May 10, 2013

SHAWCOR LTD.
(TSX: SCL)

PRESS RELEASE

SHAWCOR LTD. ANNOUNCES FIRST QUARTER 2013 RESULTS

- Revenue in the first quarter reached a new quarterly record of $454.7 million, an increase of 46% from the $312.3 million reported in the first quarter of the prior year.
- EBITDA in the first quarter of 2013, before one-time charges, was $116.9 million, an improvement of $11.0 million from the fourth quarter of 2012 and an improvement of over $69.3 million from the same period of the prior year.
- The EBITDA margin before one-time charges reached 25.7% as a result of favourable revenue mix and the benefits of significantly higher facility utilization from the growth in revenue in the Company's Asia Pacific operations.
- The Company recorded one-time charges in the quarter of $12.6 million as a result of expenses related to the completion of the Company's Plan of Arrangement transaction on March 20, 2013.
- Net income (attributable to shareholders of the Company) in the first quarter was $70.6 million (or $1.01 per share diluted) compared with net income of $24.1 million (or $0.34 per share diluted) in the first quarter of the prior year.
- Subsequent to the quarter end, the Company completed the acquisition of the remaining 49% of Socotherm S.p.A's joint venture in the USA Gulf of Mexico for total consideration including assumption of bank debt of approximately $30 million.

Mr. Bill Buckley, President and CEO of ShawCor Ltd. remarked "We are pleased to announce a continuation of very strong financial results for the first quarter of 2013 with revenue and EBITDA (before one time charges) reaching record levels. This performance reflects the strength of the Company's global pipeline markets and the Company's success in launching and executing the major pipe coating projects that are under way, particularly in Asia Pacific".

Mr. Buckley added "ShawCor continued to increase its backlog which reached a new record level of $875 million at March 31, 2013. The backlog includes firm customer contracts which will be executed over the next twelve months and is indicative of the strong international business environment as well as the positive impact of the acquisition of Socotherm that was completed late in 2012. All indications continue to suggest that the Company will generate record financial performance in 2013."

Selected Financial Highlights

(in thousands of Canadian dollars, except per share amounts and percentages)	Three Months ended March 31, 2013		2012[c]
Revenue	**$ 454,681**	$	312,268
Gross profit	**201,242**		118,188
Gross profit %	**44.3%**		37.8%
EBITDA[a]	**104,275**		43,617
Income (Loss) from operations	**89,125**		30,554
Net income (loss) for the period[b]	**$ 70,595**	$	24,133
Earnings per share:			
Basic	**$ 1.02**	$	0.34
Fully diluted	**$ 1.01**	$	0.34

(a) EBITDA is a non-GAAP measure calculated by adding back to net income the sum of net finance costs, income taxes, depreciation/amortization of property, plant and equipment and intangible assets and impairment of assets. 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.

(b) Attributable to shareholders of the Company, excluding non-controlling interests.

(c) Restated due to the adoption of certain new IFRS standards that became effective as at January 1, 2013, but were implemented retrospectively to January 1, 2012.

1.0 KEY DEVELOPMENTS

Strategic Review and Reorganization

On August 30, 2012, Ms. Virginia Shaw, the Chair of the ShawCor Board of Directors and the indirect controlling shareholder (the "Controlling Shareholder") of the Company, advised the Board of Directors that she was prepared to consider a possible sale of her shares of ShawCor as part of a sale of the Company.

The Board struck a committee of independent directors (the “Special Committee”) to conduct a strategic review of alternatives, including canvassing potentially interested third parties to determine if an appropriate transaction was available that would be acceptable to Ms. Shaw and would be in the best interests of ShawCor and its shareholders.

On January 14, 2013, the Company announced that the Board of Directors of ShawCor, after careful analysis, consideration and advice from the Special Committee, and advice from independent financial and legal advisors, had unanimously approved and the Company had entered into a definitive agreement with respect to a reorganization proposal negotiated by the Special Committee with the Controlling Shareholder. The Chair and the Vice-Chair abstained from voting on the transaction.

The proposed reorganization was implemented pursuant to a court-approved Plan of Arrangement (“Arrangement”) under the Canada Business Corporations Act. The shareholders' meeting to consider the Arrangement took place on March 14, 2013 where the ShawCor shareholders overwhelmingly approved the transaction. The Arrangement obtained final approval by the Ontario Superior Court of Justice at a hearing held on March 18, 2013, and the Arrangement became effective on March 20, 2013.

