November 6th, 2014

SHAWCOR LTD.
(TSX: SCL)

PRESS RELEASE

SHAWCOR LTD. ANNOUNCES THIRD QUARTER 2014 RESULTS

- Third quarter revenue of $469.6 million was 6.4% higher from the $441.4 million reported in the second quarter of 2014. Revenue decreased by 11% from the $525.8 million reported in the third quarter of 2013.
- Adjusted EBITDA in the third quarter of 2014 was $71.3 million, a decrease of $57.0 million, or 44%, from the third quarter of 2013 and also lower by $11.6 million or 14%, from the second quarter of 2014.
- Net income (attributable to shareholders of the Company) in the third quarter was $5.6 million (or $0.09 per share diluted) compared with net income of $73.0 million (or $1.21 per share diluted) in the third quarter of the prior year. Excluding one-time gains/losses net of tax of $25.7 million, earnings in the third quarter 2014 were $0.51 per share diluted.
- The Company's order backlog increased during the third quarter by 8% to $739 million.

Mr. Steve Orr, Chief Executive Officer of ShawCor Ltd. remarked "As expected, our third quarter 2014 financial results showed a significant reduction over the levels reported a year ago when the Company had experienced record revenue from large pipe coating project activity in our Asia Pacific region with associated exceptionally strong operating margins."

Mr. Orr added "The Company has made significant progress in the third quarter on executing its strategic growth plan. We successfully completed the acquisition of Desert NDT, we completed a $200 million offering of common shares that provides capital to support future growth, and we reported continued growth in the Company's booked order backlog which increased to $739 million. These factors, coupled with strong bidding activity with the value of outstanding bids exceeding $1 billion, support the Company's outlook for growth in revenue and earnings in 2015 and beyond."

Selected Financial Highlights

(in thousands of Canadian dollars, except per share amounts and percentages)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Revenue	$ **469,597**	$ 525,848	**$ 1,390,065**	$ 1,437,790
Gross profit	**168,917**	229,071	**546,471**	625,958
Gross profit %	**36.0%**	43.6%	**39.3%**	43.5%
Adjusted EBITDA[(a)]	**71,285**	128,280	**260,322**	334,084
Income from operations	**10,932**	106,146	**169,544**	275,099
Net income for the period[(b)]	$ **5,617**	$ 72,956	**$ 115,513**	$ 197,465
Earnings per share:				
Basic	$ **0.09**	$ 1.22	**$ 1.91**	$ 3.15
Fully diluted	$ **0.09**	$ 1.21	**$ 1.90**	$ 3.11

(a) Adjusted 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 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

Acquisition of Desert NDT LLC

On July 8, 2014, the Company completed the acquisition of all of the outstanding shares of Desert NDT LLC ("Desert"), first announced on May 8, 2014, for a total consideration of US$264.4 million. Desert is a Houston-based provider of non-destructive testing ("NDT") services for new oil and gas gathering pipelines and infrastructure integrity management services. Desert operates through 18 branches located in major U.S. oil and gas basins.
The acquisition was funded with cash and through available revolving credit facilities. The transaction is expected to be accretive to ShawCor's earnings per share within the next 12 months.

Completion of Sale of Brazilian Joint Venture Interest

On September 4, 2014 the Company completed the sale of its Socotherm division's joint venture interest in Socotherm Brasil, first announced in December 2013, to its joint venture partner, Tenaris. Socotherm Brasil operates a pipe coating facility which is managed by Tenaris and which is located at the Confab welded pipe mill in Pindamonhangaba, Brazil.

From the sale, ShawCor realized net proceeds of US$28.5 million, with a further payment of approximately US$1.2 million to be received later this year.

The sale of Socotherm's joint venture interest in Socotherm Brasil is consistent with ShawCor's strategy to focus its pipe coating investments on operations it manages and controls. Following the sale, ShawCor will continue to serve Tenaris' global pipe coating needs and the Brazilian pipe coating market from its global pipe coating plant network.

Impairment of Thermotite do Brasil Ltda Net Assets

In Brazil, ShawCor will continue to supply its deep water pipeline insulation coating products through its wholly-owned subsidiary Thermotite do Brasil Ltda. This Bredero Shaw company is currently completing the insulation coating of subsea flowlines and risers for the Petrobras Sapinhoa North field.

Although the Company is committed to continuing to serve the Brazil market for deep water pipe coatings, as a result of anticipated changes in Petrobras' development plans for the pre-salt Santos basin, the Company incurred a net impairment charge of $28.5 million (net of tax of $12.0 million) in the third quarter of 2014, relating primarily to goodwill and intangible assets that arose from the 2010 purchase of the Company's joint venture partners in Thermotite do Brasil Ltda. The write-down has been calculated based on a variety of factors, including currently anticipated Brazilian market developments, and represents a non-cash charge that will not impact the Company's ability to generate revenue or income from its operations in Brazil.

$200 Million Offering of Common Shares

On September 10, 2014 the Company agreed to sell, on a bought deal basis, 3,650,000 common shares at a price of $54.85 per common share (the "Issue Price") for gross proceeds of $200,202,500 (the "Offering"). On September 19, 2014 the Company closed its bought public offering of 3,650,000 common shares (the "Shares") at a price of $54.85 per Share (the "Offering") for gross proceeds of $200,202,500.

The bought public offering was underwritten by a syndicate led by TD Securities Inc. and included Cormark Securities Inc., RBC Dominion Securities Inc., AltaCorp Capital Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., National Bank Financial Inc. and Scotia Capital Inc. (collectively, the "Underwriters").

In addition, ShawCor granted the Underwriters an option to purchase, in whole or part, up to an additional 547,500 common shares at the Issue Price to cover over-allotments for a period of 30 days following the closing of the Offering. On October 3, 2014 the Underwriters exercised in full the over-allotment option and purchased an additional 547,500 common shares of the Company at a price of $54.85 per common share. The closing of the over-allotment option increases the total gross proceeds of the Offering to $230,232,875.

