March 4th, 2015

SHAWCOR LTD.
(TSX: SCL)

PRESS RELEASE

SHAWCOR LTD. ANNOUNCES FOURTH QUARTER 2014 RESULTS

- Fourth quarter revenue of $500.0 million was 6% higher than the $469.6 million reported in the third quarter of 2014. Revenue also increased by 22% from the $409.8 million reported in the fourth quarter of 2013.
- For the full year 2014, revenue reached a new record level of $1.89 billion.
- Adjusted EBITDA in the fourth quarter was $76.4 million an increase of 7% from the $71.3 million reported in the third quarter of 2014 and an increase of 34% from the $57.1 million reported in the fourth quarter of 2013.
- For the full year 2014, Adjusted EBITDA was $336.7 million versus $391.2 million in 2013.
- Net income (attributable to shareholders of the Company) in the fourth quarter was a loss of $20.7 million (or a loss of $0.32 per share diluted) compared with net income of $5.6 million (or $0.09 per share diluted) in the third quarter of 2014 and net income of $22.4 million (or $0.37 per share diluted) in the fourth quarter of the prior year.
- Excluding the impact of impairment charges, net income in the quarter was $49.4 million or $0.76 per share diluted, an improvement of 41% from the net income (before impairment charges) of $35.0 million or $0.57 per share diluted in the third quarter of 2014.
- The Company's order backlog continued to increase during the fourth quarter, reaching $766 million at December 31, 2014, an improvement of 4% over the start of the quarter and an increase of $149 million or 24% from the prior year end.

Mr. Steve Orr, Chief Executive Officer of ShawCor Ltd. remarked "During the fourth quarter we generated a modest improvement in operating performance with strong revenue and a 7% gain in Adjusted EBITDA. Of critical importance, we successfully integrated the Desert NDT acquisition and, in our pipe coating businesses, we accelerated the transition of activity from Asia Pacific to our EMAR region in advance of the launch of the Shah Deniz major projects in early 2015. Of equal importance, we took proactive steps to prepare the Company for the expected downturn in oilfield activity in 2015".

Mr. Orr added "There can be no doubt that the Company will be impacted in 2015 by the expected pullback in North American well completions following the sudden and steep decline in the global price of oil. However, the Company is in an excellent position to weather the downturn. We have a very strong balance sheet as a result of the recent $230 million offering of common shares. We also expect continued solid free cash flow generation in 2015 even in the case of a reduction in North American well completions of 30% or greater. Our confidence is directly related to the Company's booked order backlog which again increased in the fourth quarter and now stands at $766 million. During 2015, we will focus on generating cash flow from our strong order backlog, we will carefully manage the cost structures in our North American businesses that are impacted by the downturn, and we will undertake growth investments to ensure that the Company continues to execute our long term growth strategy of building an integrated global energy services company and delivering industry leading total returns to our shareholders."

Selected Financial Highlights

(in thousands of Canadian dollars, except per share amounts and percentages)	Three Months Ended December 31,				Year Ended December 31,			
		2014		2013		**2014**		2013
Revenue	$	**499,964**	$	409,759	**$**	**1,890,029**	$	1,847,549
Gross profit		**177,239**		162,645		**723,710**		788,603
Gross profit %		**35.5%**		39.7%		**38.3%**		42.7%
Adjusted EBITDA[(a)]		**76,379**		57,139		**336,701**		391,223
Income from operations		**(20,868)**		48,358		**148,676**		323,457
Net income for the period[(b)]	$	**(20,652)**	$	22,397	**$**	**94,861**	$	219,862
Earnings per share:								
Basic	$	**(0.32)**	$	0.37	**$**	**1.55**	$	3.55
Fully diluted	$	**(0.32)**	$	0.37	**$**	**1.53**	$	3.51

(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, gain from sale of land, impairment of assets and joint ventures and non controlling interest. 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. Please refer to section 6.0 for a reconciliation of non-GAAP measures to GAAP measures.

(b) Attributable to shareholders of the Company.

1.0 KEY DEVELOPMENTS

Completion of approximately $230 million bought public offering deal

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 "Issue Price") for gross proceeds of $200.2 million (the "Offering").

The 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").

On October 3, 2014, the Underwriters exercised in full an 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 increased the total gross proceeds of the Offering to $230.2 million.

The Company used 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.

Second Contract to Provide Pipe Coating Services for the Shah Deniz Stage 2 Project

On November 18, 2014, the Company announced that its Bredero Shaw pipe coating division had received a second contract with a value of approximately US$200 million from BP Exploration (Shah Deniz) Limited for pipeline coating for the Shah Deniz Stage 2 development project. The contract is scheduled to be executed at the Caspian Pipe Coatings (CPC) plant in Baku, Azerbaijan.

The contract awarded involves the application of anti-corrosion and concrete weight coatings and upgrades to the CPC plant in Baku to enable the facility to meet the project's requirements for anti-corrosion and concrete weight coating.

Coating is expected to commence in 2015 with completion planned for October 2015.

Together with the previously awarded contracts relating to the Shah Deniz Stage 2 and the related South Caucasus Pipeline projects, Bredero Shaw has now secured contracts totaling over US$500 million on these projects.

Update on the South Stream Offshore Pipeline Project

On December 18, 2014, the Company provided an update on the South Stream Offshore Pipeline Project. The Company had previously announced that its Bredero Shaw pipe coating division had received contracts from Europipe GmbH and Marubeni Sumitomo Consortium with a combined value of approximately US$100 million for pipeline coating for Lines 1 and 2 of the South Stream Offshore Pipeline project and that its Canusa-CPS division had received a contract with a value of approximately C$30 million from Saipem SpA to provide field joint coating services for Line 1 of the South Stream project. As of the date of the update, the majority of the work associated with its South Stream contracts had been suspended pursuant to suspension notices received from each customer.

The suspensions received are applicable for a limited period of time and none of these contracts has been terminated to date. At this time, there can be no assurance as to whether these projects will be reactivated or subsequently terminated.

Impairment Charges

The Company incurred an impairment charge of $41.4 million ($29.4 million net of tax) 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 was 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. The Company is committed to continuing to serve the Brazil market for deep water pipe coatings.

On December 22, 2014, the Company announced that it expected to incur an after tax impairment charge of up to approximately $80 million. The final amount of the impairment charges of $97.9 million ($70.0 million net of tax) was recorded by the Company in the fourth quarter of 2014. The impairment charges recorded related to goodwill and intangible assets of the Socotherm Gulf of Mexico coating facility in Channelview, Texas, property, plant and equipment of other company assets in the Gulf of Mexico, and the carrying value of Socotherm's 50% joint venture interest in Venezuela. The charge results from recently conducted annual impairment testing under IFRS of the carrying value of ShawCor's long lived assets.

The write-down of goodwill and intangible assets associated with the Socotherm Gulf of Mexico facility was based primarily on two factors: (i) anticipated market developments in the Gulf of Mexico including the likelihood of project delays as a result of the recent global decline in oil prices, and (ii) the Company's intention to shift non-Gulf of Mexico production from the Channelview, Texas operations to Pozzallo, Italy following the successful launch of production at the Pozzallo facility which is better positioned logistically to service project activity in Europe, the Middle East and Africa. The write down of the joint venture interest in Venezuela was primarily the result of the accelerating devaluation of the local currency in Venezuela.

