March 2nd, 2016

SHAWCOR LTD.
(TSX: SCL)

PRESS RELEASE

SHAWCOR LTD. ANNOUNCES FOURTH QUARTER 2015 RESULTS

- Fourth quarter revenue of $455 million decreased by 6% from the $485 million reported in the third quarter of this year and was also 9% lower than the $500 million reported in the fourth quarter of 2014.
- For the full year 2015, revenue of $1.81 billion was down 4% from the record level reached in 2014.
- Adjusted EBITDA in the fourth quarter was $66.5 million, a decrease of 11% from the $74.8 million reported in the third quarter of 2015 and down 13% from the $76.4 million reported in the fourth quarter of 2014.
- For the full year 2015, Adjusted EBITDA was $228.5 million versus $336.7 million in 2014.
- Net income (attributable to shareholders of the Company) in the fourth quarter of 2015 was $30.9 million (or $0.48 per share diluted) compared with $38.1 million (or $0.59 per share diluted) in the third quarter of 2015 and a net loss of $20.7 million (or a loss of $0.32 per share diluted) in the fourth quarter of 2014.
- For the full year 2015, net income (attributable to shareholders of the Company) was $98.2 million (or $1.52 per share diluted) compared to $94.9 million (or $1.53 per share diluted) in 2014.
- The Company's order backlog was $452 million at December 31, 2015, down from $556 million at September 30, 2015, and from $766 million at December 31, 2014.

Mr. Steve Orr, Chief Executive Officer of Shawcor Ltd. remarked "Shawcor's financial performance continued to benefit from strong operational performance on the Shah Deniz and South Stream pipe coating projects that are being executed at the Company's Europe, Middle East, Africa and Russia ("EMAR") Pipeline segment region and from healthy demand for the products supplied by our Petrochemical and Industrial segment businesses. These areas of strength in activity are however being offset by continued challenging market conditions in all of the Company's other Pipeline segment businesses."

Mr. Orr added "With global oil and gas prices continuing to be depressed, we lack visibility on the timing for an improvement in North American well completion activity. Also, the continued downturn in global oil and gas development capital spending is impacting our outlook for project activity in each of our global regions. This impact is evident in the decline in our reported order backlog which has decreased by $314 million from the start of 2015. As a result, the Company fully expects that revenue and earnings will decline materially in 2016 from 2015 levels."

Finally, Mr. Orr noted that "Beyond 2016, the Company is encouraged by several large natural gas pipeline infrastructure projects that we are currently in the process of bidding. In particular, a large pipe coating project in Mexico and another in Northern Europe appear to be moving forward to a positive investment commitment. If the Company is successful in securing either project then an improvement in outlook for 2017 will result. Although the current commodity downturn is likely to be the most prolonged and difficult in recent history, we expect that Shawcor's solid balance sheet, execution strength and long term growth strategy will enable the Company to emerge from the downturn, whenever that ultimately occurs, in an even stronger competitive position."

Selected Financial Highlights

(in thousands of Canadian dollars, except per share amounts and percentages)		Three Months Ended December 31,			Year ended December 31,		
		2015		2014		**2015**		2014
Revenue	**$**	**455,260**	$	499,964	**$**	**1,810,648**	$	1,890,029
Gross profit		**151,750**		177,239		**606,342**		723,710
Gross profit %		**33.3%**		35.5%		**33.5%**		38.3%
Adjusted EBITDA[(a)]		**66,499**		76,379		**228,478**		336,701
Income from operations		**45,696**		(20,868)		**149,429**		148,676
Net income for the period[(b)]	**$**	**30,901**	$	(20,652)	**$**	**98,244**	$	94,861
Earnings per share:								
Basic	**$**	**0.48**	$	(0.32)	**$**	**1.52**	$	1.55
Fully diluted	**$**	**0.48**	$	(0.32)	**$**	**1.52**	$	1.53

(a) Adjusted EBITDA is a non-GAAP measure calculated by adding back to net income the sum of income taxes, net finance costs, depreciation/amortization of property, plant, equipment and intangible assets, impairment, gains/losses on assets held for sale, gain on sale of land and non-controlling interests. Adjusted EBITDA does not have a standardized meaning prescribed by GAAP and is not necessarily comparable to similar measures provided by other companies. Adjusted EBITDA is used by many analysts in the oil and gas industry as one of several important analytical tools. It is also considered important by lenders to the Company. It should not be considered in isolation or used as an alternative to net income or any of the other measurers of performance prepared in accordance with GAAP. Please refer to section 6.0 "Reconciliation of Non-GAAP Measures" for additional information.

(b) Attributable to shareholders of the Company.

1.0 KEY DEVELOPMENTS

Acquires Lake Superior Consulting

On January 5, 2016, the Company announced that it had acquired the units of Lake Superior Consulting, LLC ("Lake Superior") for an undisclosed sum plus a potential earn out payment payable in 2016. Lake Superior is a Duluth, Minnesota based professional services firm, specializing in pipeline engineering and integrity management services to major pipeline operators. The business operates from facilities in Minnesota, Texas, Nebraska, Kansas and North Dakota, provides pipeline design, engineering, inspection and commissioning as well as integrity management services, and has estimated 2015 revenue of approximately US$45 million.

The acquisition of Lake Superior adds two new capabilities to the Company – pipeline engineering and integrity engineering. These capabilities, critical to our customers' success, provide Shawcor the access to the domain knowledge we need to continually improve our current portfolio of services and to develop value-added solutions.

Acquires Flint Field Services' Tubular Inspection & Management and Global Poly Businesses

On November 26, 2015, the Company announced that it had completed the acquisition of the assets of the Tubular Inspection and Management ("TIM") and Global Poly businesses operated by Flint Field Services Ltd. for C$35.5 million, subject to working capital adjustments. The TIM and Global Poly businesses operate from five owned and five leased facilities in Alberta, British Columbia and Saskatchewan and the TIM business is very similar to the tubular inspection and management business operated by Shawcor's Guardian division. The estimated revenue in 2015 of these acquired businesses was approximately C$46 million.

Shawcor Announces Appointment of New Chair

On December 21, 2015, the Company announced that Mr. John F. (Jack) Petch, the Chair of the Company's Board of Directors, would retire from the Board effective as of the close of business on December 31, 2015. Mr. Petch had been a director of the Company since 2005 and its Chair since 2013. Previously, Mr. Petch served as Lead Director, Chair of the Nominating and Governance Committee and Chair of the Special Committee which was constituted in the fall of 2012 in connection with Shawcor's strategic review process.

