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SHAWCOR LTD.
(TSX: SCL)

PRESS RELEASE

SHAWCOR LTD. ANNOUNCES FIRST QUARTER 2014 RESULTS

- First quarter revenue of $479.1 million increased by $24.4 million, or 5%, from $454.7 million reported in the first quarter a year ago. Revenue also increased by 17% from the $409.8 million reported in the fourth quarter of 2013.
- EBITDA in the first quarter of 2014 was $106.1 million, increased by $2.0 million, or 1.9%, from the first quarter of 2013 and also increased by $49.0 million or 86% from the fourth quarter of 2013.
- Net income (attributable to shareholders of the Company) in the first quarter was $61.9 million (or $1.03 per share diluted) compared with net income of $70.6 million (or $1.01 per share diluted) in the first quarter of the prior year.

Mr. Bill Buckley, Chief Executive Officer of ShawCor Ltd. remarked "Our first quarter 2014 financial results showed a significant increase over the level reported in the fourth quarter and also exceeded the exceptional performance reported in the first quarter a year ago. The improvement in margins over the fourth quarter resulted from higher revenues in all of our global regions combined with particularly strong gross margins at our Asia Pacific region where we benefitted from excellent execution performance on the Inpex Ichthys Flowlines project.".

Mr. Buckley added "With the Inpex Ichthys Flowlines project scheduled for completion in the second quarter, we continue to expect that revenue and earnings in the second half of this year will decline compared with the performance from the first quarter. In order to achieve future revenue growth, the Company is focused on securing a significant share of the large projects that are currently in the outstanding bid stage, as well as pursuing organic growth and acquisition initiatives in the Company's pipeline services and composite pipe businesses. With the current backlog of $642 million and the value of outstanding bids exceeding $800 million, the Company has excellent prospects for revenue and earnings growth in 2015 and beyond."

Selected Financial Highlights

(in thousands of Canadian dollars, except per share amounts and percentages)	Three Months ended March 31,	
	2014	2013
Revenue	**$ 479,081**	$ 454,681
Gross profit	**198,268**	201,242
Gross profit %	**41.4%**	44.3%
EBITDA[(a)]	**106,146**	104,275
Income from operations	**89,419**	89,125
Net income for the period[(b)]	**$ 61,947**	$ 70,595
Earnings per share:		
Basic	**$ 1.03**	$ 1.02
Fully diluted	**$ 1.03**	$ 1.01

(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, equipment and intangible assets, gains/losses from assets sold or held for sale 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.

1.0 KEY DEVELOPMENTS

Equity investment in ZEDI Inc.

On February 20, 2014, ShawCor completed an equity investment in Zedi Inc. ("Zedi"), a Calgary, Alberta based company engaged in end-to-end solutions for production operations management in the oil and gas industry. Zedi has successfully developed and deployed remote field monitoring and related data management solutions for the optimization of oil and gas well production and has recently completed a management led buyout through an Alberta court and shareholder approved plan of arrangement. ShawCor's equity investment in Zedi consists of a 25% common share interest plus convertible preferred shares for a total investment of approximately $24 million, which will be accounted for using equity accounting. ShawCor and Zedi have also entered into a joint development agreement to work together to develop monitoring and connectivity solutions for pipeline and OCTG applications.

Moho Nord Subsea Project in Congo

On February 25, 2014, ShawCor, through its Socotherm pipe coating division, received a contract with a value in excess of US $40 million from Tenaris S.A. to provide pipeline coatings for the Moho Nord Oil Pipeline project. The Moho Nord project is located in water depths of 650 to 1,150 metres approximately 75 kilometers off the Congo coast in West Africa. The contract will be executed primarily at the Socotherm pipe coating facility in Pozzallo, Italy with additional work to be completed at Socotherm's facilities in Adria, Italy and Escobar, Argentina.

South Stream Offshore Pipeline

On February 26, 2014, ShawCor, through its Bredero Shaw pipe coating division, received a contract with a value of approximately US $50 million from EUROPIPE GmbH for the concrete weight coating of Line 1 of the South Stream Offshore Pipeline. The South Stream Offshore Pipeline system is comprised of 4 pipelines that will cross the Black Sea and transport gas from Russia to Bulgaria and on to Central and Southern Europe. The contract will be executed at the Bredero Shaw pipe coating facility in Leith, Scotland. This contract involves coating approximately 148km of 32" pipe with concrete weight coating. Coating is expected to commence during the second half of 2014 and be completed in 2015.