Terms of the Arrangement

The reorganization eliminated ShawCor's dual class share structure through the purchase of all of the Class A subordinate voting and Class B multiple voting shares of ShawCor by a newly formed Canadian corporation. This new corporation purchased all of the Class A shares of ShawCor in exchange for new common shares on a 1:1 basis. The new corporation also acquired all of the Class B shares of ShawCor in exchange for a mix of new common shares and cash. The consideration paid for the Class B shares of ShawCor was $43.43 in cash or 1.1 new common shares per Class B share, such that 90% of the total consideration was paid in cash and 10% of the total consideration was paid in new common shares. At closing, the new corporation and ShawCor amalgamated under the name ShawCor Ltd. As a result of the completion of the Arrangement, the total number of common shares outstanding decreased by 11,356,951 shares or 16.2%. Following closing, a special dividend of $1.00 per common share of ShawCor payable pursuant to the Arrangement was paid on April 19, 2013 to shareholders of record at the close of business on April 4, 2013.

Long Term Senior Notes and Extension of Credit facilities

On March 20, 2013, the Company also completed a private placement of unsecured senior notes (“Senior Notes”) in the amount of US$350 million and increased its existing unsecured revolving credit facility by US$100 million to US$250 million, extended the facility’s term to five years and obtained a reduction in interest rates payable thereunder.

Retirement of Chair and Vice Chair

On April 15, 2013, the Company announced that Ms. Virginia L. Shaw and Mr. Leslie W. J. Hutchison, the Chair and Vice Chair, respectively, of the Company's Board of Directors, had advised that they would not stand for re-election to the Board at the Company's annual meeting of shareholders scheduled for May 16, 2013. All other current ShawCor directors will be standing for re-election.

Ms. Shaw has been a director of the Company since 1994 and its Chair since 2007. She was preceded as Chair by her father, Leslie Shaw (1987 to 2007) and her uncle, J.R. Shaw (1969 to 1987). Mr. Hutchison has been a director and Vice Chair of the Company since 2008 and from 2001 to 2008 he served as a senior executive with two of the Company's divisions.

Since ShawCor's inception as a public company in February 1969 to the end of 2012, the Company has generated an average annual total return to shareholders of 13.7%, including stock splits and reinvestment of dividends. This performance represents an enduring legacy of the Shaw family's stewardship of ShawCor.

Acquisition of Remaining 49% of Socotherm LaBarge LLC

On April 15, 2013, the Company completed the acquisition of the remaining 49% of Socotherm S.p.A’s joint venture in the USA for total consideration of approximately $30 million, including the assumption of bank debt. The venture has a strategically located facility in Channelview, Texas which provides anticorrosion and advanced insulation coatings for global offshore applications, including in the Gulf of Mexico and West African markets.

1.1 OUTLOOK

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

Pipeline and Pipe Services Segment - North America

The Company is currently benefitting from a number of initiatives to increase market share in the North America pipeline market. These initiatives include recent expansions by both the Flexpipe composite pipe and Guardian OCTG pipe inspection and refurbishment businesses to the growing shale plays of east and west Texas, as well as the April 2013 acquisition of Socotherm LaBarge with its strategic position in the Gulf of Mexico. These efforts combined with continued strong demand for large diameter pipe coating, and an increasing number of offshore projects in the Gulf of Mexico have positioned ShawCor to benefit from an expected increase in pipeline infrastructure spending to support increased North American oil and gas production.

Pipeline and Pipe Services Segment - Latin America

At March 31, 2013, ShawCor had completed over 90% of the $90 million Technip project at the mobile plant in Trinidad. As a result, the Company expects that revenue from Latin America pipe coating operations will decrease modestly from first quarter levels for the balance of 2013. During this time however, activity levels in Mexico are projected to remain strong and consistent while the 2012 acquisition of Socotherm will contribute revenue from its Argentinian facilities. These factors will continue beyond 2013 and be enhanced by the potential for growth in Brazil as delayed developments in the deepwater pre-salt basins begin to generate pipe insulation coating opportunities.

Pipeline and Pipe Services Segment - EMAR

The Company's Europe, Middle East, Africa, Russia ("EMAR") region has experienced strong project revenues from its pipe coating facility in Orkanger, Norway. This is expected to continue throughout 2013, supported by the Company's recent acquisition of Socotherm which will contribute revenue from its facilities in Europe.

Pipeline and Pipe Services Segment - Asia Pacific

Since the second quarter of 2012, the Company's Asia Pacific pipe coating facilities in Malaysia and Indonesia have been rapidly ramping up production volumes with resulting strong growth in revenue. In the first quarter of 2013, the Asia Pacific region accounted for an unprecedented 37% of ShawCor's Pipeline segment revenue. This region is expected to continue to be strong through the remainder of 2013 and into 2014, as the Inpex Ichthys export line project and the insulated flowlines for the Chevron Wheatstone, Inpex Ichthys and Apache Julimar projects are executed.