The Company also announced that its Board of Directors had appointed independent director Paul G. Robinson as its new Chair of the Board, effective January 1, 2016. Mr. Robinson joined the Shawcor Board in 2001 and currently serves as its Audit Committee Chair. Mr. Robinson was also a member of the Special Committee of the Board constituted in the fall of 2012 in connection with Shawcor's strategic review process.

1.1 OUTLOOK

The decline in global oil and gas prices that started in the fourth quarter of 2014 has impacted the Company's businesses in two distinct ways. First, Shawcor has a number of businesses that generate revenue from our customers' expenditures on the drilling and completion of wells. For Shawcor, the number of wells drilled and completed in North America is particularly critical as approximately 50% of revenue generated in the Company's Pipeline and Pipe Services Segment - North America region is directly attributable to customer capital spending for well completions. Since peaking in 2014, the number of drilling rigs operating in North America has declined by over 60% and until there is a sustained increase in global oil prices, it is unlikely that the number of wells drilled and completed in North America will increase. The second impact of lower oil prices has been a curtailment in large oil and gas greenfield development projects. This impact has been most evident for Shawcor in our international regions where we have seen a decline in customer commitments for new projects as they seek to reduce capital spending in line with reduced operating cash flow. The result has been a decrease in Shawcor's order backlog, as described more fully below.

With global oil and gas prices remaining at a depressed level, the Company lacks visibility on the timing for any improvement in market demand. The Company is encouraged by the strong level of current bidding activity; however, until North American oilfield activity stabilizes and large pipe coating projects that are under bid are awarded, a firm outlook on longer term performance is not possible. Given the $314 million decrease in order backlog from the level that prevailed a year ago, one should expect that 2016 revenue and earnings will decline materially from 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

Shawcor's North American Pipeline segment businesses continue to be impacted by the reduction in well completion activity in North America which has reduced expenditures on small diameter gathering lines. The businesses affected include small diameter pipe coating and joint protection, Flexpipe composite pipe, Guardian OCTG pipe inspection and refurbishment and Desert NDT gathering line girth weld inspection. Demand for these products and services has declined significantly since 2014 and was down again in the fourth quarter. Until global oil prices exhibit sustained increases, there can be no certainty when the level of well drilling and completion will stabilize and begin to improve. As a result, the Company expects these businesses to weaken further in 2016 with any improvement in revenue and operating income likely postponed to 2017 at the earliest.

The continued build out and refurbishment of North American large diameter transmission pipeline infrastructure has been an area of strength within the Company's global operations over the past two years. In 2016 however, the Company does expect some weakening in large diameter transmission pipeline projects versus 2015. This weakness, coupled with the reduction in small diameter gathering line activity and much lower insulation pipe coating volumes for Gulf of Mexico projects, will translate into lower overall North American Pipeline segment revenue in 2016 despite the addition of approximately US$45 million in revenue from the January 2016 acquisition of Lake Superior Consulting.

Pipeline and Pipe Services Segment - Latin America

Consistent with all of the Company's Pipeline segment regions, lower spending on oil and gas infrastructure by our customers has translated into a reduction in new project activity. The resulting decline in backlog will be evident in 2016 with revenue declining versus 2015. In 2017, the possibility exists that revenue will recover strongly based on a very large project in Mexico that the Company is currently bidding. Visibility on the likelihood of this project proceeding and the Company's success in obtaining the contract for the work should be known by the beginning of the third quarter. If our bid is successful, the project has the potential to be one of the largest pipe coating projects in the Company's history and a significant contributor to revenue and earnings growth in 2017.

Pipeline and Pipe Services Segment – EMAR

The Company's EMAR region provided over 36% of the Pipeline segment's revenue in 2015 and a disproportionate share of operating income as a result of excellent operational performance on Shah Deniz and South Stream project work. In 2015, these projects contributed over $350 million in revenue, and with the Shah Deniz export pipeline and South Stream Lines 1 and 2 projects scheduled for completion in the first quarter of 2016, a substantial decline in activity in the EMAR region is expected for 2016. Beyond 2016, the potential exists for an improvement in revenue should the Company be successful in securing work that is currently being tendered, with the Nordstream 2 natural gas pipeline project in Northern Europe offering the most compelling opportunity for enhanced activity in 2017 and 2018.

Pipeline and Pipe Services Segment - Asia Pacific

Following completion of the large Inpex Ichthys and Chevron Wheatstone Australian LNG projects in 2014, revenue levels in the Asia Pacific region have reverted to historical levels in the annual range of $150 to $200 million. In 2016, the global trend of curtailment in large oil and gas greenfield development projects will impact the region with many of the local markets in Southeast Asia expected to provide lower activity levels then were seen in 2015. Somewhat mitigating this weakness will be the Company's plan to execute a portion of the contracted flow assurance gathering line coating for the Shah Deniz project at one of its Asia Pacific facilities. Beyond this project, revenue in the region will remain weak until a sustained improvement in oil and gas production development spending begins.

Petrochemical and Industrial Segment

Shawcor's Petrochemical and Industrial segment businesses have again delivered record financial performance in 2015 as exposure to North American and European automotive, industrial and nuclear refurbishment markets provided strong demand and the Company continued to gain market share. In 2016, an environment of modest global economic growth is expected to continue to provide healthy demand for the products supplied by the Company's Petrochemical and Industrial segment businesses, which in turn should enable continued modest growth in revenue and earnings.

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, 2015 decreased to $452 million from $556 million at September 30, 2015 and from $766 million a year ago. The decline in backlog from the start of the fourth quarter is attributable to backlog revenue realized in the quarter in excess of new bookings and in particular from the continued execution of the Shah Deniz and South Stream project work.

In addition to the backlog, the Company closely monitors its bidding activity. The value of outstanding firm bids as of December 31, 2015 is now in excess of $900 million, an increase from approximately $600 million at the start of the fourth quarter. In addition, the Company has provided budgetary estimates and is currently working with customers on projects with aggregate values in excess of $1.6 billion, of which the Company expects to issue firm bids for in excess of $500 million in the first quarter of 2016. At approximately $2.5 billion, the current level of project activity that the Company is pursuing is unprecedented in our history. It must be noted that infrastructure projects globally face a range of challenges, from regulatory approvals to increasing scrutiny by global energy companies who are seeking to reduce capital costs and project execution risks. These challenges are impacting the timing of project commencement. However, the Company remains optimistic that the projects that are under bid and development will ultimately proceed. When they do, the Company intends to grow its global market share, deliver backlog growth and then successfully execute on the projects it is awarded to achieve a substantial improvement in financial performance.