Retirement of Bill Buckley and Appointment of Steve Orr as CEO

On February 27, 2014, ShawCor announced that Bill Buckley will retire as Chief Executive Officer at the Company's Annual Meeting on May 1, 2014, but will stand for re-election as a director of the Company. Current President, Steve Orr will succeed him as CEO on that date and will also stand for election as a director at the meeting.

Steve Orr was appointed President of ShawCor in September 2013 following a more than 20 year career with a leading global energy services company where he served in senior executive positions in many locations throughout North America, Russia, Europe and the Asia Pacific region.

Acquisition of Scotia Automated Inspection Service

On April 23, 2014, the Company acquired the assets and business of Scotia Automated Inspection Service ("SAIS"), a provider of Non Destructive Testing ("NDT") services based in the North of Scotland (Inverness). SAIS currently markets its services into the North Sea region – UK, Norway and Netherlands.

SAIS' current offerings include traditional NDT services such as film radiography, manual ultrasonic, magnetic particle and liquid penetrate inspections. The acquisition of the SAIS business will allow the Company's Shaw Pipeline Services ("SPS") division to expand its global offshore pipeline inspection market position by providing SAIS with advanced NDT technologies that further enhance SAIS' relationships with current and new customers.

1.1 OUTLOOK

In the Company's 2013 year end Outlook, the Company stated that it expected revenue and earnings to decrease in 2014 in comparison with the record results of 2013. This expectation continues and is premised on the fact that in 2013, revenue from the Company's Asia Pacific region had been enhanced by the execution of the $400 million Inpex Ichthys gas export pipeline project, the largest single project in the Company's history and a project size that will not be replicated in 2014. Further detail on the outlook for the Pipeline and Pipe Services segment by region and the Petrochemical and Industrial segment is set out below:

Pipeline and Pipe Services Segment - North America

In 2014, ShawCor's North American Pipeline segment businesses are expected to generate solid revenue growth over 2013 levels and this expectation for growth was clearly evident in the first quarter. Revenue growth in 2014 will be led by pipe coating volumes from a full year of production at the Socotherm Gulf of Mexico plant, and by activity in several of the Company's pipeline segment businesses that are benefitting from continued shale oil and gas developments such as the Flexpipe composite pipe and Guardian OCTG pipe inspection and refurbishment businesses. Also, the Company's introduction of new real-time radiography technology to the USA land pipeline market is enabling market share gains in pipeline girth weld inspection.

Pipeline and Pipe Services Segment - Latin America

The Company is targeting modest growth in 2014 from Latin America pipe coating operations as a result of increased offshore and large diameter gas transmission pipeline opportunities in Mexico, the launch of insulation coating production at the Socotherm Argentina operation, and an expected increase in revenue in Brazil, where production has commenced on the deepwater insulation coating for flowlines and risers for Petrobras' Sapinhoa field in the Santos basin. These sources of revenue growth will be partially offset by the fact that 2013 Latin America revenue had included approximately $55 million from the Technip project that was executed through the deployment of two portable concrete weight coating plants in Trinidad.

Pipeline and Pipe Services Segment - EMAR

The Company's Europe, Middle East, Africa, Russia ("EMAR") region expects to begin to generate significant revenue growth in 2014. In addition to a continuation of strong project revenues from the pipe coating facilities in Orkanger, Norway and Ras Al Khaimah, UAE, revenue gains are expected in 2014 at the Leith, Scotland facility where the $30 million Edvard Grieg project was executed in the first quarter and start of production on the South Stream line 1 project is scheduled for the second half of this year. Also contributing to revenue growth will be the ramp up of production at Socotherm's Pozzallo, Sicily pipe coating facility to execute the Moho Nord deepwater insulation project.

Pipeline and Pipe Services Segment - Asia Pacific

In 2013, the Company generated record revenues in the Asia Pacific region as a result of the execution of the Inpex Ichthys gas export pipeline, Chevron Wheatstone export pipeline and flowlines, and Apache Julimar flowlines projects. These projects produced over $510 million in revenue in 2013 and contributed to a level of activity that will decline by at least 50% in 2014. In the first quarter, Asia Pacific revenue benefitted from full production volumes on the Inpex Ichthys Flowlines project, however with this project scheduled for completion in the second quarter, we expect that revenue and earnings in the second half of this year will decline compared with the performance from the first quarter. Beyond 2014, the Company remains confident that the Asia Pacific region will continue to provide compelling opportunities, particularly with the emergence of deepwater oil and gas developments that will require the Company's operational capability and unique product technologies.

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. The Company expects that demand in the global industrial markets served by the Petrochemical and Industrial segment businesses will enable the Company to achieve modest growth in revenue in 2014. Operating income growth should exceed revenue growth due to the one-time charges of $3.2 million incurred in 2013 and as a result of improved operational efficiencies associated with the consolidation of production activities at the new DSG-Canusa's EMAR facility in Rheinbach, Germany.