The write-down is a non-cash charge that will not impact the Company's ability to generate revenue from its operations in the Gulf of Mexico or Venezuela.

Acquisition of Dhatec B.V.

On January 5, 2015, the Company announced that it had completed the acquisition of Dhatec B.V. ("Dhatec"). Dhatec is a Netherlands based company which designs, assembles and markets engineered pipe logistics products and services which mitigate damage and enhance safety and efficiency in the manufacturing, coating, handling, transportation, preservation and storage of pipe. Dhatec's revenue in 2014 was approximately US$25 million.

1.1 OUTLOOK

Following the record revenue achieved in 2014, the decline in global oil prices that started in the fourth quarter of 2014 will cause a decline in drilling and well completions in 2015 which will likely cause ShawCor's revenue to decline on a year over year basis. The impact of the downturn will be primarily focused on the Company's activity in North America as described more fully below. Outside of North America, the Company's performance will largely be determined by its execution of the projects that are in the order backlog. ShawCor enters 2015 with a very strong backlog at $766 million, which provides support for 2015 activity levels, particularly in the Company's EMAR region which accounts for over 60% of the current order backlog. The growth in revenue in this region will help reduce the impact on revenue of the North American oilfield downturn. However, on a year over year basis, there is risk that income from operations could decrease at a greater rate than revenue. Any decrease in North American small diameter pipe coating, composite pipe, or gathering line weld inspection revenue would be expected to have an overall dilutive effect on consolidated operating margins given prevailing margin levels in these businesses and due to the negative effects of facility and crew utilization on the absorption of fixed costs. To mitigate this effect as much as possible, the Company will monitor activity levels and undertake further measures to reduce its cost structure in these businesses as activity levels decline.

Beyond 2015, the Company continues to believe that global oil and gas infrastructure investment will increase to bridge the increasing gap between global energy supply and growing energy demand in developing economies. Further support for global energy infrastructure investment will emerge as existing infrastructure ages. Finally, the curtailment in investment as a result of the global oil price decline will reverse as the inevitable impact of hydrocarbon reservoir depletion reduces the current excess of global supply over demand. In this environment, the Company's businesses that are impacted by the downturn in 2015 should recover. This expected recovery, coupled with the continued flow of large pipe coating project activity and execution of the Company's strategy to expand its pipeline products and services offering, should create the conditions for the Company's long term growth in revenue and shareholder returns to continue.

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 generated solid revenue growth over 2013 levels. Much of this growth was attributable to growth in businesses that are closely related to the completion of new oil and gas wells. These businesses include Canadian and US small diameter pipe coating and joint protection, Flexpipe composite pipe, Guardian OCTG pipe inspection and refurbishment and the Desert NDT gathering line girth weld inspection service. Desert NDT was acquired in early July 2014. If its revenue was considered on a full year basis, then ShawCor's activities that are leveraged to well completions would have contributed approximately $500 million in annualized revenue. A decrease in the number of wells completed can be expected to have an impact on this revenue level and with the number of drilling rigs active in North America projected to decrease by up to 50%, we must expect that our North American Pipeline segment will be impacted significantly. Also affecting North America Pipeline segment revenue will be a decrease in activity at the Company's Channelview Gulf of Mexico deepwater insulation coating plant, which is currently completing several large projects, and the likelihood that activity in 2015 and 2016 will be limited to smaller tie-back projects as energy companies defer larger greenfield projects pending more certainty on oil prices.

The one area of North American activity that is expected to show continued strength is the build out of large diameter transmission pipeline infrastructure and the increasing investment on the refurbishment of existing infrastructure. The Company's pipe coating and pipeline integrity management businesses are well positioned to benefit from this trend.

Pipeline and Pipe Services Segment - Latin America

During 2014, the Company's Latin America region benefited from increased offshore and large diameter gas transmission pipeline projects in Mexico, over $20 million in revenue from the execution of the Sapinhoa deepwater insulation coating project in Brazil, and increased shipments of Flexpipe composite pipe to Latin America. In 2015, these sources of revenue are expected to weaken modestly, although the impact on overall region revenue will be partially mitigated by growth in Argentina expected from the execution of a series of large diameter pipe coating projects that are expected to contribute up to $40 million in revenue.

Pipeline and Pipe Services Segment - EMAR

The Company expects that its EMAR region will produce strong revenue and operating earnings growth in 2015 over 2014 levels, with revenue potentially reaching the $500 million level. Primary drivers of growth will be the large pipe coating projects that have been booked for BP's Shah Deniz gas field development in Azerbaijan combined with pipe coating and joint protection projects for the two South Stream gas pipelines in the Black Sea. The Shah Deniz projects are expected to provide over US$500 million in pipe coating revenue to ShawCor with revenue of over $280 million planned for execution in 2015 and over $200 million planned for execution in 2016 and beyond. Expected revenue in 2015 from the South Stream pipeline projects is approximately $114 million. This work is presently under suspension pursuant to the contract terms. The timing of the execution of this work is subject to significant risk, including the risk that the project maybe cancelled.

Pipeline and Pipe Services Segment - Asia Pacific

With the completion in 2014 of the Inpex Ichthys flowlines project, the Company has now completed all pipe coating activity associated with the large Ichthys and Wheatstone Australian LNG projects that produced over $640 million in revenue, including over $130 million in 2014. With this work now largely complete, the Company expects that until new large projects develop, the Asia Pacific region will revert to historical levels of revenue in the annual range of $200 million. Although the Company has visibility on a number of large projects in the region, these projects are not expected to become production opportunities in 2015 and thus we can expect a decline in revenue versus 2014 levels for 2015 and possibly 2016.

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 both revenue and operating income in 2015 compared with 2014 as a result of growth in global automotive and industrial markets offsetting weakness in Western Canadian wire and cable shipments for oil sands developments.

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 December 31, 2014 increased to $766 million from $739 million at September 30, 2014 and from $617 million at the beginning of the year. In addition to the backlog, the Company currently holds booked orders of approximately $232 million for execution beyond twelve months and thus excluded from the backlog. The majority of these orders relate to the flow assurance pipe coating scope of work for the Shah Deniz project. Note that the backlog includes booked orders relating to pipe coating and joint protection for the South Stream pipelines that are currently under suspension. The value of these orders included in the backlog is approximately $114 million and the risk exists that the orders could be cancelled or that project execution could be delayed beyond 2015.

In addition to the backlog, the Company closely monitors its bidding activity with the value of outstanding firm bids currently in excess of $800 million. Although the Company continues to work with customers on projects with aggregate values exceeding $2 billion, the amount of firm bids outstanding has declined modestly from the start of the quarter as infrastructure projects globally are increasingly being reassessed by global energy companies who are seeking to reduce capital costs and project execution risks. The Company remains optimistic that the additional time being invested to ensure project success will ultimately enable these projects to proceed with a corresponding positive impact on ShawCor's large project activity beyond 2015.

