**	$ 22,795	$ (60)	**$ 120,927**	$ 52,695
Operating Margin[(a)]	**17.0%**	7.0%	0.0%	**11.7%**	6.5%

(a) Operating Margin is defined as Operating Income divided by revenue.

Third Quarter 2012 versus Third Quarter 2011

Operating Income increased by $67.4 million, from an operating loss of $0.1 million during the third quarter of 2011 to operating income of $67.3 million during the third quarter of 2012. Gross profit increased by $72.5 million, primarily due to higher revenue and a higher gross margin percentage and a foreign exchange gain of $0.5 million recorded in the third quarter of 2012 compared to a foreign exchange loss of $6.5 million in the third quarter of 2011, partially offset by an increase in selling, general and administration expenses (“SG&A”) of $7.2 million and an impairment loss on property, plant and equipment of $3.9 million.

Higher revenue of $123.8 million, as explained above, combined with a 7.8 percentage point increase in gross margin, generated the increased gross profit, with the gross margin percentage improvement driven by favourable product and project mix and better facility utilization and absorption of overheads.

SG&A expenses increased by $7.2 million compared with the third quarter of 2011 primarily due to a $5.3 million increase in salaries and other personnel related costs, and a $11.9 million increase in short and long term management incentive compensation accruals. These cost increases were partially offset by the fact that the third quarter of 2011 SG&A had included a provision for bad debts of $9.6 million.

A $3.9 million impairment charge was recorded in the third quarter of 2012 to provide for the costs to dismantle plant and machinery at the Kembla Grange, Australia facility in anticipation of the sale of that facility's land and building that is expected to be completed in the next few months.

Third Quarter 2012 versus Second Quarter 2012

Operating Income increased by $44.5 million from the second quarter of 2012 to $67.3 million during the third quarter of 2012. Gross profit increased by $50.4 million, primarily due to higher revenue, and a higher gross margin percentage and a foreign exchange gain of $0.5 million recorded in the third quarter of 2012 compared to a foreign exchange loss of $0.4 million in the second quarter of 2012, partially offset by an increase in SG&A expenses of $2.5 million and an impairment loss on property plant and equipment of $3.9 million.

Higher revenue of $68.4 million, as explained above, combined with a 6.7 percentage point increase in gross margin, generated the increased gross profit, with the gross margin percentage improvement driven by favourable product and project mix and better facility utilization and absorption of overheads.

SG&A expenses increased by $2.5 million compared with the second quarter of 2012 due to a $4.3 million increase in short and long term management incentive compensation accruals partially offset by reduced building rental costs and various other provisions. In addition, a $3.9 million impairment charge was recorded in the third quarter 2012 as noted above.

Nine Months ended September 30, 2012 versus Nine Months ended September 30, 2011

Operating Income increased by $68.2 million during the nine month period ended September 30, 2011 to $120.9 million, with gross profit increasing by $104.9 million on higher revenues and a higher gross margin percentage, partially offset by an increase in SG&A expenses of $32.1 million and an impairment loss on property plant and equipment of $3.9 million.

The increase in gross profit resulted from higher revenue of $219.0 million, as explained above, and an increase in gross margin of 2.6 percentage points due to favourable product and project mix and better facility utilization and absorption of overheads.

SG&A expenses increased by $32.1 million in 2012 compared with 2011 primarily due to a $12.3 million increase in salaries and other personnel related costs, a $20.4 increase in short and long term management incentive compensation accruals, an increase in pension accruals of $3.0 million, higher building and land rental expenses of $3.5 million and restructuring charges for personnel reductions at the Leith, Scotland and Kembla Grange, Australia facilities totaling $1.9 million. These cost increases were partially offset by the fact that the 2011 SG&A had included a provision for bad debts of $9.6 million.

A $3.9 million impairment charge was recorded in the third quarter of 2012 to provide for the costs to dismantle plant and machinery at the Kembla Grange, Australia facility in anticipation of the sale of that facility's land and building that is expected to be completed in the next few months.