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, 2014 increased to $642 million from $617 million at December 31, 2013. The increase in backlog from the start of the year reflects the award of the South Stream line 1 concrete coating contract, the first of several contract awards that the Company is pursuing in the EMAR region. Although the order backlog may fluctuate over the next few quarters, the Company's bidding activity remains very high with outstanding bids currently exceeding $800 million dollars. The bidding activity coupled with the recently announced contract awards in the EMAR region highlight the potential for backlog growth during the second half of 2014.

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:

	Three Months ended		
(in thousands of Canadian dollars)	**March 31, 2014**	December 31, 2013	March 31, 2013
Pipeline and Pipe Services	**$ 436,799**	$ 370,477	$ 416,674
Petrochemical and Industrial	**42,927**	40,409	38,572
Elimination	**(645)**	(1,127)	(565)
Consolidated	**$ 479,081**	$ 409,759	$ 454,681

First Quarter 2014 versus Fourth Quarter 2013

Consolidated revenue increased 17%, or $69.3 million, from $409.8 million during the fourth quarter of 2013 to $479.1 million during the first quarter of 2014, due to increases of $66.3 million in the Pipeline and Pipe Services segment and $2.5 million in the Petrochemical and Industrial segment.

In the Pipeline and Pipe Services segment, revenue increased 18%, or $66.3 million, from $370.5 million in the fourth quarter of 2013 to $436.8 million in the first quarter of 2014 due to higher activity levels in all four regions. 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 higher by $2.5 million, or 6%, in the first quarter of 2014, compared to the fourth quarter of 2013, mainly due to an increase in revenue of $3.7 million, or 27%, in the EMAR region. 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 2014 versus First Quarter 2013

Consolidated revenue increased by $24.4 million, or 5%, from $454.7 million during the first quarter of 2013, to $479.1 million during first quarter of 2014, due to increases of $20.1 million in the Pipeline and Pipe Services segment and $4.4 million in the Petrochemical and Industrial segment.

In the Pipeline and Pipe Services segment, revenue in the first quarter of 2014 was $436.8 million, or 5% higher than in the first quarter of 2013, due to increased activity in North America and EMAR, partially offset by lower revenue in Asia Pacific 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 $4.4 million, or 11%, during the first quarter of 2014 compared to the first quarter of 2013, due to higher activity levels in all three 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:

	Three Months ended		
(in thousands of Canadian dollars)	**March 31, 2014**	December 31, 2013	March 31, 2013
Operating Income	**$ 89,419**	$ 47,236	$ 89,125
Operating Margin[(b)]	**$ 18.7%**	$ 11.6%	$ 19.6%

First Quarter 2014 versus Fourth Quarter 2013

Operating Income increased by $42.2 million, from $47.2 million during the fourth quarter of 2013 to $89.4 million in the first quarter of 2014. Operating Income was impacted by an increase in gross profit of $35.6 million, a decrease in amortization of property, plant, equipment and intangible assets of $1.1 million and a decrease in SG&A expenses of $13.6 million. This was partially offset by increases in research and development expenses of $0.8 million, a decrease in net foreign exchange gain of $3.3 million and a gain on sale of land of $5.2 million recorded in the fourth quarter of 2013.

The increase in gross profit resulted from a 1.7 percentage point increase in the gross margin from the fourth quarter of 2013 and the higher revenue, as explained above. The increase in the gross margin percentage was primarily due to favourable product and project mix and higher facility utilization and absorption of overheads, as a result of the increase in revenue in the Pipeline and Pipe Services segment.

SG&A expenses decreased by $13.6 million, from $103.0 million in the fourth quarter of 2013 to $89.5 million in the first quarter of 2014, primarily due to one-time restructuring costs and amended executive retirement arrangements of $10.7 million recorded in the fourth quarter of 2013. In addition, professional consulting, legal and other expenses were lower by $2.9 million in the first quarter of 2014. The one-time restructuring costs and amended executive retirement arrangements in the fourth quarter of 2013 were primarily related to reorganizing the organizational structure to more effectively manage the Company’s business and were comprised of charges of $2.0 million for the Pipeline and Pipe Services segment, $3.2 million for the Petrochemical and Industrial segment and $5.5 million for Finance and Corporate.