The Company will use the net proceeds from the Offering for general corporate purposes, including to repay a portion of its outstanding revolving debt in the normal course in order to create debt availability to fund future corporate investments, which may potentially include future acquisitions.

Significant Business Contracts

On July 3, 2014, the Company’s field-applied pipeline coatings and services division, Canusa-CPS, received a contract with a value of approximately $30 million from Saipem SpA to provide field joint coating services for Line 1 of the South Stream Offshore Pipeline.

This contract involves the manufacture of 3-layer polypropylene heat shrink sleeves, and their application on each pipe weld of the 900 km 32" offshore pipeline utilizing the Canusa-CPS patented IntelliCOAT™ automated system. Contract execution is expected to commence in 2014.

On September 26, 2014 the Company’s Bredero Shaw pipe coating division received contracts with a value of approximately US$200 million from BP Exploration (Shah Deniz) Limited for pipeline coating and other services in connection with the Shah Deniz Stage 2 development project. The contracts are scheduled to be executed from plants within Bredero Shaw's Europe, Middle East, Africa, Russia (“EMAR”) region.

The contracts awarded involve the application of a full suite of coatings, including "Thermotite" multilayer polypropylene insulation, anti-corrosion and concrete weight coatings. Coating will commence in late 2014 and continue through the 2015 to 2018 period.

Bredero Shaw is currently bidding on other contracts relating to the Shah Deniz Stage 2 project.

1.1 OUTLOOK

As a result of continuing growth in a number of its North American and EMAR business units and the contribution of revenue in the second half of this year from the recently acquired Desert NDT business, the Company expects that consolidated revenue in 2014, will exceed the level reported in 2013. However, the Company continues to expect that income from operations will lag the prior year as a result of lower margins on the products and services that are growing in volume in comparison with the revenue lost from the decline in large pipe coating project activity in Asia Pacific. The potential exists for an improvement in margins in 2015 over the second half 2014 levels as a result of the planned launch of production on a number of large pipe coating projects in the EMAR region. Barring a commodity price driven reduction in global oil and gas infrastructure investment, improved operating margins coupled with continued organic revenue growth would provide a basis for year over year growth in income from operations and net income in 2015. Further detail on the outlook for the Pipeline and Pipe Services segment by region and in 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 has been evident throughout the first nine months of 2014. Revenue growth in 2014 is being led by increased pipe coating volumes from a full year of production at the Socotherm Gulf of Mexico plant, by increased activity in the US land market for Flexpipe composite pipe, Guardian OCTG pipe inspection and refurbishment, and Shaw Pipeline Services real-time radiography pipeline girth weld inspection. In the fourth quarter of 2014 and continuing in 2015, these sources of growth will be enhanced following the acquisition on July 8, 2014 of the Desert NDT business, which is currently operating at a full year revenue level of approximately $120 million.

Pipeline and Pipe Services Segment - Latin America

The Company is projecting modest growth in 2014 over 2013 from Latin America as a result of increased offshore and large diameter gas transmission pipeline projects in Mexico, the increased downhole tubular and insulation coating production at the Socotherm Argentina facility, an increase in revenue in Brazil from the Sapinhoa deepwater insulation coating project, and increased shipments of Flexpipe composite pipe to Latin America. These sources of revenue growth will be partially offset by the fact that 2013 Latin America revenue had included approximately $55 million from the now completed Technip project that was executed through the deployment of two portable concrete weight coating plants in Trinidad.

Pipeline and Pipe Services Segment - EMAR

In the first nine months of 2014, the Company's EMAR region has reported solid revenue growth over 2013 levels and this is expected to continue in the fourth quarter. Primary drivers of growth will continue to be stronger project revenues from the insulation coating facility in Orkanger, Norway, production on the South Stream Line 1 project at Leith, Scotland and the South Stream Line 2 and SCPX projects at Ras Al Khaimah, UAE, and 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. This decline was very evident in the third quarter and the Company expects that Asia Pacific revenue and earnings in the fourth quarter of 2014 will be consistent with the third quarter level. 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 create opportunities for the Company to utilize its 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. Income from operations ("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 DSG-Canusa's new 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 September 30, 2014 increased to $739 million from $684 million at June 30, 2014 and from $617 million at the beginning of the year. The Company has also seen an increase in bidding activity with the value of outstanding firm bids now exceeding $1 billion. The growth in backlog and bidding activity coupled with the acquisition of Desert NDT and increasing activity in a number of the Company's businesses that generate small order and recurring revenues that don't enter the backlog, support the Company's outlook for growth in revenue and earnings in 2015 and beyond.

2.0 CONSOLIDATED INFORMATION AND RESULTS FROM OPERATIONS

2.1 Revenue

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

(in thousands of Canadian dollars)	**Three Months Ended**			**Nine Months Ended**	
	September 30, 2014	June 30, 2014	September 30, 2013	**September 30, 2014**	September 30, 2013
Pipeline and Pipe Services	**$ 424,660**	$ 396,771	$ 483,174	**$ 1,258,230**	$ 1,317,291
Petrochemical & Industrial	**46,207**	45,209	43,117	**134,344**	122,040
Elimination	**(1,270)**	(594)	(443)	**(2,509)**	(1,541)
Consolidated	**$ 469,597**	$ 441,386	$ 525,848	**$ 1,390,065**	$ 1,437,790

Third Quarter 2014 versus Second Quarter 2014

Consolidated revenue increased 6%, or $28.2 million, from $441.4 million during the second quarter of 2014 to $469.6 million during the third quarter of 2014, due to increases of $27.9 million in the Pipeline and Pipe Services segment and of $1.0 million in the Petrochemical and Industrial segment.

In the Pipeline and Pipe Services segment, revenue increased 7%, or $27.9 million, from $396.8 million in the second quarter of 2014 to $424.7 million in the third quarter of 2014 due to higher activity levels in the North America, Latin America and EMAR regions, partially offset by decreased activity in Asia Pacific. See section 3.1 – *Pipeline and Pipe Services segment* for additional disclosure with respect to the change in revenue in the Pipeline and Pipe Services segment.