2.0 CONSOLIDATED INFORMATION AND RESULTS FROM OPERATIONS

2.1 Revenue

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

(in thousands of Canadian dollars)	**Three Months Ended**			**Year ended**	
	December 31, 2015	September 30, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
Pipeline and Pipe Services	**$ 410,791**	$ 439,205	$ 458,559	**$ 1,631,147**	$ 1,716,789
Petrochemical and Industrial	**45,615**	46,168	42,689	**181,867**	177,033
Elimination	**(1,146)**	55	(1,284)	**(2,366)**	(3,793)
Consolidated	**$ 455,260**	$ 485,428	$ 499,964	**$ 1,810,648**	$ 1,890,029

Fourth Quarter 2015 versus Third Quarter 2015

Consolidated revenue decreased 6%, or $30.1 million, from $485.4 million during the third quarter of 2015 to $455.3 million during the fourth quarter of 2015, due to decreases of $28.4 million in the Pipeline and Pipe Services segment and of $0.6 million in the Petrochemical and Industrial segment.

In the Pipeline and Pipe Services segment, revenue decreased 6%, or $28.4 million, from $439.2 million in the third quarter of 2015 to $410.8 million in the fourth quarter of 2015, due to lower activity levels in all regions. See *Section 3.1 – Pipeline and Pipe Services Segment* for additional disclosure with respect to the change in revenue in the Pipeline and Pipe Services segment.

In the Petrochemical and Industrial segment, revenue was lower by $0.6 million, or 1%, in the fourth quarter of 2015, compared to the third quarter of 2015, mainly due to a decrease in revenue of $1.2 million, or 7%, in EMAR, partially offset by higher activity in the North America and Asia Pacific 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.

Fourth Quarter 2015 versus Fourth Quarter 2014

Consolidated revenue decreased by $44.7 million, or 9%, from $500.0 million during the fourth quarter of 2014, to $455.3 million during the fourth quarter of 2015, mainly due to a decrease of $47.8 million in the Pipeline and Pipe Services segment, partially offset by an increase of $2.9 million in the Petrochemical and Industrial segment.

In the Pipeline and Pipe Services segment, revenue in the fourth quarter of 2015 was $410.8 million, or 10% lower than in the fourth quarter of 2014, due to decreased activity in North America, Latin America and Asia Pacific, partially offset by higher revenue in EMAR. See *Section 3.1 – Pipeline and Pipe Services Segment* for additional disclosure with respect to the change in revenue in the Pipeline and Pipe Services segment.

In the Petrochemical and Industrial segment, revenue was higher by $2.9 million, or 7%, in the fourth quarter of 2015, compared to the fourth quarter of 2014, due to increased activity levels in all regions. See *Section 3.2 – Petrochemical and Industrial Segment* for additional disclosure with respect to the change in revenue in the Petrochemical and Industrial segment.

Year ended December 31, 2015 versus Year ended December 31, 2014

Consolidated revenue decreased by $79.4 million, or 4%, from $1,890.0 million for the year ended December 31, 2014 to $1,810.6 million for the year ended December 31, 2015, due to a decrease of $85.6 million, or 5%, in the Pipeline and Pipe Services segment, partially offset by an increase of $4.8 million, or 3%, in the Petrochemical and Industrial segment. Consolidated revenue in 2015 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 during 2015 was $1,631.1 million, or $85.6 million lower than in 2014, primarily due to lower activity levels in Asia Pacific, North America and Latin America, partially offset by increased revenue in EMAR. See *Section 3.1 – Pipeline and Pipe Services Segment* for additional disclosure with respect to the change in revenue in the Pipeline and Pipe Services segment.

Revenue for the Petrochemical and Industrial segment increased by $4.8 million during 2015 compared to the same period in 2014, primarily due to higher activity levels in EMAR and Asia Pacific, partially offset by lower revenue in North America. 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 ("Operating Income")

The following table sets forth Operating Income and operating margin for the following periods:

(in thousands of Canadian dollars, except percentages)	**Three Months Ended**			**Year Ended**	
	December 31, 2015	September 30, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
Operating Income	**$ 45,696**	$ 55,195	$ (20,868)	**$ 149,429**	$ 148,676
Adjusted Operating Income[(a)]	**$ 46,286**	$ 55,195	$ 58,131	**$ 150,019**	$ 269,054
Adjusted Operating Margin[(b)]	**10.2%**	11.4%	11.6%	**8.3%**	14.2%

(a) Adjusted Operating Income is Operating Income excluding impairment charges and is a non-GAAP measure. Non-GAAP measures do not have standardized meanings under GAAP and are not necessarily comparable to similar measures provided by other companies. 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. Non-GAAP measures do not have standardized meanings under GAAP and are not necessarily comparable to similar measures provided by other companies.

Fourth Quarter 2015 versus Third Quarter 2015

Operating Income decreased by $9.5 million, from $55.2 million in the third quarter of 2015 to $45.7 million during the fourth quarter of 2015. Operating Income was impacted by a decrease in gross profit of $10.2 million, an increase in selling, general and administration ("SG&A") expenses of $2.9 million, impairment charges of $0.6 million recorded in the fourth quarter of 2015 and a gain on sale of land of $0.8 million recorded in the third quarter of 2015. This was partially offset by an increase in net foreign exchange gain of $4.9 million.

The decrease in gross profit resulted from the lower revenue, as explained above.

SG&A expenses increased by $2.9 million, from $86.1 million in the third quarter of 2015 to $89.0 million in the fourth quarter of 2015, primarily due to a $3.5 million charge for the restructuring costs of closing Guardian facilities in the USA, a $5.1 million increase in litigation related provisions, a $1.4 million increase in loss on sale of fixed assets and a $4.7 million increase in inventory obsolescence and provision for doubtful accounts. This was partially offset by a $11.6 million decrease in management incentive compensation expenses.

Fourth Quarter 2015 versus Fourth Quarter 2014

Operating Income increased by $66.6 million, from an Operating Loss of $20.9 million in the fourth quarter of 2014 to an Operating Income of $45.7 million during the fourth quarter of 2015. Operating Income was impacted by a decrease in gross profit of $25.5 million, an increase in amortization of property, plant, equipment and intangible assets of $1.7 million, an increase in research and development expenses of $1.2 million and a gain on sale of land of $0.6 million recorded in the fourth quarter of 2014. These items were more than offset by a decrease in SG&A expenses of $11.3 million, a decrease in impairment charges of $78.4 million and an increase in net foreign exchange gain of $5.8 million.