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			Year Ended	
	December 31, 2014	September 30, 2014	December 31, 2013	**December 31, 2014**	December 31, 2013
Pipeline and Pipe Services	**$ 458,559**	$ 424,660	$ 370,477	**$ 1,716,789**	$ 1,687,768
Petrochemical & Industrial	**42,689**	46,207	40,409	**177,033**	162,449
Elimination	**(1,284)**	(1,270)	(1,127)	**(3,793)**	(2,668)
Consolidated	**$ 499,964**	$ 469,597	$ 409,759	**$ 1,890,029**	$ 1,847,549

Fourth Quarter 2014 versus Third Quarter 2014

Consolidated revenue increased 6%, or $30.4 million, from $469.6 million during the third quarter of 2014 to $500.0 million during the fourth quarter of 2014, due to increases of $33.9 million in the Pipeline and Pipe Services segment, partially offset by a decrease of $3.5 million in the Petrochemical and Industrial segment. Consolidated revenue benefitted from the impact on translation of foreign operations from the weakening Canadian dollar as noted in section 2.5 below.

Pipeline and Pipe Services segment revenue increased by 8%, or $33.9 million, from $424.7 million in the third quarter of 2014 to $458.6 million in the fourth quarter of 2014, due to higher activity levels in EMAR, partially offset by decreased activity in Asia Pacific, 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.

Petrochemical and Industrial segment revenue was lower by $3.5 million, or 8%, in the fourth quarter of 2014, compared to the third quarter of 2014, mainly due to lower revenues of $2.5 million in North America and $1.3 million in EMAR, partially offset by higher activity in the Asia Pacific 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.

Fourth Quarter 2014 versus Fourth Quarter 2013

Consolidated revenue increased by $90.2 million, or 22%, from $409.8 million during the fourth quarter of 2013, to $500.0 million during the fourth quarter of 2014, due to an increase of $88.1 million in the Pipeline and Pipe Services segment and an increase of $2.3 million in the Petrochemical and Industrial segment. Consolidated revenue benefitted from the impact on translation of foreign operations from the weakening Canadian dollar as noted in section 2.5 below.

Pipeline and Pipe Services segment revenue in the fourth quarter of 2014 was $458.6 million, or 24% higher than in the fourth quarter of 2013, due to increased activity in North America, Latin America and EMAR, partially offset by lower revenue 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.

Petrochemical and Industrial segment revenue increased by $2.3 million, or 6%, during the fourth quarter of 2014 compared to the fourth 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.

Year ended December 31, 2014 versus Year ended December 31, 2013

Consolidated revenue increased by $42.4 million, or 2%, from $1,847.6 million for the year ended December 31, 2013 to $1,890.0 million for the year ended December 31, 2014, due to an increase of $29.0 million in the Pipeline and Pipe Services segment and an increase of $14.6 million in the Petrochemical and Industrial segment. Consolidated revenue benefitted from the impact on translation of foreign operations from the weakening Canadian dollar as noted in section 2.5 below.

Revenue for the Pipeline and Pipe Services segment in 2014 was $1,716.8 million, or $29.0 million higher than in 2013, primarily due to higher activity levels in North America, Latin America and EMAR, partially offset by decreased revenue 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.

Revenue for the Petrochemical and Industrial segment increased by $14.6 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, Adjusted Operating Income and operating margin for the following periods:

(in thousands of Canadian dollars, except percentages)	Three Months Ended			Year Ended	
	December 31, 2014	September 30, 2014	December 31, 2013	**December 31, 2014**	December 31, 2013
Operating Income	**$ (20,868)**	$ 10,932	$ 48,358	**$ 148,676**	$ 323,457
Adjusted Operating Income[a]	**58,131**	52,311	48,358	**269,054**	323,457
Adjusted Operating Margin[b]	**11.6%**	11.1%	11.8%	**14.2%**	17.5%

(a) Adjusted Operating Income is Operating Income excluding impairment charges and is a non-GAAP measure. Please refer to section 6.0 for a reconciliation of non-GAAP measures to GAAP measures.

(b) Adjusted Operating Margin is defined as Adjusted Operating Income divided by revenue and is a non-GAAP measure.

Fourth Quarter 2014 versus Third Quarter 2014

During the third and fourth quarters of 2014, the Company recorded impairment charges of $41.4 million and $79.0 million, respectively. Excluding these charges, Adjusted Operating Income (refer to section 6.0 – Reconciliation of non-GAAP to GAAP financial measures) increased by $5.8 million, from $52.3 million during the third quarter of 2014 to $58.1 million in the fourth quarter of 2014. Adjusted Operating Income benefitted from an increase in gross profit of $8.3 million, a decrease in research and development expenses of $0.8 million, lower amortization of property, plant, equipment and intangible assets of $0.7 million and a gain on sale of land of $0.6 million, but was impacted by an increase in selling, general and administrative ("SG&A") expenses of $3.8 million and a decrease in net foreign exchange gains of $0.8 million.

The increase in gross profit resulted from the increase in revenue of $30.4 million, as explained above, partially offset by a 0.5 percentage point decrease in the gross margin from the third quarter of 2014. The decrease in the gross margin percentage was primarily due to lower gross margin in the Pipeline and Pipe Services segment's EMAR region as a result of project launch costs and revenue earned under a cost recovery contract from BP to upgrade a facility in Azerbaijan for the execution in 2015 of the $200 million Shah Deniz project described in section 1.0 – Key Developments.

SG&A expenses increased by $3.8 million, from $96.5 million in the third quarter of 2014 to $100.3 million in the fourth quarter of 2014, due in part to higher rental and building costs related to the new facilities in the Caspian of $2.2 million, an increase in legal, professional consulting, advertisement and communication expenses of $2.7 million and higher travel, inventory obsolescence, customs and other expenses of $4.2 million. In addition, in the third quarter of 2014, recoveries were recorded for deferred consideration, research tax credits and other items of $2.1 million. These sources of SG&A increase were partially offset by lower long term management incentive compensation of $7.0 million.

Fourth Quarter 2014 versus Fourth Quarter 2013

Adjusted Operating Income increased by $9.8 million, from $48.4 million in the fourth quarter of 2013 to $58.1 million during the fourth quarter of 2014. Adjusted Operating Income benefitted from an increase in gross profit of $14.6 million, a decrease in SG&A expenses of $2.7 million, lower amortization of property, plant, equipment and intangible assets of $1.0 million and a decrease in research and development expenses of $1.9 million. These gains were partially offset by a decrease in net foreign exchange gains of $5.9 million and lower gain on sale of land of $4.5 million.

The increase in gross profit resulted from the increase in revenue of $90.2 million, as explained above, partially offset by a 4.2 percentage point decrease in gross margin, attributable to lower gross margin in the Pipeline and Pipe Services segment's EMAR region as noted above and changes in product and project mix in the Pipeline and Pipe Services segment's Asia Pacific region, which had benefitted from high gross margins on the Inpex Ichthys projects in 2013.

SG&A expenses decreased by $2.7 million in the fourth quarter of 2014 compared to the fourth quarter of 2013. The reduction in SG&A expenses was due to the inclusion in the fourth quarter of 2013 of restructuring costs and amended executive retirement arrangements of $10.7 million and, due to a year over year reduction in management incentive compensation of $13.9 million. This was partially offset by increases of $4.7 million from the Desert NDT acquisition, restructuring costs related to personnel reductions and facility closures of $3.5 million, higher personnel related costs of $5.1 million, higher rental and building costs primarily associated with the increased activity in EMAR of $4.4 million and higher legal, professional consulting and licensing fees of $2.4 million.