First Quarter 2014 versus First Quarter 2013

Operating Income increased by $0.3 million, from $89.1 million in the first quarter of 2013 to $89.4 million during the first quarter of 2014. Operating Income was impacted by decreases in SG&A expenses of $2.1 million and a net increase in foreign exchange gain of $3.9 million. This was partially offset by a decrease in gross profit of $3.0 million, an increase in amortization of property, plant, equipment and intangible assets of $1.9 million and a lower gain on assets held for sale of $0.5 million.

The decrease in gross profit resulted from a 2.9 percentage point decrease in gross margin, attributable to changes in product and project mix compared to the first quarter of 2013, particularly in the Pipeline and Pipe Services segment’s Asia Pacific and Latin America regions which had benefitted from high gross margins on several large concrete weight coating projects.

SG&A expenses decreased by $2.1 million, primarily as a result of one-time costs of $7.6 million incurred to complete the Company’s Plan of Arrangement on March 20, 2013 and related expenses associated with amended executive retirement arrangements of $5.0 million incurred in the first quarter of 2013. This was partially offset by increases over the prior year in personnel related costs of $4.2 million, other SG&A expenses due to the acquisition of Socotherm Gulf of Mexico of $2.4 million, legal and professional consulting fees of $1.0 million and rental and building costs primarily associated with pipe storage of $2.1 million.

2.3 Finance Costs, net

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

	Three Months ended		
(in thousands of Canadian dollars)	**March 31, 2014**	December 31, 2013	March 31, 2013
Interest income on short-term deposits	**$ (338)**	$ (452)	$ (470)
Interest expense, other	**829**	2,559	919
Interest expense on long term debt	**3,236**	3,280	400
Finance costs – net	**$ 3,727**	$ 5,387	$ 849

First Quarter 2014 versus Fourth Quarter 2013

In the first quarter of 2014, net finance cost was $3.7 million, compared to a net finance cost of $5.4 million during the fourth quarter of 2013 primarily as a result of lower interest expenses on bank loans and overdrafts.

First Quarter 2014 versus First Quarter 2013

In the first quarter of 2014, net finance cost was $3.7 million, compared to a net finance cost of $0.8 million during the first quarter of 2013. The increase in net finance costs was primarily as a result of higher interest on long-term debt (“Senior Notes”) that were issued on March 20, 2013.

2.4 Income Taxes

The following table sets forth the income tax expenses for the following periods:

	Three Months ended		
(in thousands of Canadian dollars)	**March 31, 2014**	December 31, 2013	March 31, 2013
Income tax expense	**$ 22,571**	$ 10,278	$ 17,079

First Quarter 2014 versus Fourth Quarter 2013

The Company recorded an income tax expense of $22.6 million (27% of income before income taxes) in the first quarter of 2014, compared to an income tax expense of $10.3 million (28% of income before income taxes) in the fourth quarter of 2013. The effective tax rate in the first quarter of 2014 was at the Company's expected effective income tax rate of 27%. The Company’s tax rate in the fourth quarter was slightly higher than the expected rate of 27 % primarily due to the incurrence of tax losses in jurisdictions where the Company was unable to record a tax benefit in the quarter.

First Quarter 2014 versus First Quarter 2013

The Company recorded an income tax expense of $22.6 million (27% of income before income taxes) in the first quarter of 2014, compared to an income tax expense of $17.1 million (19% of income before income taxes) in the first quarter of 2013. The effective tax rate in the first quarter of 2014 was at the Company's expected effective income tax rate of 27%. The Company’s tax rate in the first quarter of 2013 was lower than the expected rate of 27% primarily due to the fact that a significant portion of the Company’s income was earned in the Trinidad Free Zone, Asia Pacific, the Middle East and other jurisdictions where the expected 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, 2014	December 31, 2013	March 31, 2013
U.S. dollar	**1.1019**	1.0515	1.0105
Euro	**1.5050**	1.4362	1.3297
British Pounds	**1.8269**	1.7090	1.5710

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

(in thousands of Canadian dollars)	**Q1-2014 versus Q4-2013**	**Q1-2014 versus Q1-2013**
Revenue	**$ 12,593**	**$ 20,415**
Income from operations	**3,520**	**5,810**
Net income	$ **2,942**	**$ 4,968**

In addition to the translation impact noted above, the Company recorded a foreign exchange gain of $3.0 million in the first quarter of 2014, compared to a loss of $0.8 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 (attributable to shareholders of the Company)

First Quarter 2014 versus Fourth Quarter 2013

Net income increased by $39.5 million, from $22.4 million during the fourth quarter of 2013 to $61.9 million during the first quarter of 2014, mainly due to the higher Operating Income in the first quarter of 2014, as explained in section 2.2 above, a lower loss on investment in joint ventures of $4.3 million and lower net finance costs of $1.7 million . This was partially offset by higher income tax expense of $12.3 million.