In the Petrochemical and Industrial segment, revenue was higher by $1.0 million, or 2%, in the third quarter of 2014, compared to the second quarter of 2014, mainly due to an increase in revenue of $1.9 million, or 7%, in North America, partially offset by lower activity 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.

Third Quarter 2014 versus Third Quarter 2013

Consolidated revenue decreased by $56.3 million, or 11%, from $525.8 million during the third quarter of 2013, to $469.6 million during the third quarter of 2014, due to a decrease of $58.5 million in the Pipeline and Pipe Services segment, partially offset by an increase of $3.1 million in the Petrochemical and Industrial segment.

In the Pipeline and Pipe Services segment, revenue in the third quarter of 2014 was $424.6 million, or12% lower than in the third quarter of 2013, due to decreased activity in Asia Pacific, partially offset by higher revenue in EMAR, North America and Latin America. See section 3.1 – *Pipeline and Pipe Services segment* for additional disclosure with respect to the change in revenue in the Pipeline and Pipe Services segment.

In the Petrochemical and Industrial segment, revenue increased by $3.1million, or 7%, during the third quarter of 2014 compared to the third 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.

Nine Months ended September 30, 2014 versus Nine Months ended September 30, 2013

Consolidated revenue decreased by $47.7 million, or 3%, from $1,437.8 million for the nine month period ended September 30, 2013 to $1,390.1 million for the nine month period ended September 30, 2014, due to a decrease of $59.1 million, or 4%, in the Pipeline and Pipe Services segment, partially offset by an increase of $12.3 million in the Petrochemical and Industrial segment.

Revenue for the Pipeline and Pipe Services segment in 2014 was $1,258.2 million, or $59.1 million lower than in 2013, primarily due to lower activity levels in Asia Pacific, partially offset by increased revenue in North America, Latin America and EMAR. See section 3.1 – Pipeline and Pipe Services segment for additional disclosure with respect to the change in revenue in the Pipeline and Pipe Services segment.

Revenue for the Petrochemical and Industrial segment increased by $12.3 million in 2014 compared to 2013, primarily 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 Operating Income and operating margin for the following periods:

(in thousands of Canadian dollars)	**Three Months Ended**			**Nine Months Ended**	
	September 30, 2014	June 30, 2014	September 30, 2013	**September 30, 2014**	September 30, 2013
Operating Income	**$ 10,932**	$ 69,262	$ 106,146	**$ 169,544**	$ 275,099
Operating Margin[(a)]	**2.3%**	15.7%	20.2%	**12.2%**	19.1%

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

Third Quarter 2014 versus Second Quarter 2014

Operating Income decreased by $58.3 million, from $69.3 million during the second quarter of 2014 to $10.9 million in the third quarter of 2014. Operating Income was impacted by a decrease in gross profit of $10.4 million, an increase in selling, general and administrative ("SG&A") expenses of $7.6 million, higher amortization of property, plant, equipment and intangible assets of $4.0 million and impairment charges of $41.4 million, as explained in section 1.0 above. This was partially offset by a decrease in research and development expenses of $2.8 million and an increase in net foreign exchange gains of $2.3 million.

The decrease in gross profit resulted from a 4.6 percentage point decrease in the gross margin from the second quarter of 2014 partially offset by the higher revenue, as explained above. The decrease in the gross margin percentage was primarily due to unfavourable product and project mix and lower facility utilization and absorption of overheads, particularly in the Pipeline and Pipe Services segment's Asia Pacific region, which had benefitted from higher gross margins on large projects in the second quarter.

SG&A expenses increased by $7.6 million, from $88.9 million in the second quarter of 2014 to $96.5 million in the third quarter of 2014, primarily due to $4.8 million from the acquisition of Desert NDT, increase in management incentive compensation expenses of $1.6 million and higher restructuring costs in Asia Pacific of $1.5 million.

Third Quarter 2014 versus Third Quarter 2013

Operating Income decreased by $95.2 million, from $106.2 million in the third quarter of 2013 to $10.9 million during the third quarter of 2014. Operating Income was impacted by a decrease in gross profit of $60.2 million and impairment charges of $41.4 million, as explained in section 1.0 above. This was partially offset by a decrease in amortization of property, plant, equipment and intangible assets of $1.6 million, lower research and development expenses of $2.0 million and an increase in net foreign exchange gains of $3.0 million.

The decrease in gross profit resulted from a 7.5 percentage point decrease in gross margin, attributable to changes in product and project mix, compared to the third quarter of 2013, particularly in the Pipeline and Pipe Services segment's Asia Pacific region, which had benefitted from high gross margins on several large concrete weight coating projects in 2013.

SG&A expenses marginally increased by $0.2 million and were impacted by $4.8 million from the Desert NDT acquisition and higher restructuring costs in Asia Pacific of $1.5 million. These amounts were offset by lower management incentive compensation expenses of $2.7 million and the favourable settlement of deferred consideration of $0.8 million. In addition, in the third quarter of 2013, the Company had recorded higher bad debt and warranty expenses of $1.5 million.

Nine Months ended September 30, 2014 versus Nine Months ended September 30, 2013

Operating Income decreased by $105.6 million from the nine month period ended September 30, 2013 to $169.5 million in the nine month period ended September 30, 2014. Operating Income was impacted by a year over year decrease in gross profit of $79.5 million and impairment charges of $41.4 million, as explained in section 1.0 above. This was partially offset by decreases in SG&A expenses of $4.9 million, research and development expenses of $0.7 million and amortization of property, plant, equipment and intangible assets of $5.0 million and an increase in net foreign exchange gains of $4.7 million.

The decrease in gross profit resulted from a 4.2 percentage point decrease in gross margin, attributable to changes in product and project mix compared to the prior year, 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 in 2013. This was also impacted by the lower revenue in the first nine months of 2014, as explained above.

SG&A expenses decreased by $4.9 million in 2014 compared to 2013, 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, higher bad debts and warranty provisions recorded in 2013 of $4.2 million, combined with lower management incentive compensation expenses of $10.4 million in 2014. These reductions in SG&A expenses were partially offset by increases over the prior year in personnel related costs of $14.2 million, $4.8 million from the acquisition of Desert NDT, legal and professional consulting fees of $2.3 million and rental and building costs primarily associated with pipe storage and increased activity in EMAR of $3.3 million.