The decrease in gross profit resulted from a 2.1 percentage point decrease in gross margin and the lower revenue, as explained above. The decrease in the gross margin percentage was primarily attributable to changes in product and project mix, labour inefficiencies due to lower facility utilization and reduced manufacturing overhead absorption, particularly in the Pipeline and Pipe Services segment.

SG&A expenses in the fourth quarter of 2015 decreased by $11.3 million, primarily due to a decrease in personnel related and management incentive compensation expenses of $14.2 million, a reduction in professional consulting fees of $1.5 million and a decrease in rental costs of $2.5 million. This was partially offset by an increase in litigation related provisions of $5.1 million and an increase in restructuring costs relating to the closure of facilities of $3.5 million.

Year ended December 31, 2015 versus Year ended December 31, 2014

Operating Income increased by $0.8 million from the year ended December 31, 2014, to $149.4 million in the comparable period in 2015. Operating Income was impacted by a year over year decrease in gross profit of $117.4 million, increases in research and development expenses of $0.6 million and amortization of property, plant, equipment and intangible assets of $8.6 million. These items were more than offset by a decrease in SG&A expenses of $3.2 million, an increase in gain on sale of land of $0.2 million and an increase in net foreign exchange gain of $4.1 million, combined with a decrease in impairment charges of $119.8 million.

The decrease in gross profit resulted from a 4.8 percentage point decrease in gross margin and the lower revenue, as explained above. The decrease in the gross profit was attributable to changes in product and project mix, labour inefficiencies due to lower facility utilization and reduced manufacturing overhead absorption compared to the prior year, particularly in the Pipeline and Pipe Services segment's Asia Pacific region, which had previously benefitted from high gross margins on several large concrete weight coating projects, and in North American businesses exposed to the decline in oilfield activity.

SG&A expenses decreased by $3.2 million in the year ended December 31, 2015 compared to 2014, primarily due to a decrease in personnel related and management incentive compensation expenses of $24.5 million. This was partially offset by an increase in restructuring charges in 2015 of $11.7 million, an increase in the provision for doubtful accounts of $3.0 million and an increase in litigation related provisions of $5.1 million. In addition, in the third quarter of 2014, $1.5 million was reversed from provisions due to favourable court decisions on certain litigation matters.

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, 2015	September 30, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
Interest income	**$ (276)**	$ (338)	$ (554)	**$ (1,009)**	$ (1,229)
Interest expense, other	**808**	1,109	920	**3,359**	6,210
Interest expense on long-term debt	**4,196**	4,084	3,447	**15,894**	13,420
Finance costs, net	**$ 4,728**	$ 4,855	$ 3,813	**$ 18,244**	$ 18,401

Fourth Quarter 2015 versus Third Quarter 2015

In the fourth quarter of 2015, net finance cost was $4.7 million, compared to a net finance cost of $4.9 million during the third quarter of 2015. The decrease in net finance costs was primarily a result of lower interest expenses on bank loans and overdrafts, partially offset by the foreign exchange rate used to translate the US$ interest on long-term debt.

Fourth Quarter 2015 versus Fourth Quarter 2014

In the fourth quarter of 2015, net finance cost was $4.7 million, compared to a net finance cost of $3.8 million during the fourth quarter of 2014. The increase in net finance cost was primarily a result of higher interest expense on long term debt due to the foreign exchange rate used to translate US$ interest on Senior Notes and lower interest income on short term deposits, partially offset by lower interest expenses on bank loans and overdrafts.

Year ended December 31, 2015 versus Year ended December 31, 2014

For the year ended December 31, 2015, net finance cost was $18.2 million, compared to a net finance cost of $18.4 million for the comparable period in the prior year. The decrease in net finance cost was primarily a result of lower interest expense on bank loans and overdrafts, partially offset by higher interest expense on long-term debt due to the foreign exchange rate used to translate US$ interest expense on the company’s Senior Notes.

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, 2015	September 30, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
Income tax expense (recovery)	**$ 9,653**	$ 12,219	$ (22,253)	**$ 31,551**	$ 21,010

Fourth Quarter 2015 versus Third Quarter 2015

The Company recorded an income tax expense of $9.7 million (24% of income before income taxes) in the fourth quarter of 2015, compared to an income tax expense of $12.2 million (24% of income before income taxes) in the third quarter of 2015. The effective tax rate in the fourth quarter of 2015 was lower than the expected income tax rate of 27% primarily due to a portion of the Company's taxable income being earned in jurisdictions where the tax rate is 25% or less.

Fourth Quarter 2015 versus Fourth Quarter 2014

The Company recorded an income tax expense of $9.7 million (24% of income before income taxes) in the fourth quarter of 2015, compared to an income tax recovery of $22.3 million in the fourth quarter of 2014. 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. The effective tax rate in the fourth quarter of 2015 was lower than the expected income tax rate of 27% primarily due to a portion of the Company's taxable income being earned in jurisdictions where the tax rate is 25% or less.

Year ended December 31, 2015 versus Year ended December 31, 2014

The Company recorded an income tax expense of $31.6 million (24% of income before income taxes) during the year ended December 31, 2015, compared to an income tax expense of $21.0 million (18% of income before income taxes) during the year ended December 31, 2014. The Company's tax rate for the year ended December 31, 2015 was lower than the expected income tax rate of 27% primarily due to a portion of the Company's taxable income being earned in jurisdictions where the tax rate is 25% or less, combined with tax losses in certain jurisdictions where the tax rate is 35% or higher.

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,**	
	2015	2014	**2015**	2014
U.S. dollar	**1.3463**	1.1375	**1.2794**	1.1064
Euro	**1.4671**	1.4160	**1.4231**	1.4638
British Pounds	**2.0294**	1.7996	**1.9544**	1.8178

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)	**Q4-2015 Versus Q3-2015**	**Q4-2015 versus Q4-2014**	**Q4-2015 YTD versus Q4-2014 YTD**
Revenue	**$ 7,956**	**$ 41,040**	**$ 106,475**
Income from operations	**$ 661**	**$ 3,322**	**$ 6,650**
Net income	**$ (317)**	**$ 930**	**$ 8,002**

In addition to the translation impact noted above, the Company recorded a foreign exchange gain of $6.3 million in the fourth quarter of 2015, compared to a foreign exchange gain of $0.5 million for the comparable period in the prior year, as a result of the impact of changes in foreign exchange rates on monetary assets and liabilities and short term foreign currency intercompany loans within the group, net of hedging activities.