Year ended December 31, 2014 versus Year ended December 31, 2013

Adjusted Operating Income decreased by $54.4 million from the year ended December 31, 2013 to $269.1 million in the year ended December 31, 2014. Adjusted Operating Income was impacted by a year over year decrease in gross profit of $64.9 million, a decrease in net foreign exchange gains of $1.2 million and a lower gain on sale of land of $4.5 million. These reductions were partially offset by decreases in SG&A expenses of $7.6 million, in research and development expenses of $2.6 million and in amortization of property, plant, equipment and intangible assets of $6.0 million.

The decrease in gross profit resulted from a 4.4 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 partially offset by the higher revenue in 2014, as explained above.

SG&A expenses decreased by $7.6 million in 2014 compared to 2013. The reduction in SG&A expenses was the 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 and higher bad debts and warranty provisions recorded in 2013 of $6.4 million, combined with lower management incentive compensation expenses of $24.3 million in 2014. These reductions in SG&A expenses were partially offset by increases over the prior year of $18.7 million in personnel related costs, $9.5 million from the acquisition of Desert NDT and $9.0 million of rental and building costs primarily associated with pipe storage and increased activity in EMAR.

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			Year Ended	
	December 31, 2014	September 30, 2014	December 31, 2013	**December 31, 2014**	December 31, 2013
Interest income	**$ (554)**	$ (262)	$ (452)	**$ (1,229)**	$ (1,156)
Interest expense, other	**920**	3,049	2,559	**6,210**	5,949
Interest expense on long-term debt	**3,447**	3,458	3,280	**13,420**	10,119
Finance costs, net	**$ 3,813**	$ 6,245	$ 5,387	**$ 18,401**	$ 14,912

Fourth Quarter 2014 versus Third Quarter 2014

In the fourth quarter of 2014, net finance cost was $3.8 million, compared to a net finance cost of $6.2 million during the third quarter of 2014. The decrease in net finance cost was primarily a result of lower interest expenses on bank loans and overdrafts, due to the repayment of bank loans and overdrafts from the proceeds of common shares issued in September and October of 2014 and higher interest income on short term deposits.

Fourth Quarter 2014 versus Fourth Quarter 2013

In the fourth quarter of 2014, net finance cost was $3.8 million, compared to a net finance cost of $5.4 million during the fourth quarter of 2013. The decrease in net finance cost was primarily a result of lower interest expenses on bank loans and overdrafts, due to the repayment of bank loans and overdrafts from the proceeds of common shares issued in September and October of 2014, partially offset by higher interest on long term debt due to the strengthening of the US dollar.

Year ended December 31, 2014 versus Year ended December 31, 2013

In 2014, net finance cost was $18.4 million, compared to a net finance cost of $14.9 million in 2013. The increase in net finance cost was primarily a result of higher interest on long-term debt that was issued on March 20, 2013.

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			Year Ended	
	December 31, 2014	September 30, 2014	December 31, 2013	**December 31, 2014**	December 31, 2013
Income tax (recovery) expense	**$ (22,253)**	$ 2,701	$ 10,278	**$ 21,010**	$ 78,402

Fourth Quarter 2014 versus Third Quarter 2014

The Company recorded an income tax recovery of $22.3 million in the fourth quarter of 2014 compared to an income tax expense of $2.7 million in the third quarter of 2014. Excluding the impact of impairment charges ($97.9 million, deferred tax of $27.9 million in the fourth quarter of 2014 compared to $41.4 million, deferred tax of $12.0 million in the third quarter of 2014), the Company recorded an income tax expense of $5.7 million (11% of income before income taxes) compared to an income tax expense of $14.7 million (29% of income before income taxes) in the third quarter of 2014. This effective tax rate in the fourth quarter of 2014 was lower than the Company's expected effective income tax rate of 27%, primarily due to a portion of the Company's taxable income being earned in the Middle East and other jurisdictions where the tax rate is 25% or less combined with tax losses in certain jurisdictions where the tax rate is higher than 35%.

Fourth Quarter 2014 versus Fourth Quarter 2013

The Company recorded an income tax recovery of $22.3 million in the fourth quarter of 2014 compared to an income tax expense of $10.3 million in the fourth quarter of 2013. Excluding the impact of impairment charges ($97.9 million, deferred tax of $27.9 million), the Company recorded an income tax expense of $5.7 million (11% of income before income taxes) in the fourth 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. This effective tax rate in the fourth quarter of 2014 was lower than the Company's expected effective income tax rate of 27%, primarily due to a portion of the Company's taxable income being earned in the Middle East and other jurisdictions where the tax rate is 25% or less combined with tax losses in certain jurisdictions where the tax rate is higher than 35%.

Year ended December 31, 2014 versus Year ended December 31, 2013

The Company recorded an income tax expense of $21.0 million in 2014 compared to an income tax expense of $78.4 million in 2013. Excluding the impact of impairment charges ($139.3 million, deferred tax of $39.9 million), the Company recorded an income tax expense of $60.9 million (24% of income before income taxes) in 2014 compared to an income tax expense of $78.4 million (26% of income before income taxes) in 2013. The Company's tax rate for the twelve month period ended December 30, 2014 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 December 31,		Year Ended December 31,	
	2014	2013	**2014**	2013
U.S. dollar	**1.1375**	1.0515	**1.1064**	1.0324
Euro	**1.4160**	1.4362	**1.4638**	1.3734
British Pounds	**1.7996**	1.7090	**1.8178**	1.6204

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)		**Q4-2014 Versus Q3-2014**	**Q4-2014 versus Q4-2013**	**2014 versus 2013**
Revenue	**$**	**3,941**	7,165	50,166
Income from operations		**40**	1,092	12,349
Net income		**1,013**	1,332	14,623

In addition to the translation impact noted above, the Company recorded a foreign exchange gain of $0.5 million in the fourth quarter of 2014, compared to a gain of $6.3 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)

Fourth Quarter 2014 versus Third Quarter 2014

Net income decreased by $26.3 million, from $5.6 million during the third quarter of 2014 to a net loss of $20.7 million during the fourth quarter of 2014. This decrease was mainly due to the higher impairment charges recorded in the fourth quarter of $37.6 million, the increase in loss from investment in joint ventures pertaining to the Venezuela impairment of $18.9 million and the higher net loss on assets held for sale of $5.1 million. This was partially offset by the higher Adjusted Operating Income, as explained in section 2.2 above, lower net finance costs of $2.4 million and lower income tax expense of $25.0 million.

Fourth Quarter 2014 versus Fourth Quarter 2013

Net income decreased by $43.0 million, from $22.4 million during the fourth quarter of 2013 to a net loss of $20.7 million during the fourth quarter of 2014. This decrease was mainly due to the impairment charges recorded in the fourth quarter of 2014 of $79.0 million and the increase in loss from investment in joint ventures of $13.5 million, driven mainly by the Venezuela impairment. This was partially offset by the higher Adjusted Operating Income in the fourth quarter of 2014, as explained in section 2.2 above, lower net finance costs of $1.6 million, lower income tax expense of $32.5 million and the impact of changes in non controlling interest of $4.6 million.