First Quarter 2014 versus First Quarter 2013

Net income decreased by $8.6 million, from $70.6 million during the first quarter of 2013 to $61.9 million during the first quarter of 2014, mainly due to a higher loss from investment in joint ventures in the first quarter of 2014 of $0.5 million, higher net finance costs of $2.9 million and an increase in income tax expenses of $5.5 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:

	Three Months ended		
(in thousands of Canadian dollars, except Operating Margin)	**March 31, 2014**	December 31, 2013	March 31, 2013
North America	**$ 189,373**	$ 175,442	$ 157,355
Latin America	**43,068**	29,478	60,319
EMAR	**68,748**	51,179	34,039
Asia Pacific	**135,610**	114,378	164,961
Total Revenue	**$ 436,799**	$ 370,477	$ 416,674
Operating Income	**$ 92,184**	$ 58,151	$ 109,226
Operating Margin	**21.1%**	15.7%	26.2%

First Quarter 2014 versus Fourth Quarter 2013

First quarter revenue increased by $66.3 million to $436.8 million, from $370.5 million in the fourth quarter of 2013. Consolidated revenue benefitted from the impact on translation of foreign operations from the weakening Canadian dollar as noted in section 2.5 above, but more importantly was driven by increased activity levels in all four regions:

- North America revenue increased by $13.9 million, or 8%, as a result of increased activity from Socotherm's Gulf of Mexico operation and higher activity levels in small diameter pipe coating in both Canada and the USA, partially offset by lower pipe weld inspection service revenue in the USA, decreased tubular management service revenue in Canada and lower flexible composite pipe volumes.

- In Latin America, revenue increased by $13.6 million, or 46%, primarily as a result of increased activity at the Coatzacoalcos, Mexico concrete weight coating facility.

- In EMAR, revenue increased by $17.6 million, or 34%, primarily due to increased activity at Leith, Scotland for the Edvard Grieg project, partially offset by lower volumes at Orkanger, Norway.

- Asia Pacific revenue increased by $21.2 million, or 19%, mainly due to the launch of full production on the Inpex Ichthys flowlines project in Kabil, Indonesia and in Kuantan, Malaysia.

In the first quarter of 2014, Operating Income was $92.2 million compared to $58.2 million in the fourth quarter of 2013, an increase of $34.0 million, or 59%. The increase in Operating Income was due to an increase in gross profit of $34.7 million due to the increase in revenue of $66.3 million as explained above, and a 1.7 percentage point increase in the gross margin due to favourable product and project mix and higher facilities' utilization and the absorption of overheads. In addition to the increase in gross profit, SG&A expenses were also lower as explained in section 2.2 above.

First Quarter 2014 versus First Quarter 2013

Revenue was $436.8 million in the first quarter of 2014, an increase of $20.1 million, or 5%, from $416.7 million in the comparable period of 2013. Consolidated revenue benefitted from the impact on translation of foreign operations from the weakening Canadian dollar as noted in section 2.5 above, combined with higher revenue in North America and EMAR, partially offset by lower activity levels in Asia Pacific and Latin America:

- North America revenue increased by $32.0 million, or 20%, primarily due to the acquisition of Socotherm Gulf of Mexico, increased pipe weld inspection service revenue in the USA and continued growth in flexible composite pipe volumes in both Canada and the USA.

- Latin America revenue decreased by $17.3 million, or 29%, due to lower activity levels on the Technip project in Trinidad, partially offset by increased volumes at the Coatzacoalcos, Mexico concrete weight coating facility.

- In EMAR, revenue increased by $34.7 million, or 102%, primarily due to higher activity levels at the Company's pipe coating facilities in Leith, Scotland on the Edvard Grieg project and at Socotherm Italy, partially offset by reduced volumes from Orkanger, Norway and Ras Al Khaimah ("RAK"), UAE.

- Asia Pacific revenue decreased by $29.4 million, or 18%, due to the lower volumes associated with the Inpex Ichthys gas export pipeline and Chevron Wheatstone projects in Kabil, Indonesia and Kuantan, Malaysia.

In the first quarter of 2014, Operating Income was $92.2 million compared to $109.2 million in the first quarter of 2013, a decrease of $17.0 million, or 16%, due to a reduction in gross profit of $4.4 million as a result of a 3.1 percentage point decrease in gross margin due to unfavourable project mix compared to the first quarter of 2013, partially offset by the increase in revenue of $20.1 million, as explained above. In addition to the decrease in gross profit, SG&A expenses increased by $9.8 million, amortization of property, plant, equipment and intangibles increased by $1.6 million and first quarter 2013 results included a non-recurring gain on assets held for sale of $0.5 million.