2.3 Finance Costs, net

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

(in thousands of Canadian dollars)	Three Months Ended			Nine Months Ended	
	September 30, 2014	June 30, 2014	September 30, 2013	**September 30, 2014**	September 30, 2013
Interest income	**$ (262)**	$ (75)	$ –	**$ (675)**	$ (704)
Interest expense, other	**3,049**	1,412	1,252	**5,290**	3,390
Interest expense on long-term debt	**3,458**	3,279	3,275	**9,973**	6,839
Finance costs, net	**$ 6,245**	$ 4,616	$ 4,527	**$ 14,588**	$ 9,525

Third Quarter 2014 versus Second Quarter 2014

In the third quarter of 2014, net finance cost was $6.2 million, compared to a net finance cost of $4.6 million during the second quarter of 2014. The increase in net finance cost was primarily a result of higher interest expenses on bank loans and overdrafts, primarily to fund the Desert NDT acquisition, and lower interest income on short term deposits.

Third Quarter 2014 versus Third Quarter 2013

In the third quarter of 2014, net finance cost was $6.2 million, compared to a net finance cost of $4.5 million during the third quarter of 2013. The increase in net finance cost was primarily as a result of higher interest expenses on bank loans and overdrafts, primarily to fund the Desert NDT acquisition, and lower interest income on short term deposits.

Nine Months ended September 30, 2014 versus Nine Months ended September 30, 2013

For the nine months ended September 30, 2014, net finance cost was $14.6 million, compared to a net finance cost of $9.5 million for the comparable period in the prior year. The increase in net finance cost was primarily a result of higher interest on long-term debt that was issued on March 20, 2013 and higher interest expenses on bank loans and overdrafts, primarily to fund the Desert NDT acquisition.

2.4 Income Taxes

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

(in thousands of Canadian dollars)	Three Months Ended			Nine Months Ended	
	September 30, 2014	June 30, 2014	September 30, 2013	**September 30, 2014**	September 30, 2013
Income tax expense	**$ 2,701**	$ 17,991	$ 29,386	**$ 43,263**	$ 68,124

Third Quarter 2014 versus Second Quarter 2014

The Company recorded an income tax expense of $2.7 million (30% of income before income taxes) in the third quarter of 2014, compared to an income tax expense of $18.0 million (27% of income before income taxes) in the second quarter of 2014. The effective tax rate in the third quarter of 2014 was higher than the Company's expected effective income tax rate of 27%, primarily due to the tax rate associated with the impairment charges recorded in the quarter.

Third Quarter 2014 versus Third Quarter 2013

The Company recorded an income tax expense of $2.7 million (30% of income before income taxes) in the third quarter of 2014, compared to an income tax expense of $29.4 million (29% of income before income taxes) in the third quarter of 2013. The Company’s tax rate in the third quarter of 2013 was 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. The effective tax rate in the third quarter of 2014 was higher than the Company's expected effective income tax rate of 27%, primarily due to the tax rate associated with the impairment charges recorded in the quarter.

Nine Months ended September 30, 2014 versus Nine Months ended September 30, 2013

The Company recorded an income tax expense of $43.3 million (27% of income before income taxes) during the nine-month period ended September 30, 2014, compared to an income tax expense of $68.1 million (26% of income before income taxes) during the nine-month period ended September 30, 2013. The Company's tax rate for the nine month period ended September 30, 2013 was lower than expected income tax rate of 27% due to a 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 September 30,		Nine Months Ended September 30,	
	2014	2013	**2014**	2013
U.S. dollar	**1.0890**	1.0389	**1.0948**	1.0246
Euro	**1.4403**	1.3790	**1.4781**	1.3504
British Pounds	**1.8182**	1.6168	**1.8245**	1.5893

The following table sets forth the impact on revenue, Operating Income 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)		**Q3-2014 Versus Q2-2014**		**Q3-2014 versus Q3-2013**	**Q3-2014 YTD versus Q3-2013 YTD**
Revenue	**$**	**(2,898)**	$	8,673	40,984
Income from operations		**160**		2,073	12,393
Net income		**175**		(449)	12,483

In addition to the translation impact noted above, the Company recorded a foreign exchange gain of $1.3 million in the third quarter of 2014, compared to a loss of $1.7 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)

Third Quarter 2014 versus Second Quarter 2014

Net income decreased by $42.3 million, from $47.9 million during the second quarter of 2014 to $5.6 million during the third quarter of 2014, mainly due to the $58.3 million lower Operating Income, as explained in section 2.2 above, and higher net finance costs of $1.6 million . This was partially offset by lower income tax expense of $15.3 million and a higher gain on assets held for sale of $2.0 million.

Third Quarter 2014 versus Third Quarter 2013

Net income decreased by $67.3 million, from $73.0 million during the third quarter of 2013 to $5.6 million during the third quarter of 2014, mainly due to the $95.2 million decline in Operating Income, as explained in section 2.2 above, a higher loss on investment in joint ventures of $2.0 million and higher net finance costs of $1.7 million. This was partially offset by lower income tax expense of $26.7 million and a higher gain on assets held for sale of $5.8 million.

Nine Months ended September 30, 2014 versus Nine Months ended September 30, 2013

Net income decreased by $82.0 million, from $197.5 million during the nine-month period ended September 30, 2013 to $115.5 million during the nine-month period ended September 30, 2014, mainly due to the $105.6 million lower Operating Income as explained above, a higher loss on investment in joint ventures of $5.0 million and higher finance costs of $5.1 million. This was partially offset by lower income tax expense of $24.9 million and a higher gain on sale of assets held for sale of $9.6 million.