2.3 Finance Costs, net

The following table sets forth the components of finance costs, net for the following periods:

(in thousands of Canadian dollars)	Three Months ended			Nine Months ended	
	September 30, 2012	June 30, 2012	September 30, 2011	**September 30, 2012**	September 30, 2011
Interest income in short-term deposits	**$ (940)**	$ (1,001)	$ (229)	**$ (2,033)**	$ (731)
Interest expense, other	**781**	397	1,384	**1,683**	3,417
Interest expense on long-term debt	–	–	(15)	–	667
Finance (income) cost, net	**$ (159)**	$ (604)	$ 1,140	**$ (350)**	$ 3,353

Third Quarter 2012 versus Third Quarter 2011

In the third quarter of 2012, net finance income was $0.2 million, compared to a net finance cost of $1.1 million during the third quarter of 2011, as a result of lower accretion expense on certain non-current liabilities and higher interest income on short-term deposits.

Third Quarter 2012 versus Second Quarter 2012

In the third quarter of 2012, net finance income was $0.2 million, compared to a net finance income of $0.6 million during the second quarter of 2012, as a result of higher accretion expense on certain non-current liabilities.

Nine Months ended September 30, 2012 versus Nine Months ended September 30, 2011

In the nine months ended September 30, 2012, net finance income was $0.4 million, compared to a net finance cost of $3.4 million during the comparable period of 2011, as a result of lower accretion expense on certain non-current liabilities, no interest expense on long term debt and higher interest income on short-term deposits.

2.4 Income Taxes

Third Quarter 2012 versus Third Quarter 2011

The Company recorded an income tax expense of $14.0 million (21% of income before income taxes) in the third quarter of 2012, compared to an income tax recovery of $1.2 million (27% of loss before income taxes) in the third quarter of 2011. The effective tax rate in the third quarter of 2012 was lower than the Company's expected effective income tax rate of 27%, due to the significant portion of the Company's taxable income that was earned in the Trinidad Free Zone, Asia Pacific, the Middle East and other jurisdictions where the expected tax rate is 25% or less.

Third Quarter 2012 versus Second Quarter 2012

The Company recorded an income tax expense of $14.0 million (21% of income before income taxes) in the third quarter of 2012, compared to an income tax expense of $4.3 million (17% of income before income taxes) in the second quarter of 2012. The effective income tax rate in the second quarter of 2012 was lower than in the third quarter of 2012 due to the reversal of tax reserves resulting from the favourable settlement of certain items in dispute with tax authorities.

Nine Months ended September 30, 2012 versus Nine Months ended September 30, 2011

The Company recorded an income tax expense of $25.9 million (21% of income before income taxes) during the nine-month period ended September 30, 2012, compared to an income tax expense of $8.2 million (20% of income before income taxes) during the nine-month period ended September 30, 2011. The effective income tax rate for the nine months ending September 30, 2012 is much lower than the expected income tax rate of 27% for the reasons discussed above.

2.5 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 September 30,		**Nine Months ended September 30,**	
	2012	2011	**2012**	2011
U.S. dollar	**1.0038**	0.9854	**1.0058**	0.9833
Euro	**1.2584**	1.3925	**1.2904**	1.3757
British Pounds	**1.5856**	1.5818	**1.5846**	1.5800

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 Canadian dollars)		Q3-2012 Versus Q2-2012		Q3-2012 versus Q3-2011		Q3-2012 YTD versus Q3-2011 YTD
Revenue	**$**	**(2,278)**	$	1,028	$	6,217
Income from operations		**(513)**		1,240		3,109
Net income		**(335)**	$	1,137	$	3,386

In addition to the translation impact noted above, the Company recorded a foreign exchange gain of $0.5 million in the third quarter of 2012, compared to a loss of $6.5 million for the comparable period in the prior year, as a result of the impact of changes in foreign exchange rates on monetary assets and liabilities and short term foreign currency intercompany loans within the group, net of hedging activities. The Company recorded a foreign exchange loss of $0.7 million for the nine months ended September 30, 2012 compared to a loss of $0.8 million in the comparable period in 2011.