2.6 Net Income (attributable to shareholders of the Company)

Fourth Quarter 2015 versus Third Quarter 2015

Net income decreased by $7.2 million, from a net income of $38.1 million during the third quarter of 2015 to a net income of $30.9 million during the fourth quarter of 2015. This was mainly due to the $9.5 million decrease in Operating Income, as explained in section 2.2 above. This was partially offset by a decrease in income tax expense of $2.6 million.

Fourth Quarter 2015 versus Fourth Quarter 2014

Net income increased by $51.6 million, from a net loss of $20.7 million during the fourth quarter of 2014 to a net income of $30.9 million during the fourth quarter of 2015. This was mainly due to the $66.6 million increase in Operating Income, as explained in section 2.2 above, and a decrease in losses from investment in joint ventures of $18.9 million. This was partially offset by an increase in income tax expense of $31.9 million and an increase in finance costs of $0.9 million.

Year ended December 31, 2015 versus Year ended December 31, 2014

Net income increased by $3.4 million, from $94.9 million during the twelve month period ended December 31, 2014 to $98.2 million during the twelve month period ended December 31, 2015. This was due to the reduction in losses from investment in joint ventures of $22.4 million and the $0.8 million increase in Operating Income as explained in section 2.2 above, partially offset by a decrease in gain on assets held for sale of $6.4 million and an increase in income tax expense of $10.5 million.

3.0 SEGMENT INFORMATION

3.1 Pipeline and Pipe Services Segment

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

(in thousands of Canadian dollars)	Three Months Ended			Year Ended	
	December 31, 2015	September 30, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
North America	**$ 179,617**	$ 184,241	$ 213,514	**$ 730,316**	$ 787,809
Latin America	**35,250**	38,459	48,335	**150,783**	185,057
EMAR	**161,728**	171,379	151,154	**579,640**	400,480
Asia Pacific	**34,196**	45,126	45,556	**170,408**	343,443
Total Revenue	**$ 410,791**	$ 439,205	$ 458,559	**$ 1,631,147**	$ 1,716,789
Adjusted Operating Income[(a)]	**$ 38,268**	$ 54,153	$ 58,251	**$ 149,443**	$ 279,859
Adjusted Operating Margin[(b)]	**9.3%**	12.3%	12.7%	**9.2%**	16.3%

a) Adjusted Operating Income is Operating Income excluding impairment charges and is a non-GAAP measure. Non-GAAP measures do not have standardized meanings under GAAP and are not necessarily comparable to similar measures provided by other companies. 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. Non-GAAP measures do not have standardized meanings under GAAP and are not necessarily comparable to similar measures provided by other companies.

Fourth Quarter 2015 versus Third Quarter 2015

Revenue in the fourth quarter decreased by $28.4 million to $410.8 million, from $439.2 million in the third quarter of 2015. Consolidated revenue benefitted from the impact on translation of foreign operations from the weakening Canadian dollar as noted in section 2.5 above, offset by lower activity levels in all regions:

- Revenue in North America decreased by $4.6 million, or 3%, as a result of lower flexible composite pipe volumes, lower activity levels in pipe weld inspection services and in tubular management services, partially offset by higher activity levels for large diameter pipe coatings.

- In Latin America, revenue decreased by $3.2 million, or 8%, primarily as a result of lower thermal insulation coating volumes at the Argentina facilities.

- EMAR revenue decreased by $9.7 million, or 6%, primarily due to lower field joint project volumes in the region.

- Asia Pacific revenue decreased by $10.9 million, or 24%, mainly due to lower pipe coating project volumes.

In the fourth quarter of 2015, Adjusted Operating Income was $38.3 million compared to $54.2 million in the third quarter of 2015, a decrease of $15.9 million. The decrease in Adjusted Operating Income was due to a decrease in gross profit of $9.7 million, primarily due to the decrease in revenue of $28.4 million, as explained above. In addition, SG&A expenses were higher in the fourth quarter of 2015, as explained in section 2.2 above.

Fourth Quarter 2015 versus Fourth Quarter 2014

Revenue was $410.8 million in the fourth quarter of 2015, a decrease of $47.8 million, or 10%, from $458.6 million in the comparable period 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, and higher revenue in EMAR, more than offset by lower activity levels in Asia Pacific, North America and Latin America:

- Revenue in North America decreased by $33.9 million, or 16%, primarily due to lower activity levels in pipe weld inspection services and in tubular management services, combined with lower volumes of small diameter pipe coating and flexible composite pipe sales. This was partially offset by higher volumes of large diameter pipe coating in the USA and Canada.

- In Latin America, revenue decreased by $13.1 million, or 27%, primarily due to decreased activity in Trinidad and Brazil, combined with lower volumes at the Veracruz and Coatzacoalcos, Mexico facilities. This was partially offset by increased volumes from the Argentina facilities.

- EMAR revenue increased by $10.6 million, or 7%, primarily due to higher activity levels on the Company's Shah Deniz project in the Caspian and at the Leith, Scotland facility. This was partially offset by lower activity levels at the Company's Ras Al Khaimah, UAE ("RAK") and Italian facilities and on field joint projects in the region.

- Revenue in Asia Pacific decreased by $11.4 million, or 25%, due to the lower project volumes associated with the Company's Kuantan, Malaysia and Kabil, Indonesia facilities.

In the fourth quarter of 2015, Adjusted Operating Income was $38.3 million compared to $58.3 million in the fourth quarter of 2014, a decrease of $20.0 million. This decrease was attributable to a decrease in gross profit of $25.9 million as a result of a 2.1 percentage point decrease in gross margin, combined with a decrease in revenue of $47.8 million, as explained above. The decrease in gross margin was due to unfavourable project mix, labour inefficiencies due to lower facility utilization and reduced manufacturing overhead absorption in some of the

Company’s facilities. This was partially offset by lower SG&A expenses in the fourth quarter of 2015, as explained in section 2.2 above.

Year ended December 31, 2015 versus Year ended December 31, 2014

Revenue in the Pipeline and Pipe Services segment for the year ended December 31, 2015 was $1,631.1 million, a decrease of $85.6 million from $1,716.8 million 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 EMAR, but was more than offset by lower activity levels in Asia Pacific, North America and Latin America:

- Revenue in North America decreased by $57.5 million, or 7%, primarily due to lower volumes of flexible composite pipe and lower activity levels for small and large diameter pipe coatings in Canada and the USA. This was partially offset by the impact of the Desert NDT acquisition completed in the third quarter of 2014 and an increase in storage tank coating services in Canada.