3.2 Petrochemical and Industrial segment

The following table sets forth, by geographic location, the Revenue, Operating Income and Operating Margin for the Petrochemical and Industrial segment for the following periods:

	Three Months ended		
(in thousands of Canadian dollars, except Operating Margin)	**March 31, 2014**	December 31, 2013	March 31, 2013
North America	**$ 24,030**	$ 25,230	$ 23,349
EMAR	**17,316**	13,622	13,968
Asia Pacific	**1,581**	1,557	1,255
Total Revenue	**$ 42,927**	$ 40,409	$ 38,572
Operating Income	**$ 6,063**	$ 2,613	$ 5,017
Operating Margin	**14.1%**	6.5%	13.0%

First Quarter 2014 versus Fourth Quarter 2013

Revenue increased in the first quarter of 2014 by $2.5 million, or 6%, to $42.9 million, compared to the fourth quarter of 2013 due to strong growth in the heat shrink tubing product volumes in EMAR combined with the impact of foreign exchange on revenue, as noted in section 2.5 above.

Operating Income of $6.1 million in the first quarter of 2014 was $3.5 million, or 132%, higher than in the fourth quarter of 2013. The increase in Operating Income was due to higher gross profit of $0.8 million as a result of the higher revenue of $2.5 million, as explained above. In addition, SG&A expenses were lower primarily due to one-time restructuring costs of $3.2 million at the DSG Canusa facilities in Europe incurred in the fourth quarter of 2013, as noted in section 2.2 above.

First Quarter 2014 versus First Quarter 2013

In the first quarter of 2014, revenue totaled $42.9 million compared to $38.6 million in the first quarter of 2013, an increase of $4.4 million, or 11%. The increase was driven by higher heat shrink tubing product volumes, particularly in the EMAR market, combined with the impact of foreign exchange on revenue, as noted in section 2.5 above.

Operating Income in the first quarter of 2014 was $6.1 million compared to $5.0 million in the first quarter of 2013, an increase of $1.1 million, or 21%. The increase in Operating Income was due to higher gross profit of $1.4 million as a result of the increase in revenue of $4.4 million, as explained above, and a 0.2 percentage point increase in gross margin, primarily due to product mix.

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:

	Three Months ended		
(in thousands of Canadian dollars)	**March 31, 2014**	December 31, 2013	March 31, 2013
Financial and Corporate Expenses	**$ (11,859)**	$ (19,844)	$ (24,280)

First Quarter 2014 versus Fourth Quarter 2013

Financial and corporate costs decreased by $8.1 million from $19.8 million during the fourth quarter of 2013 to $11.8 million in the first quarter of 2014, primarily due to one-time restructuring costs and amended executive retirement arrangements of $5.5 million recorded in the fourth quarter of 2013, as explained in section 2.2 above, and lower professional consulting, insurance and information technology expenses.

First Quarter 2014 versus First Quarter 2013

Financial and corporate costs decreased by $12.4 million from the first quarter of 2013 to $11.8 million in the first quarter of 2014, primarily as a result of one-time costs of $7.6 million incurred to complete the Company's Plan of Arrangement on March 20, 2013 and related expenses associated with amended executive retirement arrangements of $5.0 million incurred in the first quarter of 2013.

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 completion of the sale of the Company's joint venture interest in Socotherm Brasil and the proceeds therefrom, the timing of major project activity, the sufficiency of resources, capacity and capital to meet market demand, to meet contractual obligations 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 in 2014 and in the longer term, 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, and the adequacy of the Company's existing accruals in respect of environmental compliance and in respect of litigation matters and other claims 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" and included 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.

To the extent any forward looking information in this document constitutes future oriented financial information or financial outlooks, within the meaning of securities laws, such information is being provided to demonstrate the potential of the Company and readers are cautioned that this information may not be appropriate for any other purpose. Future oriented financial information and financial outlooks, as with forward looking information generally, are based on the assumptions and subject to the risks noted above.

ShawCor will be hosting a Shareholder and Analyst Conference Call and Webcast on Friday May 2nd, 2014 at 10:00AM EST, which will discuss the Company's first quarter financial results. The Conference call participant dial-in number(s) are: Operator assisted toll-free dial-in number: (888) 231-8191; local dial-in number: (647) 427-7450.

5.0 Additional Information

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:

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Website: www.shawcor.com

ShawCor Ltd.