2.6 Net Income

Third Quarter 2012 versus Third Quarter 2011

Net income increased by $56.6 million, from a net loss of $3.1 million during the quarter ended September 30, 2011 to $53.4 million during the quarter ended September 30, 2012, mainly due to higher revenue and gross profit margins as explained above, a small gain on investment in associate and finance income of $0.2 million during the third quarter of 2012, compared to a loss on investment in associate of $3. 1 million and finance costs of $1.2 million during the third quarter of 2011, partially offset by higher income taxes of $15.2 million.

Third Quarter 2012 versus Second Quarter 2012

Net income increased by $32.0 million, from $21.4 million during the quarter ended June 30, 2012 to $53.4 million during the quarter ended September 30, 2012, mainly due to higher revenue and gross profit margins as explained above and a foreign exchange gain of $0.5 million during the third quarter of 2012, compared to a loss of $0.4 million during the second quarter of 2012, partially offset by a lower gain on investment in associate of $1.4 million and lower finance income of $0.4 million.

Nine Months ended September 30, 2012 versus Nine Months ended September 30, 2011

Net income increased by $65.1 million from $33.0 million during the nine months ended September 30, 2011 to $98.1 million during the nine months ended September 30, 2012, mainly due to higher revenue and gross profit margins as explained above, a gain on investment in associate of $2.7 million and finance income of $0.4 million during 2012, compared to a loss on investment in associate of $8.2 million and finance costs of $3.4 million during 2011, partially offset by higher income taxes of $17.7 million.

3.0 SEGMENT INFORMATION

3.1 Pipeline and Pipe Services segment

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

(in thousands of Canadian dollars)	Three Months ended			Nine Months ended	
	September 30, 2012	June 30, 2012	September 30, 2011	**September 30, 2012**	September 30, 2011
North America	**$ 162,633**	$ 146,054	$ 145,852	**$ 463,001**	$ 386,445
Latin America	**58,391**	21,990	9,635	**95,314**	20,051
EMAR	**54,489**	68,661	49,378	**181,580**	160,950
Asia Pacific	**84,078**	51,226	35,495	**182,524**	147,846
Total Revenue	**$ 359,591**	$ 287,931	$ 240,360	**$ 922,419**	$ 715,292
Operating Income	**$ 74,192**	$ 26,309	$ 9,183	**$ 138,047**	$ 62,278
Operating Margin	**20.6%**	9.1%	3.8%	**15.0%**	8.7%

Third Quarter 2012 versus Third Quarter 2011

Revenue in the third quarter of 2012 was $359.6 million, an increase of $119.2 million, or 50%, over the third quarter of 2011. This was driven by revenue increases in all regions with significant volume improvements in Asia Pacific and Latin America:

- In North America, revenue increased by $16.8 million, or 12%, as a result of strong growth in flexible composite pipe volumes, significantly increased activity from the Cardon IV, Enbridge Line 6B and Jack St. Malo projects, and increased market share in tubular management services in the US. These increases were partially offset by lower large diameter activity in Canada.

- Revenue in Latin America increased by $48.8 million as a result of the increased production on the Technip project in Trinidad, plus increased activity on the Linea 5 project in Mexico.

- EMAR revenue increased by $5.1 million, or 10%, due to increased volume from the Barzan project at Ras Al Khaimah, UAE ("RAK") and increased project activity in Orkanger, Norway and Russia, partially offset by lower volumes at Leith, Scotland.

- In Asia Pacific, revenue increased $48.6 million, or 137%, from the third quarter of 2011, mainly due to an increase in large project volumes with the Pearl Energy Ruby and Wheatstone projects reaching full production. This was partially offset by the closure of the Kembla Grange, Australia facility in early 2012.

Operating Income in the third quarter of 2012 was $74.2 million compared to $9.2 million in the third quarter of 2011, an increase of $65.0 million, or 708%, primarily due to the increase in revenue as explained above and an increase in the gross margin by 8.4 percentage points due to significantly better facilities utilization and the absorption of overheads in all regions. The increase in gross profit was partially offset by higher SG&A expenses in 2012, as explained in section 2.2 above. Finally, third quarter 2011 results had included a $9.6 million provision for bad debts.