3.0 SEGMENT INFORMATION

3.1 Pipeline and Pipe Services segment

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

(in thousands of Canadian dollars)	**Three Months Ended**			**Nine Months Ended**	
	September 30, 2014	June 30, 2014	September 30, 2013	**September 30, 2014**	September 30, 2013
North America	**$ 215,050**	$ 169,870	$ 187,686	**$ 574,295**	$ 495,192
Latin America	**53,313**	40,342	36,169	**136,722**	132,209
EMAR	**107,079**	73,500	53,924	**249,326**	141,258
Asia Pacific	**49,218**	113,059	205,395	**297,887**	548,632
Total Revenue	**$ 424,660**	$ 396,771	$ 483,174	**$ 1,258,230**	$ 1,317,291
Operating Income	**$ 13,343**	$ 74,771	$ 113,069	**$ 180,229**	$ 309,532
Operating Margin	**3.1%**	18.8%	23.4%	**14.3%**	23.3%

Third Quarter 2014 versus Second Quarter 2014

In the third quarter, revenue increased by $27.9 million to $424.7 million, from $396.8 million in the second quarter of 2014. Activity levels were higher in all regions except for Asia Pacific:

- In North America, revenue increased by $45.2 million, or 27%, as a result of the addition of approximately $30 million in revenue from the acquisition of Desert NDT in the third quarter of 2014, an increase in flexible composite pipe volumes, higher small diameter pipe coating in Canada and increased pipe wield inspection service revenue in the USA. This was partially offset by lower revenue from Socotherm's Gulf of Mexico operation and lower activity levels for large diameter pipe coating in Canada.

- Latin America revenue increased by $13.0 million, or 32%, primarily as a result of higher activity levels at the thermal insulation coating facilities in Veracruz, Mexico and Brazil and at Socotherm's Argentina facility.

- In EMAR, revenue increased by $33.6 million, or 46%, primarily due to higher volumes at Ras Al Khaimah, UAE ("RAK") from the launch of the South Caucasus project and at the Socotherm Pozzallo facility. In addition, revenue was higher from pipe weld inspection services due to the acquisition of SAIS by Shaw Pipeline Services in the UK, completed in April 2014, and an increase in field joint coating revenue in the region.

- In Asia Pacific, revenue decreased by $63.8 million, or 56%, mainly due to lower activity levels on large pipe coating projects at both the Kabil, Indonesia and Kuantan, Malaysia facilities.

In the third quarter of 2014, Operating Income was $13.3 million compared to $74.8 million in the second quarter of 2014, a decrease of $61.4 million, or 82%, as a result of the following factors:

- An impairment charge of $41.4 million ($29.4 million net of taxes) in the third quarter mainly related to the Bredero Shaw facility in Brazil.

- Lower gross profit of $8.4 million, primarily due to a 4.6 percentage point decrease in the gross margin due to less favourable product and project mix, particularly in the Pipeline and Pipe Services segment's Asia Pacific region, which had benefitted from higher gross margins on large projects in the second quarter.
- Higher SG&A expenses, primarily due to the inclusion of $4.8 million of SG&A expenses from the newly acquired Desert NDT business.

Third Quarter 2014 versus Third Quarter 2013

Revenue was $424.6 million in the third quarter of 2014, a decrease of $58.5 million, or 12%, from $483.2 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, Latin America and EMAR, offset by lower activity levels in Asia Pacific:

- In North America, revenue increased by $27.4 million, or 15%, due to the addition of approximately $30 million in revenue from the acquisition of Desert NDT in the third quarter of 2014, higher activity levels from Socotherm Gulf of Mexico operations, increased revenue from flexible composite pipe volumes, increased tubular management services revenue in Canada and the USA. This was partially offset by lower land based pipe weld inspection services revenue in the USA and lower activity in large diameter pipe coatings in Canada and the USA.

- In Latin America, revenue increased by $17.1 million, or 47%, primarily due to increased activity at the thermal insulation coating facilities in Veracruz, Mexico and Brazil, partially offset by the reduction in revenue from the Technip project in Trinidad, which was completed in 2013.

- EMAR revenue increased by $53.2 million, or 99%, primarily due to higher activity levels at the Company's pipe coating facilities in RAK and from Socotherm's Italian facilities, and higher revenue from pipe weld inspection services due to the acquisition of SAIS in the UK.

- Asia Pacific revenue decreased by $156.2 million, or 76%, primarily due to the lower volumes associated with the completion of large projects like Inpex Ichthys, Chevron Wheatstone and Apache Julimar at both Kabil, Indonesia and Kuantan, Malaysia.

In the third quarter of 2014, Operating Income was $13.3 million compared to $113.1 million in the third quarter of 2013, a decrease of $99.7 million, or 88%, due to the following factors:

- A reduction in gross profit of $57.9 million as a result of the decrease in revenue of $58.5 million, as explained above, and a 7.4 percentage point decrease in gross margin due to unfavourable project mix, particularly in the Asia Pacific region.

- An impairment charge of $41.4 million ($29.4 million net of taxes) in the third quarter mainly related to the Bredero Shaw facility in Brazil.

- Higher SG&A expenses, primarily due to the due to the inclusion of $4.8 million of SG&A expenses from the newly acquired Desert NDT business.

- These reductions in Operating Income were partially offset by the decrease in amortization of property, plant, equipment and intangible assets as explained in section 2.2 above.

Nine Months ended September 30, 2014 versus Nine Months ended September 30, 2013

Revenue in the Pipeline and Pipe Services segment for the nine month period ended September 30, 2014 was $1,258.2 million, a decrease of $59.1 million, from $1,317.3 million in the comparable period in the prior year. 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, EMAR and Latin America, offset by lower activity levels in Asia Pacific:

- Revenue in North America increased by $79.1 million, or 16%, primarily due to increased flexible composite pipe volume in the USA, higher revenues from tubular management services, increased volumes at the Socotherm Gulf of Mexico facility and the addition of approximately $30 million in revenue from the acquisition of Desert NDT in the third quarter of 2014. This was partially offset by lower activity levels in pipe weld inspection services and in large and small diameter pipe coatings in the USA.

- In Latin America, revenue was higher by $4.5 million, or 3%, due to higher activity levels in Brazil for the Sapinhoa project and increased large project activity in Mexico at both the Veracruz and Coatzacoalcos facilities. This was partially offset by lower activity levels on the Technip project in Trinidad, which was completed in 2013.