- In Latin America, revenue was lower by $34.3 million, or 19%, mainly due to lower activity levels in Brazil on the Sapinhoa project and at the Argentina facilities, combined with lower volumes at the Veracruz and Coatzacoalcos, Mexico facilities.

- Revenue in EMAR increased by $179.2 million, or 45%, primarily due to increased pipe coating activity levels for the Shah Deniz project in the Caspian, increased pipe weld services and other field joint projects in the region. This was partially offset by lower activity levels at the Company’s Leith, Scotland, RAK and Italian facilities.

- In Asia Pacific, revenue decreased by $173.0 million, or 50%, mainly due to lower volumes associated with the Inpex Ichthys gas export pipeline and other large projects at Kuantan, Malaysia and Kabil, Indonesia.

Adjusted Operating Income for the year ended December 31, 2015 was $149.4 million compared to $279.9 million for the prior year, a decrease of $130.4 million, or 47%. The decrease in Adjusted Operating Income is primarily due to a decline in gross profit of $119.3 million, driven by a 5.3 percentage point decrease in gross margin, combined with a decrease in revenue of $85.6 million, as explained above. The decrease in gross margin was due to unfavourable project mix, labour inefficiencies due to lower facility utilization and reduced manufacturing overhead absorption, particularly in the Asia Pacific region and in North American businesses exposed to the decline in oilfield activity. In addition, amortization of property, plant, equipment and intangible assets was higher in 2015 as compared to 2014.

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, 2015	September 30, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
North America	**$ 27,062**	$ 27,001	$ 26,776	**$ 106,984**	$ 107,338
EMAR	**15,424**	16,669	13,860	**64,189**	62,629
Asia Pacific	**3,129**	2,498	2,053	**10,694**	7,066
Total Revenue	**$ 45,615**	$ 46,168	$ 42,689	**$ 181,867**	$ 177,033
Operating Income	**$ 7,279**	$ 8,175	$ 5,792	**$ 28,686**	$ 26,750
Operating Margin[(a)]	**16.0%**	17.7%	13.6%	**15.8%**	15.1%

(a) Operating Margin is defined as Operating Income divided by revenue and is a non-GAAP measure. Non-GAAP measures do not have standardized meanings under GAAP and are not necessarily comparable to similar measures provided by other companies. Please refer to section 6.0 "Reconciliation of Non-GAAP Measures" for additional information.

Fourth Quarter 2015 versus Third Quarter 2015

In the fourth quarter of 2015, revenue decreased by $0.6 million, or 1%, to $45.6 million, compared to the third quarter of 2015, primarily due to lower shipments of heat shrink tubing product, particularly in the automotive sector.

Operating Income of $7.3 million in the fourth quarter of 2015 was $0.9 million, or 11%, lower than in the third quarter of 2015. The decrease in Operating Income was due to a decrease in gross profit of $0.6 million as a result of a 0.8 percentage point decrease in the gross margin due to unfavourable product mix and a decrease in revenue of $0.6 million, as explained above.

Fourth Quarter 2015 versus Fourth Quarter 2014

Revenue in the fourth quarter of 2015 increased by $2.9 million, or 7%, compared to the fourth quarter of 2014. Revenue was impacted by foreign exchange, as noted in section 2.5 above, and higher shipments of heat shrink tubing product, particularly in the automotive sector, which were partially offset by lower shipments of wire and cable products.

Operating Income in the fourth quarter of 2015 was $7.3 million compared to $5.8 million in the fourth quarter of 2014, an increase of $1.5 million, or 26%. The increase in Operating Income was due to an increase in gross profit of $0.4 million as a result of an increase in revenue of $2.9 million, as explained above and a reduction in SG&A expenses of $1.4 million in the fourth quarter of 2015.

Year ended December 31, 2015 versus Year ended December 31, 2014

Revenue increased in the year ended December 31, 2015 by $4.8 million, or 3%, to $181.9 million compared to 2014, due to increased heat shrinkable product shipments in North America and Asia Pacific and the impact of foreign exchange on revenue, as noted in section 2.5 above, partially offset by reduced shipments of wire and cable products to the North American utilities.

Operating Income for the year ended December 31, 2015 was $28.7 million compared to $26.8 million in 2014, an increase of $1.9 million, or 7%. The increase was primarily due to an increase in gross profit of $1.9 million as a result of an increase in revenue of $4.8 million, as explained above.

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, 2015	September 30, 2015	December 31, 2014	**December 31, 2015**	December 31, 2014
Financial and corporate expenses	**$ (5,543)**	$ (9,356)	$ (6,362)	**$ (36,792)**	$ (41,302)

Fourth Quarter 2015 versus Third Quarter 2015

Financial and corporate costs decreased by $3.9 million from $9.4 million during the third quarter of 2015 to $5.5 million in the fourth quarter of 2015. The decrease was primarily due to a decrease in personnel related and management incentive compensation expenses of $6.9 million, partially offset by an increase in professional consulting, legal and other expenses of $3.2 million.

Fourth Quarter 2015 versus Fourth Quarter 2014

Financial and corporate costs decreased by $0.8 million from the fourth quarter of 2014 to $5.5 million in the fourth quarter of 2015. The decrease was primarily due to reductions in personnel related expenses of $0.3 million and a decrease in advertising expenses of $0.3 million.

Year ended December 31, 2015 versus Year ended December 31, 2014

Financial and corporate costs decreased by $4.5 million from the year ended December 31, 2014 to $36.8 million in 2015, primarily due to a decrease in stock based and long term management compensation incentive expenses of $7.9 million. This was partially offset by an increase in restructuring costs of $3.0 million, including $2.0 million in severance and $1.0 million in co-location costs, and an increase in professional consulting fees of $1.0 million.

4.0 FORWARD-LOOKING INFORMATION

This document includes certain statements that reflect management's expectations and objectives for the Company's future performance, opportunities and growth, which statements constitute "forward-looking information" 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 achievement of key performance objectives, the incurrence of additional capital expenditures as necessary to facilitate growth in new markets, the timing of major project activity, the decline in consolidated revenues and earnings in 2016 from 2015 levels, the growth in revenue and earnings in the Petrochemical and Industrial segment of the Company's business, the use of existing cash balances to reduce indebtedness, 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 into 2016, 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 changing energy demand, supply and prices, the impact and likelihood of changes in competitive conditions in the markets in which the Company participates, the adequacy of the Company's existing accruals in respect of environmental compliance and in respect of litigation matters (including the litigation with CNRL) and other claims generally, the level of payments under the Company's performance bonds 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, including the suspension or cancellation of existing contracts, as a result of lower investment in global oil and gas extraction and transportation activity following the continuing declines in the global price of oil and gas, 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 (including the litigation with CNRL); 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 herein under the heading "Risks and Uncertainties."