Third Quarter 2012 versus Second Quarter 2012

Revenue was $359.6 million in the third quarter of 2012, an increase of $71.7 million, or 25%, from $287.9 million in the second quarter of 2012. Revenues in Asia Pacific, Latin America and North America were significantly higher in the third quarter of 2012 compared to the second quarter of 2011, partially offset by a decrease in EMAR revenue:

- Revenue in North America increased by $16.6 million, or 11%, due to strong sales of flexible composite pipe, particularly in Canada, after the weather impacted second quarter, and increased large diameter pipe coating volumes at the Canadian facilities.

- In Latin America, revenue was higher by $36.4 million, or 166%, due to full production volumes from the Technip project in Trinidad and Linea 5 project in Mexico.

- EMAR revenue decreased by $14.2 million, or 21%, primarily due to decreased volumes from the Barzan project in RAK and the Skuld and Tordis projects in Orkanger, Norway, partially offset by higher activity in Russia at the Arkangelsk joint venture facility.

- Revenue in Asia Pacific increased by $32.9 million, or 64%, mainly due to an increase in large project volumes with the Pearl Energy Ruby and Wheatstone projects reaching full production.

Operating Income in the third quarter of 2012 was $74.2 million compared to $26.3 million in the second quarter of 2012, an increase of $47.9 million, or 182%, with the operating margin increasing by 11.5 percentage points to 20.6%. The increase in operating income is primarily due to an 8.0 percentage point increase in gross profit margin due to a favourable change in project mix and significantly better facilities utilization and absorption of overheads on higher revenues, as explained above.

Nine Months ended September 30, 2012 versus Nine Months ended September 30, 2011

Revenue in the Pipeline and Pipe Services segment for the nine month period ended September 30, 2012 was $922.4 million, an increase of $207.1 million, or 29%, from $715.3 million in the comparable period in the prior year. Activity level in all regions was significantly higher in 2012 compared to 2011:

- Revenue in North America increased by $76.6 million, or 20%, due to increased sales of small diameter pipe coating, flexible composite pipe, tubular management services, the CSI acquisition, and increased large project activity particularly with the execution of the Jack St. Malo and Cardon IV projects at mobile plants in Beaumont Texas.

- In Latin America, revenue was higher by $75.3 million, or 375%, due to higher activity levels on the P55 Risers project in Brazil, the Technip project in Trinidad and the Linea 5 project at the Veracruz and Monterrey facilities in Mexico.

- EMAR revenue increased by $20.6 million, or 13%, primarily due to increased activity levels on the Barzan project in RAK and higher flow assurance pipe coating volumes in Orkanger, Norway, partially offset by the reduction in volumes at the Leith, Scotland facility where the Total Laggan project had been executed in 2011.

- Revenue in Asia Pacific increased by $34.7 million, or 24%, in 2012, mainly due to increased production levels on large offshore concrete weight coating projects such as M9 Zawtika, Pearl Energy Ruby and Wheatstone. This was partially offset by closure of the Kremla Grange, Australia facility in early 2012.

Operating Income for the nine month period ended September 30, 2012 was $138.1 million compared to $62.3 million for the nine month period ended September 30, 2011, an increase of $75.8 million, or 122%, with the operating margin increasing by 6.3 percentage points to 15.0%. The increase in operating income is primarily due to a 2.6 percentage point increase in gross profit margin due to a favourable change in project mix and better utilization of facilities and absorption of overheads on higher revenues, as explained above, partially offset by higher SG&A expenses as explained in section 2.2.