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Year ended December 31, 2014 versus Year ended December 31, 2013

Net income decreased by $125.0 million, from $219.9 million in 2013 to $94.9 million in 2014. This decrease was mainly due to the impairment charges of $120.4 million recorded in the third and fourth quarters of 2014, lower Adjusted Operating Income, as explained in section 2.2 above, the increase in loss from investment in joint ventures of $18.5 million, driven mainly by the Venezuela impairment, and a net increase in finance cost of $3.5 million. This was partially offset by lower income tax expense of $57.4 million, higher net gain on assets held for sale of $10.1 million and the impact of changes in non controlling interest of $3.4 million.

3.0 SEGMENT INFORMATION

3.1 Pipeline and Pipe Services segment

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

(in thousands of Canadian dollars)	Three Months Ended			Year Ended	
	December 31, 2014	September 30, 2014	December 31, 2013	**December 31, 2014**	December 31, 2013
North America	**$ 213,514**	$ 215,050	$ 182,549	$ **787,809**	671,317
Latin America	**48,335**	53,313	22,132	**185,057**	161,627
EMAR	**151,154**	107,079	51,418	**400,480**	191,814
Asia Pacific	**45,556**	49,218	114,378	**343,443**	663,010
Total Revenue	**$ 458,559**	$ 424,660	$ 370,477	$ **1,716,789**	1,687,768
Adjusted Operating Income[(a)]	**$ 58,251**	$ 54,722	$ 59,273	$ **279,8**	368,805
Adjusted Operating Margin[(b)]	**12.7%**	12.9%	16.0%	**16.3**	21.9%

(a) Adjusted Operating Income is Operating Income excluding impairment charges and is a non-GAAP measure. Please refer to section 6.0 for a reconciliation of non-GAAP measures to GAAP measures.

(b) Adjusted Operating Margin is defined as Adjusted Operating Income divided by revenue and is a non-GAAP measure.

Fourth Quarter 2014 versus Third Quarter 2014

In the fourth quarter, revenue increased by $33.9 million to $458.6 million, from $424.7 million in the third quarter of 2014. 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 activity levels in EMAR, which were partially offset by lower activity levels in the other three regions:

- In North America, revenue decreased by $1.5 million, or 1%, as a result of lower flexible composite pipe volumes and decreased pipe wield inspection service revenue in the USA and lower revenue from Socotherm’s Gulf of Mexico operation. This was partially offset by higher small and large diameter pipe coating in Canada.
- Latin America revenue decreased by $5.0 million, or 9%, primarily as a result of lower activity levels in Brazil with the winding down of the Sapinhoa and P55 Risers projects, partially offset by higher activity at Socotherm’s Argentina facility.
- In EMAR, revenue increased by $44.1 million, or 41%, primarily due to higher volumes at Ras Al Khaimah, UAE (“RAK”), Orkanger, Norway, the Shah Deniz II project in the Caspian and at the Socotherm Pozzallo facility. In addition, revenue was higher due to an increase in field joint coating revenue for the South Stream Project in the region.
- In Asia Pacific, revenue decreased by $3.7 million, or 7%, mainly due to lower activity levels on large pipe coating projects at the Kuantan, Malaysia facilities and lower pipe wield inspection services in the region.

In the fourth quarter of 2014, Adjusted Operating Income was $58.3 million compared to Adjusted Operating Income of $54.7 million in the third quarter of 2014, an increase of $3.6 million, or 6.6%, as a result of the following factors:

- Higher gross profit of $7.2 million, primarily due to the increase in revenue of $33.9 million, as explained above, partially offset by a 1.1 percentage point decrease in the gross margin due to lower gross margins in the EMAR region as a result of project launch costs and revenue earned under a cost recovery contract from BP to upgrade a facility on Azerbaijan. The higher gross profit was partially offset by:
- Higher SG&A expenses, primarily due to higher rental and building costs related to the new facilities in the Caspian.

Fourth Quarter 2014 versus Fourth Quarter 2013

Revenue was $458.6 million in the fourth quarter of 2014, an increase of $88.1 million, or 24%, from $370.5 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 $31.0 million, or 17%, due to the addition of approximately $30 million in revenue from the third quarter 2014 acquisition of Desert NDT and higher activity levels in both small diameter pipe coating and tubular management services in Canada. This was partially offset by lower land based pipe weld inspection services revenue in the US and lower activity in large diameter pipe coatings in Canada and the US.
- In Latin America, revenue increased by $26.2 million, or 118%, primarily due to increased activity at the pipe coating facilities in Veracruz and Coatzacoalcos, Mexico, partially offset by the reduction in revenue from Brazil.
- EMAR revenue increased by $99.7 million, or 194%, primarily due to higher activity levels at RAK, Leith, Scotland, the Shah Deniz II project in the Caspian and from Socotherm's Italian facilities. Higher revenue from pipe weld inspection services was also recorded due to the acquisition of SAIS in the UK in the first quarter of 2014. This was partially offset by lower activity at the Orkanger, Norway facility.
- Asia Pacific revenue decreased by $68.8 million, or 60%, 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 fourth quarter of 2014, Adjusted Operating Income was $58.3 million, marginally lower than the Adjusted Operating Income of $59.3 million in the fourth quarter of 2013 due to:

- An increase in gross profit of $13.4 million as a result of the increase in revenue of $88.1 million, as explained above, partially offset by a 5.0 percentage point decrease in gross margin due to unfavourable project mix, particularly in the Asia Pacific region, which had benefitted from high gross margins on several large concrete weight coating projects in 2013. Increased gross profit was partially offset by:

- Higher SG&A expenses, primarily due to the inclusion of $4.7 million of SG&A expenses from the newly acquired Desert NDT business and higher rental and building costs, mainly due to higher activity in the EMAR region.

- $5.2 million gain on sale of land recorded in the fourth quarter of 2013.

Year ended December 31, 2014 versus Year ended December 31, 2013

Revenue in the Pipeline and Pipe Services segment for the year ended December 31, 2014 was $1,716.8 million, an increase of $29.0 million, from $1,687.8 million for the year ended December 31, 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, EMAR and Latin America, offset by lower activity levels in Asia Pacific:

- In North America, revenue increased by $116.5 million, or 17%, primarily due to the addition of approximately $61.0 million in revenue from the acquisition of Desert NDT in the third quarter of 2014, increased flexible composite pipe volume in the USA, higher revenues from tubular management services and higher volumes at the Socotherm Gulf of Mexico facility. This was partially offset by lower activity levels in small diameter pipe coatings in the US.
- Latin America revenue was higher by $23.4 million, or 14%, due to increased large project activity in Mexico at both the Veracruz and Coatzacoalcos facilities and higher activity levels in Brazil for the Sapinhoa project. This was partially offset by lower revenue on the Technip project in Trinidad, which was completed in 2013.
- EMAR revenue increased by $208.6 million, or 109%, due to higher activity levels at the Socotherm facilities in Italy, increased pipe coating activity levels at the Leith, Scotland and RAK facilities and the Shah Deniz II project in the Caspian, and higher revenue from pipe weld inspection services due to the acquisition of SAIS in the first quarter of 2014.
- Revenue in Asia Pacific decreased by $319.6 million, or 48%, 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.