Petrochemical and Industrial Segment

ShawCor's Petrochemical and Industrial segment businesses are significantly exposed to demand in the North American and European automotive, industrial, and nuclear refurbishment markets. Although the outlook for demand in industrial markets in developed economies remains uncertain, the Company's Petrochemical and Industrial segment businesses have achieved gains in market share. This trend is expected to continue with the result that the segment should generate modest revenue growth in 2013. With the completion in the third quarter of a new facility in Germany for the segment's heat shrink tubular business, steady revenue growth combined with improved operational efficiencies is expected to generate higher operating margins and earnings for the Petrochemical and Industrial segment.

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 March 31, 2013 reached a new record level of $875 million, an increase of 3% from the level at December 31, 2012 and also up 30% from the $672 million level reported one year ago. The increase in the backlog during the first quarter was primarily due to two large contracts awarded to Socotherm with an aggregate value exceeding $70 million. These projects will be executed commencing in the second half of 2013 at Socotherm's facility in the Gulf of Mexico where ShawCor has recently completed the acquisition of a 49% interest previously held by a joint venture partner. With a record backlog at quarter end and the continued high level of bidding activity (the Company currently has outstanding bids with a value exceeding $800 million dollars), the Company is well positioned for continued strong performance.

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		
	March 31, 2013	December 31, 2012[(a)]	March 31, 2012[(a)]
Pipeline and Pipe Services	**$ 416,674**	$ 406,571	$ 274,897
Petrochemical and Industrial	**38,572**	33,414	37,753
Elimination	**(565)**	(486)	(382)
	$ 454,681	$ 439,499	$ 312,268

(a) Revenue for the three-month periods ending December 31, 2012 and March 31, 2012 has been restated due to the adoption of certain new IFRS standards that became effective as at January 1, 2013, but were implemented retrospectively to January 1, 2012.

First Quarter 2013 versus First Quarter 2012

Consolidated revenue increased 46%, or $142.4 million, from $312.3 million during the first quarter of 2012 to $454.7 million during the first quarter of 2013, due to an increase of $141.8 million, or 52%, in the Pipeline and Pipe Services segment, and an increase of $0.8 million, or 2%, in the Petrochemical and Industrial segment.

In the Pipeline and Pipe Services segment, revenue was higher in the first quarter of 2013 than in the first quarter of 2012, as a result of significantly increased activity in Asia Pacific and Latin America and the acquisition of Socotherm, 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.

In the Petrochemical and Industrial segment, revenue was slightly higher in the first quarter of 2013 than in the first quarter of 2012, mainly due to higher activity 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.

First Quarter 2013 versus Fourth Quarter 2012

Consolidated revenue increased by $15.2 million, or 3%, from $439.5 million during the fourth quarter of 2012 to $454.7 million during the first quarter of 2013, due to an increase of $10.1 million, or 2%, in the Pipeline and Pipe Services segment and an increase of $5.2 million, or 15%, in the Petrochemical and Industrial segment.

In the Pipeline and Pipe Services segment, revenue in the first quarter of 2013 was higher than in the fourth quarter of 2012, primarily due to increased activity in Asia Pacific and North America, partially offset by lower revenue in EMAR 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.

In the Petrochemical and Industrial segment, revenue increased by $5.2 million during the first quarter of 2013 compared to the fourth quarter of 2012, due to higher activity levels in all regions. See section 3.2 – *Petrochemical and Industrial segment* for additional disclosure with respect to the change in revenue in the Petrochemical and Industrial segment.

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		
	March 31, 2013	December 31, 2012[a]	March 31, 2012[a]
Operating Income[a]	**$ 89,125**	$ 92,962	$ 30,554
Operating Margin[b]	**19.6%**	21.2%	9.8%

(a) Operating Income for the three-month periods ending December 31, 2012 and March 31, 2012 has been restated due to the adoption of certain new IFRS standards that became effective as at January 1, 2013, but were implemented retrospectively to January 1, 2012.
(b) Operating Margin is defined as Operating Income divided by revenue.

First Quarter 2013 versus First Quarter 2012

Operating Income increased by $58.6 million, from $30.5 million during the first quarter of 2012 to $89.1 million during the first quarter of 2013. Gross profit increased by $83.1 million, primarily due to higher revenue and a higher gross margin percentage and a gain on asset held for sale of $0.5 million. This was partially offset by an increase in selling, general and administration (“SG&A”) expenses of $19.5 million and an increase in amortization expenses pertaining to property, plant, equipment and intangible assets of $4.6 million.