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 Canadian dollars)	Three Months ended			Nine Months ended	
	September 30, 2012	June 30, 2012	September 30, 2011	**September 30, 2012**	September 30, 2011
North America	**$ 23,827**	$ 25,313	$ 18,823	**$ 71,733**	$ 57,295
EMAR	**11,468**	13,220	13,020	**39,062**	41,857
Asia Pacific	**$ 1,079**	$ 995	$ 625	**$ 2,860**	$ 2,391
Total Revenue	**36,374**	39,528	32,468	**113,655**	101,543
Operating Income	**$ 4,911**	$ 5,424	3,544	**$ 15,375**	$ 11,540
Operating Margin	**13.5%**	13.7%	10.9%	**13.5%**	11.4%

Third Quarter 2012 versus Third Quarter 2011

Revenue increased in the third quarter by $3.9 million, or 12 %, to $36.4 million, compared to the third quarter of 2011 due to increased heat shrinkable product shipments in North America and higher shipments of wire and cable products to the oil sands markets and North American electrical utilities, partially offset by softness in EMAR due to reduced automotive shipments.

Operating Income of $4.9 million in the third quarter of 2012 increased by $1.4 million, or 38%, compared to $3.5 million in the third quarter of 2011. The increase was primarily due to the higher revenue as explained above and a 2.6 percentage point increase in operating margin due to favourable product mix on wire and cable products.

Third Quarter 2012 versus Second Quarter 2012

In the third quarter of 2012, revenue totaled $36.4 million compared to $39.5 million in the second quarter of 2012, a decrease of $3.1 million, or 8%. The decrease was driven by slightly lower shipments of wire and cable products to North American electrical utilities and lower revenues in the EMAR automotive market.

Operating Income in the third quarter of 2012 was $4.9 million compared to $5.4 million in the second quarter of 2012, primarily due to the lower revenue as explained above.

Nine Months ended September 30, 2012 versus Nine Months ended September 30, 2011

Revenue increased in the nine months ended September 30, 2012 by $12.1 million, or 12%, to $113.7 million, compared to the comparable period in 2011 due to increased shipments of wire and cable products to the oil sands and electrical utilities markets and increased heat shrinkable product shipments in North America. This was partially offset by lower volumes in EMAR due to reduced automotive shipments.

Operating Income for the nine months ended September 30, 2012 was $15.4 million compared to $11.5 million for the nine months ended September 30, 2011, an increase of $3.8 million, or 33%. The increase was primarily due to higher revenue, as explained above, and a 2.1 percentage point increase in operating margin due to improved overhead absorption from better facility utilization favourable product mix on wire and cable products.

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 IFRS.

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 Canadian dollars)	Three Months ended			Nine Months ended	
	September 30, 2012	June 30, 2012	September 30, 2011	**September 30, 2012**	September 30, 2011
Loss from operations	**$ (12,354)**	$ (8,539)	$ (6,277)	**$ (31,779)**	$ (20,328)

Third Quarter 2012 versus Third Quarter 2011

Financial and corporate costs increased by $6.1 million from $6.3 million during the third quarter of 2011, to $12.4 million during the third quarter of 2012, primarily as a result of an increase in the recorded expense for short and long term management incentive compensation of $6.9 million.

Third Quarter 2012 versus Second Quarter 2012

Financial and corporate costs increased by $3.9 million from the second quarter of 2012 to $12.4 million in the third quarter of 2012, primarily due to an increase in the recorded expense for short and long term management incentive compensation of $2.0 million, changes in various provisions of $1.2 million, and the reclassification of decommissioning obligation costs to the Pipeline and Pipe Services segment in the second quarter of 2012, which were previously recorded in the Financial and Corporate segment.

Nine Months ended September 30, 2012 versus Nine Months ended September 30, 2011

Financial and corporate costs increased by $11.5 million from the nine month period ended September 30, 2011 to $31.8 million for the nine month period ended September 30, 2012, primarily due to an increase in the recorded expense for short and long term management incentive compensation of $9.1 million, and higher personnel related expenses in 2012 as compared to 2011 of $1.8 million.