- In EMAR, revenue increased by $108.1 million, or 77%, due to increased pipe coating activity levels in RAK, increased volumes at the Leith, Scotland facility on the Edvard Greig and South Stream projects, higher activity levels at the Socotherm facilities in Italy and higher revenue from pipe weld inspection services due to the acquisition of SAIS.

- Revenue in Asia Pacific decreased by $250.7 million, or 46%, primarily due to the lower volumes associated with the completion of large projects like Inpex Ichthys, Chevron Wheatstone and Apache Julimar at both Kabil, Indonesia and Kuantan, Malaysia.

Operating Income for the nine month period ended September 30, 2014 was $180.2 million compared to $309.5 million for the nine month period ended September 30, 2013, a decrease of $129.3 million, or 42% due to the following factors:

- Lower gross profit of $80.3 million driven by lower revenue of $59.1 million, as explained above and a 4.3 percentage point decrease in gross margin due to less favourable project mix, lower facilities' utilization and the absorption of overheads, particularly in the Asia Pacific and Latin America regions which had benefitted from high gross margins on several large concrete weight coating projects in 2013.

- An impairment charge of $41.4 million ($29.4 million net of taxes) in the third quarter 2014, mainly related to the Bredero Shaw facility in Brazil.

- These reductions in Operating Income were partially offset by the decrease in amortization of property, plant, equipment and intangible assets as explained in section 2.2 above.

3.2 Petrochemical and Industrial segment

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

(in thousands of Canadian dollars)	Three Months Ended						Nine Months Ended			
		September 30, 2014		June 30, 2014		September 30, 2013		**September 30, 2014**		September 30, 2013
North America	**$**	**29,245**	$	27,286	$	27,927	**$**	**80,562**	$	75,887
EMAR		**15,174**		16,278		13,742		**48,769**		41,835
Asia Pacific		**1,788**		1,645		1,448		**5,013**		4,318
Total Revenue	**$**	**46,207**	$	45,209	$	43,117	**$**	**134,344**	$	122,040
Operating Income	**$**	**6,977**	$	7,918	$	7,890	**$**	**20,958**	$	17,963
Operating Margin		**15.1%**		17.5%		18.3%		**15.6%**		14.7%

Third Quarter 2014 versus Second Quarter 2014

In the third quarter of 2014, revenue increased by $1.0 million, or 2%, to $46.2 million, compared to the second quarter of 2014, primarily due to higher shipments of wire and cable products to North American electrical utilities.

Operating Income of $7.0 million in the third quarter of 2014 was $1.0 million, or 12%, lower than in the second quarter of 2014. The decrease in Operating Income was due to lower gross profit of $2.0 million as a result of a 5.0 percentage point decrease in the gross margin due to unfavourable product mix, partially offset by a reduction in SG&A expenses of $1.0 million.

Third Quarter 2014 versus Third Quarter 2013

Third quarter 2014 revenue totaled $46.2 million compared to $43.1 million in the third quarter of 2013, an increase of $3.1million, or 7%. The increase was driven by higher heat shrink tubing product volumes, particularly in the automotive sector, combined with higher shipments of wire and cable products to the North American electrical utilities and the impact of foreign exchange on revenue, as noted in section 2.5 above.

Operating Income in the third quarter of 2014 was $7.0 million compared to $7.9 million in the third quarter of 2013, a decrease of $0.9 million, or 11%. The decrease in Operating Income was due to lower gross profit of $2.2 million as a result of a 6.9 percentage point decrease in gross margin, primarily due to more unfavourable product mix, partially offset by a reduction in SG&A expenses of $1.2 million and the increase in revenue, as explained above.

Nine Months ended September 30, 2014 versus Nine Months ended September 30, 2013

In the nine months ended September 30, 2014 revenue increased by $12.3 million, or 10%, to $134.3 million compared to the comparable period in 2013, due to increased shipments of wire and cable products to the North American electrical utilities, combined with increased heat shrinkable product shipments in all three regions and the impact of foreign exchange on revenue, as noted in section 2.5 above.

Operating Income for the nine months ended September 30, 2014 was $21.0 million compared to $18.0 million for the nine months ended September 30, 2013, an increase of $3.0 million, or 17%. The increase was primarily due to SG&A expenses were lower by $2.1 million in 2014 compared to 2013, gross profit was higher $1.0 million as a result of the increase in revenue of $12.3 million, as explained above, partially offset by a 2.1 percentage point decrease in the gross margin due to unfavourable 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:

(in thousands of Canadian dollars)	Three Months Ended			Nine Months Ended	
	September 30, 2014	June 30, 2014	September 30, 2013	**September 30, 2014**	September 30, 2013
Loss from operations	**$ (10,683)**	$ (12,398)	$ (13,100)	**$ (34,940)**	$ (51,016)

Third Quarter 2014 versus Second Quarter 2014

Financial and corporate costs decreased by $1.7 million from $12.4 million during the second quarter of 2014 to $10.7 million in the third quarter of 2014, primarily due to lower long term management compensation incentive expenses of $2.5 million. This was partially offset by an increase in short term management compensation incentive expenses of $1.4 million.

Third Quarter 2014 versus Third Quarter 2013

Financial and corporate costs decreased by $2.4 million from the third quarter of 2013 to $10.7 million in the third quarter of 2014, primarily as a result of lower short term management compensation incentive expenses of $1.1 million, lower expenses for recruitment and employee benefits of $0.9 million and lower building and maintenance costs of $0.3 million.

Nine Months ended September 30, 2014 versus Nine Months ended September 30, 2013

Financial and corporate costs decreased by $16.1 million from the nine month period ended September 30, 2013 to $34.9 million for the nine month period ended September 30, 2014, primarily as a result of higher 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. In addition, personnel related expenses were lower by $1.4 million in 2014 compared to 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 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 2015, and in the longer term, the impact of global economic activity on the demand for the Company's products, the impact of oil and gas commodity prices on the level of industry investment in oil and gas infrastructure, the impact of the SAIS acquisition on the market position of the SPS division, the impact of the Desert acquisition on future earnings per share, 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 instability in the Ukraine, Argentina and Venezuela 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 November 7th, 2014 at 10:00AM EST, which will discuss the Company's Third Quarter 2014 Financial Results.