Revenue was higher by $142.4 million, as explained above, combined with a 6.4 percentage point increase in gross margin, which 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 $19.5 million, from $72.0 million in the first quarter of 2012 to $91.5 million in the first quarter of 2013, primarily due to two reasons. Firstly, these expenses increased due to one time costs of $7.6 million incurred to complete the Arrangement on March 20, 2013, and related expenses associated with amended executive retirement arrangements of $ 5.0 million. Secondly, these expenses increased due to a $1.6 million increase in salaries and other personnel related costs and a $6.2 million increase in short and long term management incentive compensation accruals.

First Quarter 2013 versus Fourth Quarter 2012

Operating Income decreased by $3.8 million from $93.0 million in the fourth quarter of 2012 to $89.1 million during the first quarter of 2013. Gross profit increased by $19.8 million, primarily due to higher revenue of $15.2 million and a higher gross margin percentage. This was more than offset by increases in SG&A expenses of $8.5 million, research and development expenses of $1.8 million, amortization of property, plant and equipment of $0.7 million and a higher net foreign exchange loss of $1.7 million. Further, a $12.1 million gain on sale of land was recorded in the fourth quarter of 2012.

Revenue was higher by $15.2 million, as explained above, combined with a 3.0 percentage point increase in gross margin, which 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 $8.5 million compared with the fourth quarter of 2012 primarily due to one time costs of $7.6 million incurred to complete the Arrangement on March 20, 2013 and related expenses associated with amended executive retirement arrangements of $5.0 million, partially offset by the $4.0 million of strategic review expenses incurred in the fourth quarter of 2012.

A $0.8 million impairment charge was recorded in the fourth quarter of 2012 to provide for costs to dismantle the plant, machinery and buildings at the Kembla Grange, Australia facility in anticipation of the sale of that facility’s land 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		
	March 31, 2013	December 31, 2012[(a)]	March 31, 2012[(a)]
Interest income on short-term deposits	**$ 470**	$ 504	$ 92
Interest expense, other	**(919)**	(116)	(390)
Interest expense on long-term debt	**(400)**	–	–
Finance (costs) income, net	**$ (849)**	$ 620	$ (298)

(a) Finance (costs) income for the three-month periods ending December 31, 2012 and March 31, 2012 has been restated due to the adoption of certain new IFRS standards that became effective as at January 1, 2013, but were implemented retrospectively to January 1, 2012.

First Quarter 2013 versus First Quarter 2012

In the first quarter of 2013, net finance cost was $0.8 million, compared to a net finance cost of $0.3 million during the first quarter of 2012, as a result of higher accretion expense on certain non-current liabilities, other interest expenses on bank loans and overdrafts, and higher interest expense on long term senior notes issued on March 20, 2013, partially offset by higher interest income on short-term deposits.

First Quarter 2013 versus Fourth Quarter 2012

In the first quarter of 2013, net finance cost was $0.8 million, compared to a net finance income of $0.6 million during the fourth quarter of 2012. The increase in net finance costs was a result of higher interest expenses on bank loans and overdrafts, a reversal of $0.5 million of accretion expense in the fourth quarter of 2012 on certain non-current liabilities, lower interest income on short term deposits, and the $0.4 million interest expense on long term senior notes that were issued on March 20, 2013.

2.4 Income Taxes

First Quarter 2013 versus First Quarter 2012

The Company recorded an income tax expense of $17.1 million (20% of income before income taxes) in the first quarter of 2013, compared to an income tax expense of $7.5 million (24% of income before income taxes) in the first quarter of 2012. The effective tax rate in the first quarter of 2013 was lower than the Company's expected effective income tax rate of 27%, due to a significant portion of the Company’s taxable income being earned in the Trinidad Free Zone, Asia Pacific, the Middle East and other jurisdictions where the tax rate is 25% or less.

First Quarter 2013 versus Fourth Quarter 2012

The Company recorded an income tax expense of $17.1 million (20% of income before income taxes) in the first quarter of 2013, compared to an income tax expense of $18.4 million (19% of income before income taxes) in the fourth quarter of 2012. The effective tax rate in the first quarter of 2013 was lower than the Company's expected effective income tax rate of 27%, due to a significant portion of the Company’s taxable income being earned in the Trinidad Free Zone, Asia Pacific, the Middle East and other jurisdictions where the tax rate is 25% or less.

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		
	March 31, 2013	December 31, 2012	March 31, 2012
U.S. dollar	**1.0105**	0.9919	1.0069
Euro	**1.3297**	1.2900	1.3194
British Pounds	**1.5710**	1.5993	1.5740

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)		**Q1-2013 Versus Q1-2012**	**Q1-2013 versus Q4-2012**
Revenue	**$**	1,932	7,208
Income from operations		782	2,258
Net income		759	1,816

In addition to the translation impact noted above, the Company recorded a foreign exchange loss of $0.8 million in the first quarter of 2013, compared to a loss of $0.9 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.