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 the Outlook section and elsewhere in respect of, among other things, the timing of major project activity, the completion of the sale of the Kembla Grange facility, the impact of the existing order backlog and other factors on the Company's revenue and operating income, the impact of global economic activity on the demand for the Company's products, the impact of changing energy demand, supply and prices, the impact and likelihood 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 and in respect of litigation matters generally, the level of payments under the Company's performance bonds, 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 or regional 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; shortages of or significant increases in the prices of raw materials used by the Company; 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 under the heading "Risks and Uncertainties" in the Company's annual MD&A.

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 those in respect of continued global economic recovery, increased investment in global energy infrastructure, the Company's ability to execute projects under contract, the continued supply of and stable pricing for commodities used by the Company, the availability of personnel resources sufficient for the Company to operate its businesses and the maintenance of operations in major oil and gas producing regions. 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. The Company 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.

ShawCor will be hosting a Shareholder and Analyst Conference Call and Webcast on Friday, November 9th, 2012, at 10:00 AM EDT, which will discuss the Company's third quarter financial results.

Additional information relating to the Company, including its Annual Information Form, is available on SEDAR at www.sedar.com.
Please visit our website at www.shawcor.com for further details.

For further information, please contact:

Gary S. Love
Vice President, Finance and CFO
Telephone: 416.744.5818
E-mail: glove@shawcor.com
Website: www.shawcor.com

ShawCor Ltd.
Consolidated Balance Sheets
(Unaudited)

(in thousands of Canadian dollars)	**September 30, 2012**	December 31,2011
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 133,613**	$ 56,731
Short-term investments	**211,887**	10,545
Loan receivable	**61,416**	2,047
Accounts receivable	**414,823**	279,324
Income taxes receivable	**8,289**	15,981
Inventories	**187,675**	146,786
Prepaid expenses	**35,318**	24,454
Derivative financial instruments	**4,232**	270
	1,057,253	536,138
Non-current Assets		
Loan receivable	**12,273**	12,622
Property, plant and equipment	**301,320**	299,118
Intangible assets	**78,659**	86,362
Investment in associate	**32,246**	30,095
Deferred income taxes	**27,495**	30,058
Other assets	**10,220**	12,022
Goodwill	**215,373**	220,334
	677,586	690,611
	$ 1,734,839	$ 1,226,749
LIABILITIES AND EQUITY		
Current Liabilities		
Bank indebtedness	**$ 54**	$ 12,281
Loan payable	**6,603**	5,001
Accounts payable and accrued liabilities	**189,305**	156,064
Provisions	**26,721**	12,317
Income taxes payable	**30,938**	35,200
Derivative financial instruments	**668**	419
Deferred revenue	**321,329**	27,446
Obligations under finance lease	**69**	268
	575,687	248,996
Non-current Liabilities		
Provisions	**41,571**	50,859
Deferred revenue	**150,480**	–
Derivative financial instruments	**1,472**	2,499
Deferred income taxes	**52,066**	56,984
	245,589	110,342
	$ 821,276	$ 359,338
Commitments and contingencies		
Equity		
Share capital	**220,528**	218,381
Contributed surplus	**17,317**	16,391
Retained earnings	**726,452**	664,475
Accumulated other comprehensive loss	**(50,734)**	(31,836)
	913,563	867,411
	$ 1,734,839	$ 1,226,749

ShawCor Ltd.
Consolidated Statements of Income
(Unaudited)