To participate via telephone, please dial 1 (877) 776-4039; the Participant's passcode to access the event is 19110427.

The webcast will be available at http://www.media-server.com/m/p/dvgofmjn.

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:

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

ShawCor Ltd.
Interim Consolidated Balance Sheets (Unaudited)

(in thousands of Canadian dollars)		**September 30, 2014**		December 31, 2013
ASSETS				
Current Assets				
Cash and cash equivalents	**$**	**97,594**	$	79,395
Short-term investments		**6,375**		6,618
Loans receivable		**1,826**		1,780
Accounts receivable		**463,342**		363,984
Income taxes receivable		**9,153**		9,919
Inventories		**188,959**		180,876
Prepaid expenses		**33,887**		19,176
Derivative financial instruments		**3,314**		624
		804,450		662,372
Assets held for sale		**1,425**		56,186
		805,875		718,558
Non-current Assets				
Loans receivable		**6,655**		7,462
Property, plant and equipment		**431,910**		413,287
Intangible assets		**236,359**		130,216
Investments in joint ventures		**17,377**		17,276
Investments in associates		**17,076**		–
Deferred income taxes		**30,810**		48,480
Other assets		**28,095**		17,830
Goodwill		**439,891**		298,819
		1,208,173		933,370
	$	**2,014,048**	$	1,651,928
LIABILITIES AND EQUITY				
Current Liabilities				
Bank indebtedness	**$**	**87,488**	$	5,290
Accounts payable and accrued liabilities		**260,066**		230,974
Provisions		**13,735**		15,971
Income taxes payable		**41,986**		61,911
Derivative financial instruments		**1,282**		1,632
Deferred revenue		**73,319**		84,396
Obligations under finance lease		**1,195**		487
Other current liabilities		**25,596**		33,791
		504,667		434,452
Liabilities directly associated with the assets classified as held for sale		**1,049**		16,617
		505,716		451,069
Non-current Liabilities				
Long-term debt		**390,495**		374,381
Obligations under finance lease		**12,665**		13,827
Provisions		**34,027**		37,646
Employee future benefits		**28,125**		25,678
Deferred income taxes		**65,257**		68,857
Other non-current liabilities		**20,552**		21,889
		551,121		542,278
		1,056,837		993,347
Equity				
Share capital		**504,692**		303,327
Contributed surplus		**13,741**		13,093
Retained earnings		**463,502**		373,574
Non-controlling interests		**3,167**		2,419
Accumulated other comprehensive loss		**(27,891)**		(33,832)
Total Equity		**957,211**		658,581
TOTAL LIABILITIES AND EQUITY	**$**	**2,014048**	$	1,651,928

ShawCor Ltd.
Interim Consolidated Statements of Income (Unaudited)

(in thousands of Canadian dollars)	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Nine Months Ended September 30, 2014	Nine Months Ended September 30, 2013
Revenue				
Sale of products	**$ 161,687**	$ 90,725	**$ 444,035**	$ 310,014
Rendering of services	**307,910**	435,123	**946,030**	1,127,776
	469,597	525,848	**1,390,065**	1,437,790
Cost of Goods Sold and Services Rendered	**300,680**	296,777	**843,594**	811,832
Gross Profit	**168,917**	229,071	**546,471**	625,958
Selling, general and administrative expenses	**96,498**	96,252	**274,825**	279,740
Research and development expenses	**2,293**	4,246	**11,603**	12,297
Foreign exchange (gains) losses	**(1,295)**	1,713	**(3,297)**	1,380
Amortization of property, plant and equipment	**13,709**	18,028	**41,445**	49,857
Amortization of intangible assets	**5,401**	2,686	**10,972**	7,585
Impairment	**41,379**	–	**41,379**	–
Income from Operations	**10,932**	106,146	**169,544**	275,099
Gain (loss) on assets held for sale	**4,495**	(1,269)	**7,020**	(2,561)
Income from investments in associates	**444**	–	**409**	–
(Loss) income from investments in joint ventures	**(580)**	1,420	**(3,427)**	1,543
Finance costs, net	**(6,245)**	(4,527)	**(14,588)**	(9,525)
Income before Income Taxes	**9,046**	101,770	**158,958**	264,556
Income taxes	**2,701**	29,386	**43,263**	68,124
Net Income for the Period	**$ 6,345**	$ 72,384	**$ 115,695**	$ 196,432
Net Income Attributable to:				
Shareholders of the Company	**$ 5,617**	$ 72,956	**$ 115,513**	$ 197,465
Non-controlling interests	**728**	(572)	**182**	(1,033)
Net Income for the Period	**$ 6,345**	$ 72,384	**$ 115,695**	$ 196,432
Earnings per Share				
Basic	**$ 0.09**	$ 1.22	**$ 1.91**	$ 3.15
Diluted	**$ 0.09**	$ 1.21	**$ 1.90**	$ 3.11
Weighted Average Number of Shares Outstanding (000's)				
Basic	**60,744**	59,713	**60,328**	62,646
Diluted	**61,242**	60,278	**60,780**	63,394

ShawCor Ltd.