2.6 Net Income

First Quarter 2013 versus First Quarter 2012

Net income increased by $46.5 million, from $24.1 million during the first quarter of 2012 to $70.6 million during the first quarter of 2013, mainly due to the higher operating income as explained above. This was partially offset by increases in net finance costs of $0.6 million, loss on investment in joint ventures of $0.8 million and income tax expense of $9.6 million.

First Quarter 2013 versus Fourth Quarter 2012

Net income decreased by $9.7 million, from $80.3 million during the fourth quarter of 2012 to $70.6 million during the first quarter of 2013, mainly due to lower operating income as explained above. Also contributing to the change in net income was the quarter over quarter increase in net finance costs of $1.5 million, and the reduction in income on investment in associate of $6.0 million. These factors were partially offset by reductions in the loss on investment in joint ventures of $0.6 million and income tax expense of $1.3 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		
	March 31, 2013	December 31, 2012[(a)]	March 31, 2012[(a)]
North America	**$ 157,355**	$ 141,094	$ 154,315
Latin America	**60,319**	69,344	14,934
EMAR	**34,039**	44,668	58,429
Asia Pacific	**164,961**	151,465	47,219
Total Revenue	**$ 416,674**	$ 406,571	$ 274,897
Operating Income	**$ 109,226**	$ 101,368	$ 37,282
Operating Margin	**26.2%**	24.9%	13.6%

(a) Restated due to the adoption of certain new IFRS standards that became effective as at January 1, 2013, but were implemented retrospectively to January 1, 2012.

First Quarter 2013 versus First Quarter 2012

In the first quarter of 2013, revenue was $416.7 million, an increase of $141.8 million, or 52%, over the first quarter of 2012. This was driven by increased activity levels in Asia Pacific, Latin America and North America, partially offset by lower activity levels in EMAR:

- In North America, revenue increased by $3.0 million, or 2%, as a result of increased large diameter pipe coating activity in Canada partially offset by reductions in flexible composite pipe volumes and tubular management services in Canada due to lower well drilling and completion activity compared to the prior year.

- In Latin America, revenue increased by $45.4 million, or 304%, as a result of revenue of $36 million from the Technip project in Trinidad and the acquisition of Socotherm.

- EMAR, revenue decreased by $24.4 million, or 42%, primarily due to decreased activity at the Company's pipe coating facilities in Leith, Scotland and in Ras Al Khaimah ("RAK"), UAE.

- In Asia Pacific, revenue increased $117.7 million, or 249%, mainly due to full production being achieved on the Chevron Wheatstone and Inpex Ichthys projects at both Kabil, Indonesia and Kuantan, Malaysia.

Operating Income in the first quarter of 2013 was $109.2 million compared to $37.3 million in the first quarter of 2012, an increase of $72.0 million, or 193%, primarily due to the increase in revenue of $141.8 million as explained above and an increase in the gross margin by 6.3 percentage points due to favourable project mix, better facilities utilization and the absorption of overheads. The increase in gross profit was partially offset by higher SG&A expenses in 2013, as explained in section 2.2 above.

First Quarter 2013 versus Fourth Quarter 2012

In the first quarter of 2013, revenue was $416.7 million, an increase of $10.1 million, or 2%, from $406.6 million in the fourth quarter of 2012. Revenues in Asia Pacific and North America were higher, partially offset by decreases in EMAR and Latin America revenue:

- In North America, revenue increased by $16.3 million, or 12%, due to increased large diameter pipe coating activity in Canada, higher Gulf of Mexico insulation coating activity, and higher volumes of composite flexible pipe and tubular management services compared to the fourth quarter.

- Latin America revenue was lower by $9.0 million, or 13%, due to decreased volumes on the Linea 5 project in Mexico, partially offset by increased activity on the Technip project in Trinidad and the addition of revenue from the acquisition of Socotherm.

- EMAR revenue decreased by $10.6 million, or 24%, primarily due to decreased activity at the Company's pipe coating facilities in Leith, Scotland and in RAK.

- In Asia Pacific, revenue increased by $13.5 million, or 9%, in the first quarter of 2013, mainly due to an increase in volumes on the Inpex Ichthys project, partially offset by lower activity on the Chevron Wheatstone project at both Kabil, Indonesia and Kuantan, Malaysia, compared to the fourth quarter of 2012.

Operating Income in the first quarter of 2013 was $109.2 million compared to $101.4 million in the fourth quarter of 2012, an increase of $7.9 million, or 8%, primarily due to an increase in revenue of $10.0 million, as explained above, and an increase in gross margin by 3.6 percentage points due to favourable project mix, better facilities utilization and the absorption of overheads. The increase in gross profit of $19.5 million was partially offset by the inclusion of a $12.1 million gain on sale of land in the fourth quarter 2012.