Interim Consolidated Balance Sheets (Unaudited)

(in thousands of Canadian dollars)		**March 31, 2014**		December 31, 2013
ASSETS				
Current Assets				
Cash and cash equivalents	**$**	**58,545**	$	79,395
Short-term investments		**5,671**		6,618
Loan receivable		**1,919**		1,780
Accounts receivable		**438,901**		363,984
Income taxes receivable		**11,256**		9,919
Inventories		**169,541**		180,876
Prepaid expenses		**20,353**		19,176
Derivative financial instruments		**792**		624
		706,978		662,372
Assets held for sale		**58,362**		56,186
		765,340		718,558
Non-current Assets				
Loans receivable		**6,742**		7,462
Property, plant and equipment		**420,949**		413,287
Intangible assets		**131,016**		130,216
Investments in joint ventures		**16,550**		17,276
Investment in associate		**13,338**		–
Deferred income taxes		**35,638**		48,480
Other assets		**28,419**		17,830
Goodwill		**306,489**		298,819
		959,141		933,370
	$	**1,724,481**	$	1,651,928
LIABILITIES AND EQUITY				
Current Liabilities				
Bank indebtedness	**$**	**3,911**	$	5,290
Accounts payable and accrued liabilities		**240,701**		230,974
Provisions		**14,351**		15,971
Income taxes payable		**74,662**		61,911
Derivative financial instruments		**897**		1,632
Deferred revenue		**67,056**		84,396
Obligations under finance lease		**500**		487
Other current liabilities		**44,016**		33,791
		446,094		434,452
Liabilities directly associated with the assets classified as held for sale		**17,284**		16,617
		463,378		451,069
Non-current Liabilities				
Loans payable		**120**		126
Long-term debt		**387,172**		374,381
Obligations under finance lease		**14,088**		13,827
Provisions		**39,358**		37,646
Employee future benefits		**28,036**		25,678
Deferred income taxes		**54,768**		68,857
Other non-current liabilities		**12,974**		21,763
		536,516		542,278
		999,894		993,347
Equity				
Share capital		**307,800**		303,327
Contributed surplus		**12,985**		13,093
Retained earnings		**428,009**		373,574
Non-controlling interests		**2,673**		2,419
Accumulated other comprehensive loss		**(26,880)**		(33,832)
		724,587		658,581
	$	**1,724,481**	$	1,651,928

ShawCor Ltd.

Interim Consolidated Statements of Income (Unaudited)

(in thousands of Canadian dollars, except per share amounts)	Three months Ended March 31, 2014	2013
Revenue		
Sale of products	**$ 139,090**	$ 105,857
Rendering of Services	**339,991**	348,824
	479,081	454,681
Cost of Goods Sold and Services Rendered	**280,813**	253,439
Gross Profit	**198,268**	201,242
Selling, general and administrative expenses	**89,465**	91,519
Research and development expenses	**4,174**	3,939
Foreign exchange (gains) losses	**(3,031)**	838
Amortization of property, plant and equipment	**15,459**	14,215
Amortization of intangible assets	**2,782**	2,109
Gains on assets held for sale	–	(503)
Income from Operations	**89,419**	89,125
Losses on investments in joint ventures	**(1,152)**	(671)
Loss on investment in associates	**(362)**	–
Finance costs, net	**(3,727)**	(849)
Income Before Income Taxes	**84,178**	87,605
Income taxes	**22,571**	17,079
Net Income	**$ 61,607**	$ 70,526
Net Income Attributable to:		
Shareholders of the Company	**61,947**	70,595
Non-controlling interests	**(340)**	(69)
Net Income	**$ 61,607**	$ 70,526
Earnings per Share		
Basic	**$ 1.03**	$ 1.02
Diluted	**$ 1.03**	$ 1.01
Weighted Average Number of Shares Outstanding (000s)		
Basic	**60,041**	68,903
Diluted	**60,426**	69,849

ShawCor Ltd.

Interim Consolidated Statements of Comprehensive Income (Unaudited)

(in thousands of Canadian dollars)	Three months Ended March 31, **2014**			2013
Net Income	**$**	**61,607**	$	70,526
Other Comprehensive Income (Loss)				
Other Comprehensive Income (Loss) to be Reclassified to Net Income in Subsequent Periods				
Exchange differences on translation of foreign operations		**7,119**		6,065
Loss on cash flow hedge		–		(6,880)
Other comprehensive loss (income) attributable to investments in joint ventures		**427**		(449)
Net Other Comprehensive Income (Loss) to be Reclassified to Net Income in Subsequent Periods		**7,546**		(1,264)
Other Comprehensive Income (Loss), Net of Income Tax		**7,546**		(1,264)
Total Comprehensive Income	**$**	**69,153**	$	69,262
Comprehensive Income Attributable to:				
Shareholders of the Company		**68,899**		68,982
Non-controlling interests		**254**		280
Total Comprehensive Income	**$**	**69,153**	$	69,262