Interim Consolidated Statements of Comprehensive Income (Unaudited)

(in thousands of Canadian dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	**2014**	2013
Net Income for the Period	**$ 6,345**	$ 72,384	**$ 115,695**	$ 196,432
Other Comprehensive Income (Loss) to be Reclassified to Net Income in Subsequent Periods				
Exchange differences on translation of foreign operations	**8,976**	2,572	**2,979**	6,045
Other comprehensive income (loss) attributable to investments in joint ventures	**1,873**	(1,375)	**3,528**	(1,667)
Loss on cash flow hedge	**–**	–	**–**	(6,880)
Net Other Comprehensive Income (Loss) to be Reclassified to Net Income in Subsequent Periods	**10,849**	1,197	**6,507**	(2,502)
Other Comprehensive Income (Loss), Net of Income Tax	**10,849**	1,197	**6,507**	(2,502)
Total Comprehensive Income for the Period	**$** 17,194	$ 73,581	**$ 122,202**	$ 193,930
Comprehensive Income Attributable to:				
Shareholders of the Company	**$ 16,716**	$ 74,150	**$ 121,454**	$ 194,597
Non-controlling interests	**478**	(569)	**748**	(667)
Total Comprehensive Income for the Period	**$ 17,194**	$ 73,581	**$ 122,202**	$ 193,930

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	–	–	115,513	182	–	115,695
Issued new shares (net of commissions and share issuance costs of $8.5 million)	191,694	–	–	–	–	191,694
Issued on exercise of stock options	7,070	–	–	–	–	7,070
Compensation cost on exercised options	2,549	(2,549)	–	–	–	–
Compensation cost on exercised RSUs	52	(52)	–	–	–	–
Stock-based compensation expense	–	3,249	–	–	–	3,249
Other comprehensive income	–	–	–	566	5,941	6,507
Dividends paid to shareholders	–	–	(25,585)	–	–	(25,585)
Balance – September 30, 2014	**$ 504,692**	**$ 13,741**	**$ 463,502**	**$ 3,167**	**$ (27,891)**	**$ 957,211**
Balance – December 31, 2012	$ 221,687	$ 17,525	$ 799,741	(331)	$ (49,955)	$ 988,667
Net income for the period	–	–	197,465	(1,033)	–	196,432
Issued on exercise of stock options	18,870	–	–	–	–	18,870
Compensation cost on exercised options	7,315	(7,315)	–	–	–	–
Compensation cost on exercised RSUs	24	(24)	–	–	–	–
Stock-based compensation expense	–	2,144	–	–	–	2,144
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)	–	–	–	366	(2,868)	(2,502)
Dividends paid to shareholders	–	–	(81,005)	–	–	(81,005)
Balance - September 30, 2013	$ 302,334	$ 12,330	$ 358,674	$ (998)	$ (52,823)	$ 619,517

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

(in thousands of Canadian dollars)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	**2014**	2013
Operating Activities				
Net income for the period	**$ 6,345**	$ 72,384	**$ 115,695**	$ 196,432
Add (deduct) items not affecting cash				
Amortization of property, plant and equipment	**13,709**	18,028	**41,445**	49,857
Amortization of intangible assets	**5,401**	2,686	**10,972**	7,585
Amortization of long-term prepaid expenses	**312**	261	**801**	699
Impairment	**41,379**	–	**41,379**	–
Decommissioning liabilities expenses	**119**	55	**343**	288
Other provisions (recovery) expenses	**(3,146)**	776	**2,122**	17,844
Stock-based and incentive based compensation	**4,882**	6,155	**18,289**	17,513
Deferred income taxes	**(7,109)**	605	**(9,445)**	(8,702)
(Gain) loss on disposal of property, plant and equipment	**(324)**	496	**(405)**	538
(Gain) loss on derivative financial instruments	**(1,604)**	2,368	**(3,040)**	3,988
Income from investments in associates	**(444)**	–	**(409)**	–
Loss (income) on investments in joint ventures	**580**	(1,420)	**3,427**	(1,543)
(Gain) loss on assets held for sale	**(4,495)**	1,269	**(7,020)**	2,561
Other	**1,597**	193	**59**	820
Settlement of decommissioning liabilities	**(88)**	(58)	**(169)**	(667)
Settlement of other provisions	**(1,724)**	(4,256)	**(9,414)**	(15,956)
Net change in non-current deferred revenue	**–**	(478)	–	(64,392)
Net change in employee future benefits	**879**	1,239	**1,591**	(4,452)
Net change in non-cash working capital and foreign exchange	**10,087**	(94,829)	**(109,161)**	(195,100)
Cash Provided by Operating Activities	**66,356**	5,474	**97,060**	7,313
Investing Activities				
Decrease in loans receivable	**–**	964	**1,075**	2,028
(Purchase) redemption of short-term investments, net	**(5,816)**	4,988	**243**	69,602
Purchase of property, plant and equipment	**(21,988)**	(19,224)	**(54,743)**	(57,471)
Proceeds on disposal of property, plant and equipment	**652**	145	**1,688**	445
Purchase of intangible assets	**(32)**	(450)	**(90)**	(522)
Investment in joint venture	**–**	–	–	(7,398)
Proceeds from assets held for sale	**32,319**	–	**45,136**	–
Payment of deferred purchase consideration	**–**	–	**(18,830)**	–
Investments in associates	**(2,816)**	–	**(16,516)**	–
Increase in other assets	**–**	(416)	**(10,000)**	(312)
Business acquisition	**(279,814)**	–	**(281,503)**	(30,163)
Cash Used in Investing Activities	**(277,495)**	(13,993)	**(333,540)**	(23,791)
Financing Activities				
Increase in bank indebtedness	**75,695**	30,832	**82,198**	35,925
Decrease in loans payable	**–**	(1,579)	**–**	(755)
Payment of obligations under finance lease	**(526)**	(900)	**(996)**	(900)
Proceeds from long-term debt	**–**	–	**–**	356,280
Proceeds from interest rate swap	**–**	–	**–**	2,111
Issuance of shares	**193,145**	6,688	**198,764**	18,870
Repurchase of shares	**–**	–	**–**	(503,089)
Dividend paid to shareholders	**(9,043)**	(7,457)	**(25,585)**	(81,005)
Cash Provided by (Used in) Financing Activities	**259,271**	27,584	**254,381**	(172,563)
Foreign Exchange Impact on Cash and Cash Equivalents	**(33)**	178	**298**	7,175
Net change in Cash and Cash Equivalents for the Period	**48,099**	19,243	**18,199**	(181,866)
Cash and Cash Equivalents - Beginning of Period	**49,495**	83,872	**79,395**	284,981
Cash and Cash Equivalents - End of Period	**$ 97,594**	$ 103,115	**$ 97,594**	$ 103,115