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		
	March 31, 2013	December 31, 2012[(a)]	March 31, 2012[(a)]
North America	**$ 23,349**	$ 20,818	$ 22,593
EMAR	**13,968**	11,434	14,374
Asia Pacific	**1,255**	1,162	786
Total Revenue	**$ 38,572**	**$** 33,414	**$** 37,753
Operating Income	**$ 5,017**	$ 4,510	5,041
Operating Margin	**13.0%**	13.5%	13.4%

(a) Restated due to the adoption of certain new IFRS standards that became effective as at January 1, 2013, but were implemented retrospectively to January 1, 2012.

First Quarter 2013 versus First Quarter 2012

Revenue increased in the first quarter of 2013 by $0.8 million, or 2 %, to $38.6 million, compared to the first quarter of 2012 due to stable and steady growth of wire and cable product shipments to North American electrical utilities, partially offset by a slightly lower revenue in EMAR due to reduced automotive shipments associated with economic weakness.

Operating Income of $5.0 million in the first quarter of 2013 was at par with the first quarter of 2012. Revenue was higher by $0.8 million, as explained above, with a 0.2 percentage point increase in gross margin. This was offset by higher SG&A expenses.

First Quarter 2013 versus Fourth Quarter 2012

In the first quarter of 2013, revenue totaled $38.6 million compared to $33.4 million in the fourth quarter of 2012, an increase of $5.2 million, or 15%. The increase was driven by higher shipments of wire and cable products to North American electrical utilities and higher revenues in the EMAR and North American automotive market.

Operating Income in the first quarter of 2013 was $5.0 million compared to $4.5 million in the fourth quarter of 2012, an increase of $0.5 million, or 11%, primarily due to the higher revenue as explained above, partially offset by higher SG&A expenses.

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		
	March 31, 2013	December 31, 2012[(a)]	March 31, 2012[(a)]
Financial and Corporate Expenses	**$ 24,280**	$ 13,742	$ 10,924

(a) Restated due to the adoption of certain new IFRS standards that became effective as at January 1, 2013, but were implemented retrospectively to January 1, 2012.

First Quarter 2013 versus First Quarter 2012

Financial and corporate costs increased by $13.4 million from $10.9 million during the first quarter of 2012, to $24.3 million during the first quarter of 2013, primarily as a result of one time costs of $7.6 million incurred to complete the Arrangement on March 20, 2013 and related expenses associated with amended executive retirement arrangements of $5.0 million.

First Quarter 2013 versus Fourth Quarter 2012

Financial and corporate costs increased by $10.5 million from the fourth quarter of 2012 to $24.3 million in the first quarter of 2013, primarily as a result of one time costs of $7.6 million incurred to complete the Arrangement on March 20, 2013 and related expenses associated with amended executive retirement arrangements of $5.0 million, partially offset by the strategic review expenses of $4.0 million incurred in the fourth quarter of 2012.

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" and "forward looking statements" (collectively "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 sufficiency of resources and capital to meet market demand and to execute the Company's development and growth strategy, 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, the maintenance of operations in major oil and gas producing regions and the ability of the Company to satisfy all covenants under its credit facilities and the senior notes . 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 Monday, May 13th, 2013, at 10:00 AM EST, which will discuss the Company's first 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.

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ShawCor Ltd.

Interim Consolidated Balance Sheets

(Unaudited)