(in thousands of Canadian dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	**2012**	2011
Revenue				
Sale of products	**$ 94,567**	$ 84,108	**$ 289,400**	$ 228,237
Rendering of services	**300,708**	187,370	**745,065**	587,248
	395,275	271,478	**1,034,465**	815,485
Cost of Goods Sold	**231,266**	179,974	**638,319**	524,281
Gross Profit	**$ 164,009**	$ 91,504	**$ 396,146**	$ 291,204
Selling, general and administrative expenses	**77,067**	69,829	**223,603**	191,498
Research and development expenses	**3,350**	2,617	**10,115**	9,225
Foreign exchange (gains) losses	**(528)**	6,510	**716**	795
Amortization of property, plant and equipment	**11,252**	10,766	**31,579**	31,553
Amortization of intangible assets	**1,737**	1,842	**5,352**	5,438
Impairment of property, plant, and equipment	**3,854**	-	**3,854**	-
Income (loss) from Operations	**67,277**	(60)	**120,927**	52,695
(Gain) loss on investment in associate	**(8)**	3,114	**(2,726)**	8,132
Finance (income) costs, net	**(159)**	1,140	**(350)**	3,353
Income (loss) before Income Taxes	**$ 67,444**	$ (4,314)	**$ 124,003**	$ 41,210
Income taxes (recovery)	**14,006**	(1,170)	**25,887**	8,166
Net Income (loss) for the Period	**$ 53,438**	**$** (3,144)	**$ 98,116**	**$** 33,044
Earnings (loss) per Share				
Basic	**$ 0.76**	$ (0.04)	**$ 1.39**	$ 0.47
Diluted	**$ 0.75**	$ (0.04)	**$ 1.38**	$ 0.46
Weighted Average Number of Shares Outstanding				
Basic	**70,209**	70,894	**70,477**	70,759
Diluted	**70,876**	71,520	**71,224**	71,678

ShawCor Ltd.
Consolidated Statements of Comprehensive Income
(unaudited)

(in thousands of Canadian dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	**2012**	2011
Net Income (Loss) for the Period	**$ 53,438**	$ (3,144)	**$ 98,116**	$ 33,044
Other Comprehensive (Loss) Income				
Unrealized (loss) gain on translation of foreign operations	**(12,288)**	10,655	**(18,293)**	11,615
Other comprehensive income (loss) attributable to investment in associate	**8**	–	**(605)**	–
Gain on hedge of unrealized foreign currency translation	**–**	–	**–**	603
Gain on hedges of unrealized foreign currency translation transferred to net income during the period	**–**	–	**–**	(1,833)
Income tax on other comprehensive (loss) income				
Gain on hedges of unrealized foreign currency translation	**–**	–	**–**	(103)
Gain on hedges of unrealized foreign currency translation transferred to net income during the period	**–**	–	**–**	311
Other Comprehensive (Loss) Income for the Period, net of Income Tax	**$ (12,280)**	$ 10,655	**$ (18,898)**	$ 10,593
Comprehensive Income for the Period	**$ 41,158**	$ 7,511	**$ 79,218**	$ 43,637

ShawCor Ltd.
Consolidated Statements of Shareholders' Equity
(Unaudited)

(in thousands of Canadian dollars)	Share Capital	Contributed Surplus	Retained Earnings	Accumulated Other Comprehensive Loss	Total Equity
December 31, 2011	**$ 218,381**	**$ 16,391**	**$ 664,475**	**$ (31,836)**	**$ 867,411**
Net income for the period	–	–	98,116	–	98,116
Issued on exercise of stock options	3,110	–	–	–	3,110
Compensation cost on exercised options	1,138	(1,138)	–	–	–
Compensation cost on exercised RSUs	75	(75)	–	–	–
Stock-based compensation	–	2,139	–	–	2,139
Other comprehensive income (loss)	–	–	–	(18,898)	(18,898)
Dividends paid	–	–	(19,427)	–	(19,427)
Purchase – normal course issuer bid	(2,176)	–	–	–	(2,176)
Excess of purchase price over stated value of shares	–	–	(16,712)	–	(16,712)
September 30, 2012	**$ 220,528**	**$ 17,317**	**$ 726,452**	**$ (50,734)**	**$ 913,563**
December 31, 2010	$ 206,775	$ 18,144	$ 644,191	$ (36,867)	$ 832,243
Net income for the period	–	–	33,044	–	33,044
Issued on exercise of stock options	9,323	—	–	–	9,323
Compensation cost on exercised options	3,908	(3,908)	–	–	–
Compensation cost on exercised RSUs	7	(7)	–	–	–
Stock-based compensation	–	1,760	–	–	1,760
Other comprehensive loss	–	–	–	10,593	10,593
Dividends paid	–	–	(16,372)	–	(16,372)
Purchase – normal course issuer bid	(2,221)	–	–	–	(2,221)
Excess of purchase price over stated value of shares	–	–	(13,046)	–	(13,046)
September 30, 2011	$ 217,792	$ 15,989	$ 647,817	$ (26,274)	$ 855,324