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, declines in expenditures on oil and gas infrastructures, modest global economic growth, 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 Thursday March 3rd, 2016 at 10:00AM ET, which will discuss the Company's Fourth Quarter Financial Results.

To participate via telephone, please dial 1-877-776-4039 and enter passcode 44916155; alternatively, please go to the following website address to participate via webcast: http://edge.media-server.com/m/p/sz35ri69

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.

Consolidated Balance Sheets (Unaudited)

(in thousands of Canadian dollars)	December 31, 2015	December 31, 2014
ASSETS		
Current Assets		
Cash and cash equivalents	$ 260,645	$ 116,556
Short-term investments	2,954	550
Accounts receivable	396,974	457,610
Income taxes receivable	35,804	11,232
Inventory	167,557	194,732
Prepaid expenses	20,112	27,370
Derivative financial instruments	3,024	5,578
	887,070	813,628
Non-current Assets		
Loans receivable	7,908	7,021
Property, plant and equipment	485,555	435,311
Intangible assets	223,298	202,736
Investments in associates	30,868	19,165
Deferred income taxes	27,668	39,019
Other assets	26,268	26,889
Goodwill	457,070	396,201
	1,258,635	1,126,342
	$ 2,145,705	$ 1,939,970
LIABILITIES AND EQUITY		
Current Liabilities		
Bank indebtedness	$ –	$ 4,685
Accounts payable and accrued liabilities	295,911	252,443
Provisions	25,562	14,974
Income taxes payable	34,624	33,944
Derivative financial instruments	1,984	794
Deferred revenue	58,129	102,005
Obligations under finance lease	1,176	1,222
Other current liabilities	23,279	24,828
	440,665	434,895
Non-current Liabilities		
Long-term debt	485,147	406,926
Obligations under finance lease	12,600	12,273
Provisions	44,075	37,350
Employee future benefits	21,942	26,008
Deferred income taxes	14,898	24,007
Other non-current liabilities	1,177	17,898
	579,839	524,462
	1,020,504	959,357
Equity		
Share capital	534,484	533,660
Contributed surplus	18,638	14,625
Retained earnings	492,713	433,177
Non-controlling interests	7,455	7,254
Accumulated other comprehensive income (loss)	71,911	(8,103)
	1,125,201	980,613
	$ 2,145,705	$ 1,939,970

Shawcor Ltd.

Consolidated Statements of Income (Unaudited)

(in thousands of Canadian dollars)	**Three Months Ended December 31,**		**Year ended December 31,**	
	2015	2014	**2015**	2014
Revenue				
Sale of products	**$ 98,578**	$ 169,03	**$ 460,690**	$ 613,067
Rendering of services	**356,682**	330,93	**1,349,958**	1,276,962
	455,260	499,964	**1,810,648**	1,890,029
Cost of Goods Sold and Services Rendered	**303,510**	322,725	**1,204,306**	1,166,319
Gross Profit	**151,750**	177,23	**606,342**	723,710
Selling, general and administrative expenses	**89,047**	100,32	**371,954**	375,153
Research and development expenses	**2,638**	1,450	**13,664**	13,053
Foreign exchange gains	**(6,282)**	(450)	**(7,868)**	(3,747)
Amortization of property, plant and equipment	**14,541**	13,774	**58,019**	55,219
Amortization of intangible assets	**5,520**	4,615	**21,368**	15,587
Gain on sale of land	**–**	(609)	**(814)**	(609)
Impairment	**590**	78,999	**590**	120,378
Income (Loss) from Operations	**45,696**	(20,868)	**149,429**	148,676
(Loss) gain on assets held for sale	**–**	(593)	**–**	6,427
Income (loss) from investments in associates	**152**	468	**(114)**	877
Loss from investments in joint ventures	**–**	(18,948	**–**	(22,375)
Finance costs, net	**(4,728)**	(3,813)	**(18,244)**	(18,401)
Income (Loss) before Income Taxes	**41,120**	(43,754	**131,071**	115,204
Income tax expense (recovery)	**9,653**	(22,253	**31,551**	21,010
Net Income (Loss)	**$ 31,467**	$ (21,501	**$ 99,520**	$ 94,194
Net Income (Loss) Attributable to:				
Shareholders of the Company	**30,901**	(20,652	**98,244**	94,861
Non-controlling interests	**566**	(849)	**1,276**	(667)
Net Income (Loss)	**$ 31,467**	$ (21,501)	**$ 99,520**	$ 94,194
Earnings (loss) per Share				
Basic	**$ 0.48**	$ (0.32)	**$ 1.52**	$ 1.55
Diluted	**$ 0.48**	$ (0.32)	**$ 1.52**	$ 1.53
Weighted Average Number of Shares Outstanding (000's)				
Basic	**64,521**	60,478	**64,512**	61,374
Diluted	**64,696**	64,814	**64,762**	61,819

Shawcor Ltd.

Consolidated Statements of Comprehensive Income (Unaudited)

(in thousands of Canadian dollars)	Three Months Ended December 31,				Year ended December 31,			
		2015		2014		**2015**		2014
Net Income (loss)	**$**	**31,467**	$	(21,501)	**$**	**99,520**	$	94,194
Other Comprehensive Income to be Reclassified to Net Income in Subsequent Periods:								
Exchange differences on translation of foreign operations		**7,472**		19,483		**74,137**		22,462
Other comprehensive income attributable to investments in joint ventures		**–**		129		**–**		3,657
Other comprehensive income attributable to investments in associates		**997**		334		**1,501**		334
Net Other Comprehensive Income to be Reclassified to Net Income in Subsequent Periods		**8,469**		19,946		**75,638**		26,453
Other Comprehensive Income to be Reclassified to Net Income in Subsequent Periods:								
Actuarial gain (loss) on defined employee future plan		**4,924**		(633)		**4,924**		(633)
Income tax (expense) recovery		**(1,415)**		152		**(1,415)**		152
Net Other Comprehensive Income (Loss) to be Reclassified to Net Income in Subsequent Periods		**3,509**		(481)		**3,509**		(481)
Other Comprehensive Income, Net of Income Tax		**11,978**		19,465		**79,147**		25,972
Total Comprehensive Income (Loss)	**$**	**43,445**	$	(2,036)	**$**	**178,667**	$	120,166
Comprehensive Income (Loss) Attributable to:								
Shareholders of the Company	**$**	**43,180**	$	(864)	**$**	**178,258**	$	120,590
Non-controlling interests		**265**		(1,172)		**409**		(424)
Total Comprehensive Income (Loss)	**$**	**43,445**	$	(2,036)	**$**	**178,667**	$	120,166

Shawcor Ltd.