(in thousands of Canadian dollars)	March 31, 2013 $	December 31, 2012 $ Restated	January 1, 2012 $ Restated
Assets			
Current Assets			
Cash and cash equivalents	$ **225,448**	$ 284,981	$ 56,537
Short-term investments	**6,288**	77,950	10,545
Loans receivable	**1,750**	1,565	2,047
Accounts receivable	**346,572**	376,788	279,134
Income taxes receivable	**4,838**	11,837	15,981
Inventories	**216,467**	188,347	146,416
Prepaid expenses	**23,424**	41,370	24,453
Derivative financial instruments	**2,201**	3,988	270
	826,988	986,826	535,383
Non-current Assets			
Loans receivable	**22,282**	20,903	12,622
Property, plant and equipment	**376,351**	371,584	298,721
Intangible assets	**100,772**	101,455	86,362
Investment in joint ventures	**48,201**	49,321	30
Investment in associate	**1,467**	1,348	30,095
Deferred income taxes	**43,828**	36,147	34,747
Other assets	**9,753**	10,080	10,115
Goodwill	**289,166**	285,710	220,334
	891,820	876,548	693,026
Assets held for sale	**27,123**	27,141	–
	$ **1,745,931**	$ 1,890,515	$ 1,228,409
Liabilities			
Current Liabilities			
Bank indebtedness	$ **5,610**	$ 5,684	$ 12,281
Loans payable	**70**	67	–
Accounts payable and accrued liabilities	**230,368**	206,051	154,932
Provisions	**49,369**	46,182	12,289
Income taxes payable	**39,161**	35,057	36,193
Derivative financial instruments	**580**	1,926	419
Deferred revenue	**338,690**	377,091	27,446
Obligations under finance lease	**1,499**	1,927	268
	665,347	673,985	243,828
Non-current Liabilities			
Loans payable	**1,639**	2,664	–
Long-term debt	**356,011**	–	–
Obligations under finance lease	**12,552**	12,728	–
Provisions	**74,648**	70,637	66,838
Derivative financial instruments	**–**	–	2,499
Deferred revenue	**1,783**	64,392	–
Deferred income taxes	**62,715**	61,479	56,984
	509,348	211,900	126,321
Liabilities directly associated with the assets classified as held for sale	**11,922**	11,917	–
	1,186,617	897,802	370,149
Equity			
Capital Stock	**285,493**	221,687	218,381
Contributed surplus	**15,501**	17,525	16,391
Retained earnings	**309,939**	803,787	668,521
Non-controlling interest	**(51)**	(331)	–
Accumulated other comprehensive loss	**(51,568)**	(49,955)	(45,033)
	559,314	992,713	858,260
	$ **1,745,931**	$ 1,890,515	$ 1,228,409

ShawCor Ltd.
Interim Consolidated Statements of Income
(Unaudited)

(in thousands of Canadian dollars)	Three Months Ended March 31, 2013	Three Months Ended March 31, 2012 Restated
Revenue		
Sale of products	**$ 105,857**	$ 104,481
Rendering of services	**348,824**	207,787
	454,681	312,268
Cost of Goods Sold and Services Rendered	**253,439**	194,080
Gross Profit	**$ 201,242**	**$** 118,188
Selling, general and administrative expenses	**91,519**	72,009
Research and development expenses	**3,939**	3,105
Foreign exchange losses	**838**	845
Amortization of property, plant and equipment	**14,215**	9,867
Amortization of intangible assets	**2,109**	1,808
Gain on assets held for sale	**(503)**	–
Income from Operations	**$ 89,125**	$ 30,554
Gain on investment in associate	–	1,268
(Loss) income in investment in joint ventures	**(671)**	120
Finance costs, net	**(849)**	(298)
Income before Income Taxes	**$ 87,605**	$ 31,644
Income taxes	**17,079**	7,511
Net Income for the Period	**$ 70,526**	$ 24,133
Net Income Attributable to:		
Shareholders of the Company	**$ 70,595**	$ 24,133
Non-controlling interests	**(69)**	–
Net Income for the Period	**$ 70,526**	$ 24,133
Earnings per Share		
Basic	**$ 1.02**	$ 0.34
Diluted	**$ 1.01**	$ 0.34
Weighted Average Number of Shares Outstanding (000's)		
Basic	**68,903**	70,651
Diluted	**69,849**	71,306

ShawCor Ltd.
Interim Consolidated Statements of Comprehensive Income
(Unaudited)

(in thousands of Canadian dollars)	Three Months Ended March 31, 2013	2012 Restated
Net Income for the Period	**$ 70,526**	$ 24,133
Other comprehensive loss to be reclassified to Statement of Net Income in subsequent periods:		
Exchange differences on translation of foreign operations	**5,616**	(6,952)
Other comprehensive income (loss) attributable to investment in associate	**–**	796
Loss on cash flow hedge	**(6,880)**	–
Net other comprehensive loss to be reclassified to Net Income in subsequent periods:	**(1,264)**	(6,156)
Items not to be reclassified to Statement of Net Income in subsequent periods:		
Actuarial loss on defined benefit plans	**–**	(1,312)
Income tax effect	**–**	339
	–	(973)
Net other comprehensive income (loss) not to be reclassified to Statement of Net Income in subsequent periods:	**2,380**	(973)
Other Comprehensive Loss, Net of Tax	**(1,264)**	(7,129)
Total Comprehensive Income For the Period, Net of Tax	**$ 69,262**	$ 17,004
Comprehensive Income Attributable to:		
Shareholders of the Company	**$ 68,982**	$ 17,004
Non-controlling interests	**280**	–
Comprehensive Income for the Period, Net of Tax	**$ 69,262**	$ 17,004

ShawCor Ltd.