ShawCor Ltd.
Interim Consolidated Statements of Changes in Equity (Unaudited)

(in thousands of Canadian dollars)	Share Capital	Contributed Surplus	Retained Earnings	Non-Controlling Interests	Accumulated Other Comprehensive Loss	Total Equity
Balance - December 31, 2013	$ **303,327**	$ **13,093**	$ **373,574**	$ **2,419**	$ **(33,832)**	$ **658,581**
Net income	–	–	61,947	(340)	–	61,607
Issued on exercise of stock options	3,306	–	–	–	–	3,306
Compensation cost on exercised options	1,165	(1,165)	–	–	–	–
Compensation cost on exercised RSUs	2	(2)	–	–	–	–
Stock-based compensation expense	–	1,059	–	–	–	1,059
Other comprehensive income (loss)	–	–	–	594	6,952	7,546
Dividends declared and paid to shareholders	–	–	(7,512)	–	–	(7,512)
Balance – March 31, 2014	**$ 307,800**	**$ 12,985**	**$ 428,009**	**$ 2,673**	**$ (26,880)**	**$ 724,587**
Balance – December 31, 2012	$ 221,687	$ 17,525	$ 799,741	$ (331)	$ (49,955)	$ 988,667
Net income	–	–	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)
Shares cancellation costs (net of income tax benefit of $1.5 million)	–	–	(4,312)	–	–	(4,312)
Other comprehensive income	–	–		349	(1,613)	(1,264)
Dividends declared and paid to shareholders	–	–	(6,916)	–	–	(6,916)
Balance - March 31, 2013	$ 285,493	$ 15,501	$ 305,893	$ (51)	$ (51,568)	$ 555,268

ShawCor Ltd.

Interim Consolidated Statements of Cash Flows (Unaudited)

(in thousands of Canadian dollars)	Three months Ended March 31, 2014	2013
Operating activities		
Net income for the year	$ **61,607**	$ 70,526
Add (deduct) items not affecting cash		
Amortization of property, plant and equipment	**15,459**	14,215
Amortization of intangible assets	**2,782**	2,109
Amortization of long-term prepaid expenses	**207**	109
Decommissioning obligations expense	**103**	401
Other provision expenses (recovery)	**1,175**	(1,391)
Stock-based compensation and incentive-based compensation	**6,746**	7,014
Deferred income taxes	**(1,569)**	(7,282)
Loss on disposal of property, plant and equipment	**19**	42
Unrealized (gain) loss on derivative financial instruments	**(903)**	441
Loss on investments in associate	**362**	–
Loss on investments in joint ventures	**1,152**	671
Gain on assets held for sale	–	(503)
Other	**456**	(12)
Settlement of decommissioning liabilities	**(22)**	(551)
Settlement of other provisions	**(1,941)**	(3,995)
Settlement of other liabilities	**(6,281)**	–
Decrease in deferred revenue non-current	–	(62,609)
Net change in employee future benefits	**431**	5,246
Change in non-cash working capital and foreign exchange	**(63,260)**	5,110
Cash Provided by Operating Activities	$ **16,523**	$ 29,541
Investing Activities		
Decrease (increase) in loan receivable	**1,075**	(3,819)
Decrease in short term investments	**947**	71,662
Purchases of property, plant and equipment	**(12,651)**	(16,106)
Proceeds on disposal of property, plant and equipment	**726**	–
Purchases of intangible assets	–	(59)
Investments in associate	**(13,700)**	–
(Increase) decrease in other assets	**(10,000)**	109
Cash (Used in) Provided by Investing Activities	$ **(33,603)**	$ 51,787
Financing Activities		
Decrease in bank indebtedness	**(1,379)**	(74)
(Decrease) increase in loans payable	**(16)**	2,342
Proceeds from long-term debt	–	356,280
Proceeds from interest rate swap	–	2,111
Issuance of shares	**3,306**	6,715
Repurchase of shares	–	(503,089)
Dividend paid to shareholders	**(7,512)**	(6,916)
Cash Used in Financing Activities	$ **(5,601)**	$ (142,631)
Effect of Foreign Exchange on Cash and Cash Equivalents	**1,831**	1,770
Net Decrease in Cash and Cash Equivalents for the Period	**(20,850)**	(59,533)
Cash and Cash Equivalents – Beginning of Period	**79,395**	284,981
Cash and Cash Equivalents – End of Period	$ **58,545**	$ 225,448