Adjusted Operating Income for the year ended December 31, 2014 was $279.9 million compared to $368.8 million for the year ended December 31, 2013, a decrease of $88.9 million, or 24% due to the following factors:

- Lower gross profit of $66.9 million driven by a 4.6 percentage point decrease in gross margin due to less favourable project mix, 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, partially offset by higher revenue of $29.0 million, as explained above.
- Higher SG&A expenses, primarily due to the due to the inclusion of $9.5 million of SG&A expenses from the newly acquired Desert NDT business and higher rental and building costs, mainly due to higher activity in the EMAR region.
- A $5.2 million gain on sale of land recorded in the fourth quarter of 2013.

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			Year Ended	
	December 31, 2014	September 30, 2014	December 31, 2013	**December 31, 2014**	December 31, 2013
North America	**$ 26,776**	$ 29,245	$ 25,230	**$ 107,338**	$ 101,117
EMAR	**13,860**	15,174	13,622	**62,629**	55,457
Asia Pacific	**2,053**	1,788	1,557	**7,066**	5,875
Total Revenue	**$ 42,689**	$ 46,207	$ 40,409	**$ 177,033**	$ 162,449
Operating Income	**$ 5,792**	$ 6,977	$ 2,613	**$ 26,750**	$ 20,576
Operating Margin	**13.6%**	15.1%	6.5%	**15.1%**	12.7%

Fourth Quarter 2014 versus Third Quarter 2014

In the fourth quarter of 2014, revenue decreased by $3.5 million, or 8%, to $42.7 million, compared to the third quarter of 2014, primarily due to lower shipments of heat shrink tubing products in North America and EMAR and lower activity levels in wire and cable products to North American electrical utilities.

Operating Income of $5.8 million in the fourth quarter of 2014 was $1.2 million, or 17%, lower than in the third quarter of 2014. The decrease in Operating Income was due to higher SG&A expenses of $2.6 million, partially offset by higher gross profit of $1.1 million as a result of a 4.7 percentage point increase in the gross margin from a favourable product mix.

Fourth Quarter 2014 versus Fourth Quarter 2013

Fourth quarter 2014 revenue totaled $42.7 million compared to $40.4 million in the fourth quarter of 2013, an increase of $2.3 million, or 6%. 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 fourth quarter of 2014 was $5.8 million compared to $2.6 million in the fourth quarter of 2013, an increase of $3.2 million, or 122%. The increase in Operating Income was due to higher gross profit of $1.0 million as a result of higher revenue of $2.3 million, as explained above, and a 1.0 percentage point increase in gross margin, primarily due to more favourable product mix. SG&A expenses were lower by $2.2 million mainly due to restructuring charges of $3.2 million recorded in the fourth quarter of 2013.

Year ended December 31, 2014 versus Year ended December 31, 2013

In the year ended December 31, 2014, revenue increased by $14.6 million, or 9%, to $177.0 million compared to the year ended December 31, 2013, due to increased shipments of wire and cable products to 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 year ended December 31, 2014 was $26.8 million compared to $20.6 million for the year ended December 31, 2013, an increase of $6.2 million, or 30%. The increase was primarily due to lower SG&A expenses of $4.1 million in 2014 compared to 2013, primarily due to restructuring charges of $3.2 million recorded in the fourth quarter of 2013. In addition, gross profit was higher by $2.0 million as a result of the increase in revenue of $14.6 million, as explained above, partially offset by a 1.0 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			Year Ended	
	December 31, 2014	September 30, 2014	December 31, 2013	**December 31, 2014**	December 31, 2013
Financial and corporate	**$ (6,362)**	$ (10,683)	$ (19,844)	**$ (41,302)**	$ (70,860)

Fourth Quarter 2014 versus Third Quarter 2014

Financial and corporate costs decreased by $4.3 million from $10.7 million during the third quarter of 2014 to $6.4 million in the fourth quarter of 2014, primarily due to lower management incentive compensation expenses of $5.6 million and lower employee retirement benefits of $2.0 million. This was partially offset by an increase in legal and professional consulting fees of $1.4 million, a loss on sale of investment of $0.7 million, and $0.5 million of tax credits recorded in the third quarter of 2014.

Fourth Quarter 2014 versus Fourth Quarter 2013

Financial and corporate costs decreased by $13.5 million from the fourth quarter of 2013 to $6.4 million in the fourth quarter of 2014, primarily as a result of lower management incentive compensation expenses of $9.3 million, lower expenses for restructuring of $2.2 million and lower employee retirement benefits of $2.1 million.

Year ended December 31, 2014 versus Year ended December 31, 2013

Financial and corporate costs decreased by $29.6 million from the twelve month period ended December 31, 2013 to $41.3 million for the twelve month period ended December 31, 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, management incentive compensation expenses were lower by $16.0 million and restructuring costs reduced by $2.6 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 sufficiency of the Company's human resources, systems and processes to operate its business and execute its strategic plan, the impact of the existing order backlog and other factors on the Company's revenue and Operating Income in 2015, the impact of any potential cancellation of contracts included in the order backlog, and in the longer term, the impact of global economic activity on the demand for the Company's products, the impact of the decline in global 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 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: the impact on the Company of reduced demand for its products and services as a result of lower investment in global oil and gas extraction and transportation activity following the significant decline in the global price of oil and gas in the fourth quarter of 2014 and early 2015, long term changes in global or regional economic activity and changes in energy supply and demand, which impact on the level of global pipeline infrastructure 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 global oil and gas prices, global economic recovery, increased investment in global energy infrastructure, the Company's ability to execute projects under contract, the reactivation of the South Stream contracts, 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 Thursday March 5th, 2015 at 10:00AM ET, which will discuss the Company's Fourth Quarter and Year End 2014 Financial Results.

To participate via telephone, please dial 1-315-625-6955 or 1-877-776-4039 and enter Conference ID: 85682019.

Click on this link http://edge.media-server.com/m/p/wz8po4va to participate via webcast.

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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ShawCor Ltd.
Consolidated Balance Sheets (Unaudited)

(in thousands of Canadian dollars)	**December 31, 2014**	December 31, 2013
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 116,556**	$ 79,395
Short-term investments	**550**	6,618
Loans receivable	**-**	1,780
Accounts receivable	**457,610**	363,984
Income taxes receivable	**11,232**	9,919
Inventories	**194,732**	180,876
Prepaid expenses	**27,370**	19,176
Derivative financial instruments	**5,578**	624
	813,628	662,372
Assets held for sale	**-**	56,186
	813,628	718,558
Non-current Assets		
Loans receivable	**7,021**	7,462
Property, plant and equipment	**435,311**	413,287
Intangible assets	**202,736**	130,216
Investments in joint ventures	**-**	17,276
Investments in associates	**19,165**	–
Deferred income taxes	**39,019**	48,480
Other assets	**26,889**	17,830
Goodwill	**396,201**	298,819
	1,126,342	933,370
	$ 1,939,970	$ 1,651,928
LIABILITIES AND EQUITY		
Current Liabilities		
Bank indebtedness	**$ 4,685**	$ 5,229
Accounts payable and accrued liabilities	**252,443**	230,974
Provisions	**14,974**	15,971
Income taxes payable	**33,944**	61,911
Derivative financial instruments	**794**	1,632
Deferred revenue	**102,005**	84,396
Obligations under finance lease	**1,222**	487
Other current liabilities	**24,828**	33,852
	434,895	434,452
Liabilities directly associated with the assets classified as held for sale	**-**	16,617
	434,895	451,069
Non-current Liabilities		
Long-term debt	**406,926**	374,381
Obligations under finance lease	**12,273**	13,827
Provisions	**37,350**	37,646
Employee future benefits	**26,008**	25,678
Deferred income taxes	**24,007**	68,857
Other non-current liabilities	**17,898**	21,889
	524,462	542,278
	959,357	993,347
Equity		
Share capital	**533,660**	303,327
Contributed surplus	**14,625**	13,093
Retained earnings	**433,177**	373,574
Non-controlling interests	**7,254**	2,419
Accumulated other comprehensive loss	**(8,103)**	(33,832)
	980,613	658,581
	$ 1,939,970	$ 1,651,928