Interim Consolidated Statements of Changes in Equity

(Unaudited)

(in thousands of Canadian dollars) (Restated)	Share Capital	Contributed surplus	Retained earnings	Non-controlling Interest	Accumulated other comprehensive loss	Total shareholders' equity
Balance - December 31, 2012	**$ 221,687**	**$ 17,525**	**$ 803,787**	**$ (331)**	**$ (49,955)**	**$ 992,713**
Net income for the period	–	–	70,595	(69)	–	70,526
Issued on exercise of stock options	6,715	–	–	–	–	6,715
Compensation cost on exercised options	2,629	(2,629)	–	–	–	–
Compensation cost on exercised RSUs	24	(24)	–	–	–	–
Stock-based compensation expense	–	629	–	–	–	629
Cancellation of class B shares	54,438	–	(553,215)	–	–	(498,777)
Share cancellation costs (net of income tax benefit of $1.5 million)	–	–	(4,312)	–	–	(4,312)
Other comprehensive income (loss)	–	–	–	349	(1,613)	(1,264)
Dividends paid	–	–	(6,916)	–	–	(6,916)
Balance - March 31, 2013	**$ 285,493**	**$ 15,501**	**$ 309,939**	**$ (51)**	**$ (51,568)**	**$ 559,314**
Balance - December 31, 2011	**$ 218,381**	**$ 16,391**	**$ 668,521**	–	**$ (45,033)**	**$ 858,260**
Net income for the period	–	–	24,133	–	–	24,133
Issued on exercise of stock options	2,000	–	–	–	–	2,000
Compensation cost on exercised options	736	(736)	–	–	–	–
Compensation cost on exercised RSUs	15	(15)	–	–	–	–
Stock-based compensation expense	–	489	–	–	–	489
Other comprehensive loss	–	–	–	–	(7,129)	(7,129)
Dividends paid	–	–	(5,565)	–	–	(5,565)
Balance – March 31, 2012	**$ 221,132**	**$ 16,129**	**$ 687,089**	–	**$ (52,162)**	**$ 872,188**

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

(in thousands of Canadian dollars)		Three Months Ended March 31,		
		2013		2012 Restated
Operating Activities				
Net income for the period	**$**	**70,526**	$	24,133
Add (deduct) items not affecting cash				
Amortization of property, plant and equipment		**14,215**		9,867
Amortization of intangible assets		**2,109**		1,808
Amortization of long-term prepaid expenses		**109**		154
Decommissioning obligations expense		**401**		593
Other provision expenses (recovery)		**(1,391)**		(3,855)
Stock-based and incentive based compensation		**7,014**		2,222
Deferred income taxes		**(7,282)**		(1,611)
Loss on disposal of property, plant and equipment		**42**		58
Loss on derivative financial instruments		**441**		155
(Gain) on assets held for sale		**(503)**		–
(Income) on investment in associate		–		(1,268)
Loss (Income) on investment in Joint Venture		**671**		(120)
Other		**(12)**		197
Settlement of decommissioning liabilities		**(551)**		(249)
Settlement of other provisions		**(3,995)**		(144)
(Decrease) increase in non-current deferred revenue		**(62,609)**		284,363
Net change in employee future benefits		**5,246**		702
Net change in non-cash working capital and foreign exchange		**5,110**		150,866
Cash Provided by Operating Activities	**$**	**29,541**	$	467,871
Investing Activities				
(Increase) in loan receivable		**(3,819)**		–
Redemption (purchase) of short term investments, net		**71,662**		(119,878)
Purchases of property, plant and equipment		**(16,106)**		(9,613)
Proceeds on disposal of property, plant and equipment		–		212
Purchase of intangible assets		**(59)**		(35)
Decrease (increase) in other assets		**109**		(45)
Cash Provided by (Used in) Investing Activities	**$**	**51,787**	$	(129,359)
Financing Activities				
Proceeds from (repayment of) bank indebtedness		**(74)**		(11,448)
Proceeds from loan		**2,342**		–
Proceeds from long term debt (net of deferred financing expenses)		**356,280**		–
Proceeds from interest rate swap		**2,111**		–
Repayment of finance lease obligation		–		(61)
Issuance of shares		**6,715**		2,000
Cancellation of class B shares		**(503,089)**		–
Dividend paid to shareholders		**(6,916)**		(5,565)
Cash Used in Financing Activities	**$**	**(142,631)**	$	(15,074)
Foreign Exchange gain (loss) on foreign Cash and Cash Equivalents	**$**	**1,770**	$	(110)
Net change in Cash and Cash Equivalents for the Period		**(59,533)**		323,328
Cash and Cash Equivalents - Beginning of Period		**284,981**		56,537
Cash and Cash Equivalents - End of Period	$	**225,448**	$	379,865