ShawCor Ltd.
Consolidated Statements of Cash Flows (unaudited)
(Unaudited)

(in thousands of Canadian dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	**2012**	2011
Operating Activities				
Net income (loss) for the period	**$ 53,438**	$ (3,144)	**$ 98,116**	$ 33,044
Add (deduct) items not affecting cash				
Amortization of property, plant and equipment	**11,252**	10,766	**31,579**	31,553
Amortization of intangible assets	**1,737**	1,842	**5,352**	5,438
Amortization of long-term prepaid expenses	**189**	289	**700**	754
Decommissioning obligations expense	**354**	117	**1,066**	351
Other provision (recovery) expenses	**264**	(931)	**(2,568)**	219
Stock-based compensation	**4,410**	(691)	**10,616**	2,975
Deferred income taxes	**(891)**	(3,625)	**(2,355)**	1,809
(Gain) loss on disposal of property, plant and equipment	**(94)**	15	**(388)**	198
Investment (gain) loss on long-term investment	**(8)**	3,114	**(2,726)**	8,132
Impairment of property, plant and equipment	**3,854**	–	**3,854**	–
Other	**800**	2,147	**(266)**	2,879
Settlement of decommissioning liabilities	**(790)**	(284)	**(1,331)**	(284)
Settlement of other provisions	**(72)**	1,285	**(482)**	(1,839)
(Decrease) increase in deferred revenue non-current	**(55,396)**	–	**150,480**	–
Net change in employee future benefits	**(150)**	–	**654**	–
Change in non-cash working capital and foreign exchange	**(35,993)**	(11,712)	**139,026**	(61,749)
Cash (Used in) Provided by Operating Activities	**$ (17,096)**	$ (812)	**$ 431,327**	$ 23,480
Investing Activities				
Decrease (increase) in loan receivable	**2,622**	(8,289)	**(58,958)**	(8,230)
Net purchase of short-term investments	**(56,849)**	–	**(201,342)**	–
Purchases of property, plant and equipment	**(18,895)**	(13,776)	**(46,311)**	(37,450)
Proceeds on disposal of property, plant and equipment	**671**	5	**1,312**	446
(Increase) decrease in intangible assets	**(7)**	(20)	**(52)**	(20)
Investment in associate	**–**	(1,432)	**–**	(10,517)
(Increase) decrease in other assets	**(343)**	–	**(343)**	–
Business acquisition	**(2,205)**	–	**(2,205)**	(12,839)
Cash Used in Investing Activities	**$ (75,006)**	$ (23,512)	**$ (307,899)**	$ (68,610)
Financing Activities				
Proceeds from (repayments of) bank indebtedness	**(3,035)**	(1,774)	**(12,227)**	–
Proceeds from (repayments of) loan/lease obligations	**1,116**	(66)	**1,403**	(235)
Repayments of long-term debt	**—**	–	–	(24,402)
Issuance of shares	**132**	7,530	**3,110**	9,323
Repurchase of shares		(12,312)	**(18,888)**	(15,267)
Dividend paid to shareholders	**(6,904)**	(5,595)	**(19,427)**	(16,372)
Cash Used in Financing Activities	**$ (8,691)**	$ (12,217)	**$ (46,029)**	$ (46,953)
Effect of Foreign Exchange on Cash and Cash	**$ (674)**	$ 5,862	**$ (517)**	$ 3,319
Net (Decrease) Increase in Cash and Cash Equivalents for the Period	**(101,467)**	(30,679)	**76,882**	(88,764)
Cash and Cash Equivalents - Beginning of Period	**$ 235,080**	$ 97,913	**$ 56,731**	$ 155,998
Cash and Cash Equivalents - End of Period	**$ 133,613**	$ 67,234	**$ 133,613**	$ 67,234