ShawCor Ltd.
Consolidated Statements of Income
(Unaudited)

(in thousands of Canadian dollars)	Three Months Ended December 31,		Year Ended December 31,	
	2014	2013	**2014**	2013
Revenue				
Sale of products	$ **169,032**	$ 141,819	$ **613,067**	$ 451,833
Rendering of services	**330,932**	267,940	**1,276,962**	1,395,716
	499,964	409,759	**1,890,029**	1,847,549
Cost of Goods Sold and Services Rendered	**322,725**	247,114	**1,166,319**	1,058,946
Gross Profit	**177,239**	162,645	**723,710**	788,603
Selling, general and administrative expenses	**100,328**	103,015	**375,153**	382,755
Research and development expenses	**1,450**	3,390	**13,053**	15,687
Foreign exchange gains	**(450)**	(6,316)	**(3,747)**	(4,936)
Amortization of property, plant and equipment	**13,774**	16,627	**55,219**	66,484
Amortization of intangible assets	**4,615**	2,727	**15,587**	10,312
Gain on sale of land	**(609)**	(5,156)	**(609)**	(5,156)
Impairment	**78,999**	–	**120,378**	–
(Loss) Income from Operations	**(20,868)**	48,358	**148,676**	323,457
(Loss) gain on assets held for sale	**(593)**	(1,122)	**6,427**	(3,683)
Loss from investments in joint ventures	**(18,948)**	(5,417)	**(22,375)**	(3,874)
Income from investments in associates	**468**	–	**877**	–
Finance costs, net	**(3,813)**	(5,387)	**(18,401)**	(14,912)
(Loss)Income before Income Taxes	**(43,754)**	36,432	**115,204**	300,988
Income taxes (recovery) expense	**(22,253)**	10,278	**21,010**	78,402
Net (Loss)Income	$ **(21,501)**	$ 26,154	$ **94,194**	$ 222,586
Net (Loss) Income Attributable to:				
Shareholders of the Company	$ **(20,652)**	$ 22,397	$ **94,861**	$ 219,862
Non-controlling interests	**(849)**	3,757	**(667)**	2,724
Net (Loss)Income	$ **(21,501)**	$ 26,154	$ **94,194**	$ 222,586
Earnings per Share				
Basic	$ **(0.32)**	$ 0.37	$ **1.55**	$ 3.55
Diluted	$ **(0.32)**	$ 0.37	$ **1.53**	$ 3.51
Weighted Average Number of Shares Outstanding (000's)				
Basic	**64,478**	59,973	**61,374**	61,972
Diluted	**64,814**	60,347	**61,819**	62,646

ShawCor Ltd.
Consolidated Statements of Comprehensive Income
(Unaudited)

(in thousands of Canadian dollars)	Three Months Ended December 31,		Year Ended December 31,	
	2014	2013	**2014**	2013
Net (Loss) Income	**$ (21,501)**	$ 26,154	**$ 94,194**	$ 222,586
Other Comprehensive Income (Loss)				
Other Comprehensive Income (Loss) to be Reclassified to Net Income in Subsequent Periods				
Exchange differences on translation of foreign operations	**19,483**	8,774	**22,462**	14,819
Other comprehensive income (loss) attributable to investments in joint ventures	**129**	(2,331)	**3,657**	(3,998)
Other comprehensive income (loss) attributable to investments in associates	**334**	–	**334**	–
Loss on cash flow hedge	–	–	–	(6,880)
Net Other Comprehensive Income to be Reclassified to Net Income in Subsequent Periods	**19,946**	6,443	**26,453**	3,941
Other Comprehensive (Loss) Income not to be Reclassified to Net Income in Subsequent Periods				
Actuarial (loss) gain on defined employee future benefit plans	**(633)**	16,311	**(633)**	16,311
Income tax recovery(expense)	**152**	(4,103)	**152**	(4,103)
Net Other Comprehensive (Loss) Income to be Reclassified to Net Income in Subsequent Periods	**(481)**	12,208	**(481)**	12,208
Other Comprehensive Income, Net of Income Tax	**19,465**	18,651	**25,972**	16,149
Total Comprehensive (Loss) Income	**$ (2,036)**	$ 44,805	**$ 120,166**	$ 238,735
Comprehensive (Loss) Income Attributable to:				
Shareholders of the Company	**$ (864)**	$ 41,388	**$ 120,590**	$ 235,985
Non-controlling interests	**(1,172)**	3,417	**(424)**	2,750
Total Comprehensive (Loss) Income	**$ (2,036)**	$ 44,805	**$ 120,166**	$ 238,735

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

(in thousands of Canadian dollars)	Share Capital	Contributed Surplus	Retained Earnings	Non-Controlling interest	Accumulated Other Comprehensive Loss	Total Equity
Balance - December 31, 2012	**$ 221,687**	**$ 17,525**	**$ 799,741**	**$ (331)**	**$ (49,955)**	**$ 988,667**
Net income	–	–	219,862	2,724	–	222,586
Other comprehensive income	–	–	–	26	16,123	16,149
Comprehensive income	–	–	219,862	2,750	16,123	238,735
Issued on exercise of stock options	19,599	–	–	–	–	19,599
Compensation cost on exercised options	7,579	(7,579)	–	–	–	–
Compensation cost on exercised RSUs	24	(24)	–	–	–	–
Stock-based compensation expense	–	3,171	–	–	–	3,171
Cancellation of Class B shares	54,438	–	(553,215)	–	–	(498,777)
Shares cancellation costs (net of income tax benefit of $1.5 million)	–	–	(4,312)	–	–	(4,312)
Dividends paid to shareholders	–	–	(88,502)	–	–	(88,502)
Balance - December 31, 2013	**$ 303,327**	**$ 13,093**	**$ 373,574**	**$ 2,419**	**$ (33,832)**	**$ 658,581**
Net income (loss)	–	–	94,861	(667)	–	94,194
Other comprehensive income	–	–	–	243	25,729	25,972
Comprehensive income	–	–	94,861	(424)	25,729	120,166
Issued new shares (net of commissions and share issuance costs of $9.7 million)	220,524	–	–	–	–	220,524
Proceeds from exercise of stock options	7,167		–	–	–	7,167
Compensation cost on exercised options	2,590	(2,590)	–	–	–	–
Compensation cost on exercised RSUs	52	(52)	–	–	–	–
Stock-based compensation expense	–	4,174	–	–	–	4,174
Dividends paid to shareholders	–	–	(35,258)	–	–	(35,258)
Disposal of non controlling interest in subsidiary	–	–	–	5,548	–	5,548
Purchase of non-controlling interest	–	–	–	(289)	–	(289)
Balance - December 31, 2014	**$ 533,660**	**$ 14,625**	**$433,177**	**7,254**	**(8,103)**	**980,613**

ShawCor Ltd.
Consolidated Statements of Cash Flows
(Unaudited)

(in thousands of Canadian dollars)	Three Months Ended December 31,		Year Ended December 31,	
	2014	2013	**2014**	2013
Operating Activities				
Net (loss) income for the period	$ **(21,501)**	$ 26,154	$ **94,194**	$ 222,586
Add (deduct) items not affecting cash				
Amortization of property, plant and equipment	**13,774**	16,627	**55,219**	66,484
Amortization of intangible assets	**4,615**	2,727	**15,587**	10,312
Amortization of long-term prepaid expenses	**518**	108	**1,319**	807
Impairment	**78,999**	–	**120,378**	–
Decommissioning obligations expenses	**119**	107	**462**	395
Other provisions expenses	**12,348**	4,292	**14,470**	22,136
Stock-based and incentive based compensation	**(2,802)**	6,081	**15,487**	23,594
Deferred income taxes	**(27,985)**	(6,257)	**(37,430)**	(14,959)
Loss on disposal of property, plant and equipment	**1,423**	–	**1,018**	538
Gain on sale of land	**(609)**	(5,156)	**(609)**	(5,156)
Unrealized (income) loss on derivative financial instruments	**(2,752)**	(918)	**(5,792)**	3,070
Income from investments in associates	**(468)**	–	**(877)**	–
Loss from investments in joint ventures	**18,948**	5,417	**22,375**	3,874
Loss (income) on assets held for sale	**593**	1,122	**(6,427)**	3,683
Other	**(699)**	5	**(640)**	825
Settlement of decommissioning liabilities	**(46)**	(150)	**(215)**	(817)
Settlement of other provisions	**(7,410)**	(3,493)	**(16,824)**	(19,449)
Decrease in non-current deferred revenue	**–**	–	**–**	(64,392)
Net change in employee future benefits	**(1,558)**	(16,542)	**33**	(20,994)
Change in non-cash working capital and foreign exchange	**25,418**	(5,173)	**(83,743)**	(200,273)
Cash Provided by Operating Activities	**90,925**	24,951	**187,985**	32,264
Investing Activities				
Decrease (increase) in loans receivable	**1,903**	(4,658)	**2,978**	(2,630)
Decrease in short term investments	**5,825**	1,730	**6,068**	71,332
Purchase of property, plant and equipment	**(22,902)**	(19,258)	**(77,645)**	(76,729)
Proceeds on disposal of property, plant and equipment	**1,774**	8,094	**3,462**	8,539
Purchases of intangible assets	**(390)**	–	**(480)**	(522)
Investments in joint ventures	**–**	–	**–**	(7,398)
Proceeds from sale of assets held for sale	**1,275**	–	**46,411**	–
Payment of deferred purchase consideration	**–**	–	**(18,830)**	–
Investments in associates	**(1,515)**	–	**(18,031)**	–
Increase in other assets	**(495)**	(183)	**(10,495)**	(495)
Business acquisitions	**548**	–	**(280,955)**	(30,163)
Purchase of non-controlling interest	**(289)**	–	**(289)**	–
Cash Used in Investing Activities	**(14,266)**	(14,275)	**(347,806)**	(38,066)
Financing Activities				
Decrease in bank indebtedness	**(82,742)**	(36,386)	**(544)**	(461)
Decrease in loans payable	**(65)**	(17)	**(65)**	(772)
Payment of obligations under finance lease	**(365)**	–	**(1,361)**	(900)
Proceeds from long-term debt	**–**	–	**–**	356,280
Proceeds from interest rate swap	**–**	–	**–**	2,111
Issuance of shares	**28,927**	729	**227,691**	19,599
Repurchase of shares	**–**	–	**–**	(503,089)
Dividends paid to shareholders	**(9,673)**	(7,497)	**(35,258)**	(88,502)
Cash (Used in) Provided by Financing Activities	**(63,918)**	(43,171)	**190,463**	(215,734)
Effect of Foreign Exchange Impact on Cash and Cash Equivalents	**6,221**	8,775	**6,519**	15,950
Net Increase (Decrease) in Cash and Cash Equivalents	**18,962**	(23,720)	**37,161**	(205,586)
Cash and Cash Equivalents – Beginning of Period	**97,594**	103,115	**79,395**	284,981
Cash and Cash Equivalents – End of Period	**$ 116,556**	$ 79,395	**$ 116,556**	$ 79,395

6.0 Reconciliation of Non-GAAP to GAAP Financial Measures

The Company reports on certain non-GAAP measures that are used to evaluate its performance and segments, as well as to determine compliance with debt covenants. Non-GAAP measures do not have standardized meanings prescribed by GAAP and are not necessarily comparable to similar measures provided by other companies. The following is a reconciliation of some of the non-GAAP measures used and reported by the Company.

EBITDA, Adjusted EBITDA, Adjusted Net Income, Adjusted EPS and Adjusted Operating Income

(in thousands of Canadian dollars)	Three Months Ended December 31,		Year Ended December 31,	
	2014	2013	**2014**	2013
Net (loss) income for the period[b]	**$ (20,652)**	$ 22,397	**94,861**	$ 219,862
Add:				
Income taxes(recovery)	**(22,253)**	10,278	**21,010**	78,402
Finance costs, net	**3,813**	5,387	**18,401**	14,912
Amortization of property, plant, equipment and intangible assets	**18,389**	19,354	**70,806**	76,796
Gain on sale of land	**(609)**	(5,156)	**(609)**	(5,156)
Impairment	**78,999**	–	**120,378**	–
Impairment of investments in joint ventures	**18,948**	–	**18,948**	–
EBITDA[a]	**76,635**	52,260	**343,795**	384,816
Non-controlling interest	**(849)**	3,757	**(667)**	2,724
(Gain) loss on assets held for sale	**593**	1,122	**(6,427)**	3,683
ADJUSTED EBITDA[a]	**76,379**	57,139	**336,701**	391,223
Net (loss)income for the period[b]	**$ (20,652)**	$ 22,397	**94,861**	$ 219,862
Add:				
Impairment	**78,999**	–	**120,378**	–
Impairment of investment in joint ventures	**18,948**	–	**18,948**	–
Deduct:				
Deferred Tax Recovery	**(27,931)**	–	**(39,925)**	–
Adjusted Net Income	**$ 49,364**	$ 22,397	**$ 194,262**	$ 219,862
Adjusted EPS(Diluted) [c]	**$ 0.76**	$ 0.37	**$ 3.14**	$ 3.51

(a) Adjusted EBITDA and 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
(c) Adjusted EPS is Adjusted Net Income divided by the weighted average number of shares outstanding (diluted)

Adjusted Operating Income

(in thousands of Canadian dollars)	Three Months Ended December 31,		Year Ended December 31,	
	2014	2013	**2014**	2013
(Loss)Income from Operations	**$ (20,868)**	$ 48,358	**$ 148,676**	$ 323,457
Add:				
Impairment	**78,999**	–	**120,378**	–
Adjusted Operating Income	**$ 58,131**	$ 48,358	**$ 269,054**	$ 323,457