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) Income	Total Equity
Balance - December 31, 2013	**$ 303,327**	**$ 13,093**	**$ 373,574**	**$ 2,419**	**$ (33,832)**	**$ 658,581**
Net income	–	–	94,861	(667)	–	94,194
Other comprehensive income	–	–	–	243	25,729	25,972
Comprehensive income	–	–	94,861	(424)	25,729	120,166
Proceeds from issuance of shares (net of commissions and share issuance costs of $9.7 million)	220,524	–	–	–	–	220,524
Proceeds from exercise of stock options	7,167	–	–	–	–	7,167
Compensation cost on exercised options	2,590	(2,590)	–	–	–	–
Compensation cost on exercised RSUs	52	(52)	–	–	–	–
Stock-based compensation expense	–	4,174	–	–	–	4,174
Dividends paid to shareholders	–	–	(35,258)	–	–	(35,258)
Disposal of non-controlling interests in subsidiary	–	–	–	5,548	–	5,548
Purchase of non-controlling interests	–	–	–	(289)	–	(289)
Balance - December 31, 2014	**$ 533,660**	**$ 14,625**	**$ 433,177**	**$ 7,254**	**$ (8,103)**	**$ 980,613**
Net income	–	–	98,244	1,276	–	99,520
Other comprehensive income	–	–	–	(867)	80,014	79,147
Comprehensive income	–	–	98,244	409	80,014	178,667
Proceeds from exercise of stock options	508	–	–	–	–	508
Compensation cost on exercised options	197	(197)	–	–	–	–
Compensation cost on exercised RSUs	119	(119)	–	–	–	–
Stock-based compensation expense	–	4,329	–	–	–	4,329
Purchase of non controlling interests	–	–	–	(208)	–	(208)
Dividends paid to shareholders	–	–	(38,708)	–	–	(38,708)
Balance - December 31, 2015	**$534,484**	**$18,638**	**$492,713**	**$7,455**	**$71,911**	**$1,125,201**

Shawcor Ltd.
Consolidated Statements of Cash Flows (Unaudited)

(in thousands of Canadian dollars)	Three Months Ended December 31, 2015	Three Months Ended December 31, 2014	Year ended December 31, 2015	Year ended December 31, 2014
Operating Activities				
Net income (loss) for the period	**$ 31,467**	$ (21,501)	**$ 99,520**	$ 94,194
Add (deduct) items not affecting cash				
Amortization of property, plant and equipment	**14,541**	13,774	**58,019**	55,219
Amortization of intangible assets	**5,520**	4,615	**21,368**	15,587
Amortization of long-term prepaid expenses	**54**	518	**1,363**	1,319
Impairment	**590**	78,999	**590**	120,378
Decommissioning obligation expenses	**167**	119	**1,588**	462
Other provision expenses	**16,913**	12,348	**29,294**	14,470
Stock-based and incentive based compensation	**(3,670)**	(2,802)	**2,126**	15,487
Deferred income taxes	**3,459**	(27,985)	**(2,195)**	(37,430)
Gain on disposal of property, plant and equipment	**1,445**	1,423	**1,591**	1,018
Gain on sale of Land	**–**	(609)	**(814)**	(609)
Unrealized (income) loss on derivative financial instruments	**(3,065)**	(2,752)	**3,744**	(5,792)
Income from investments in associates	**(152)**	(468)	**114**	(877)
Loss on investment in joint ventures	**–**	18,948	**–**	22,375
Gain (loss) on assets held for sale	**–**	593	**–**	(6,427)
Other	**–**	(699)	**–**	(640)
Settlement of decommissioning liabilities	**(1,073)**	(46)	**(2,658)**	(215)
Settlement of other provisions	**(16,275)**	(7,410)	**(24,143)**	(16,824)
Net change in employee future benefits	**12**	(1,558)	**63**	33
Net change in non-cash working capital and foreign exchange	**78,171**	25,418	**91,471**	(83,743)
Cash Provided by Operating Activities	**128,104**	90,925	**281,041**	187,985
Investing Activities				
(Increase) decrease in loans receivable	**(122)**	1,903	**(146)**	2,978
Decrease (increase) in short-term investments	**4,698**	5,825	**(2,404)**	6,068
Purchase of property, plant and equipment	**(18,697)**	(22,902)	**(61,153)**	(77,645)
Proceeds on disposal of property, plant and equipment	**4,020**	1,774	**6,338**	3,462
Purchase of intangible assets	**(26)**	(390)	**(109)**	(480)
Proceeds from sale of assets held for sale	–	1,275	–	46,411
Payment of deferred purchase consideration	–		**(1,305)**	(18,830)
Investments in associates	**(3,996)**	(1,515)	**(10,477)**	(18,031)
Increase (decrease) in other assets	**–**	(495)	**77**	(10,495)
Business acquisition	**(34,300)**	548	**(51,513)**	(280,955)
Purchase of non-controlling interest	**(208)**	(289)	**(208)**	(289)
Cash Used in Investing Activities	**(48,631)**	(14,266)	**(120,900)**	(347,806)
Financing Activities				
Decrease in bank indebtedness	**–**	(82,742)	**(4,685)**	(544)
Decrease in loans payable	**–**	(65)	**(2,502)**	(65)
Repayment of finance lease obligations	**(252)**	(365)	**(1,015)**	(1,361)
Issuance of shares	**8**	28,927	**508**	227,691
Dividend paid to shareholders	**(9,678)**	(9,673)	**(38,708)**	(35,258)
Cash (Used in) Provided by Financing Activities	**(9,922)**	(63,918)	**(46,402)**	190,463
Effect of Foreign Exchange on Cash and Cash Equivalents	**11,316**	6,221	**30,350**	6,519
Net change in Cash and Cash Equivalents for the Period	**80,867**	18,962	**144,089**	37,161
Cash and Cash Equivalents - Beginning of Period	**179,778**	97,594	**116,556**	79,395
Cash and Cash Equivalents - End of Period	**$ 260,645**	$ 116,556	**$ 260,645**	$ 116,556

6.0 Reconciliation of Non-GAAP 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 and to manage the capital structure. Non-GAAP measures do not have standardized meanings under IFRS and are not necessarily comparable to similar measures provided by other companies. The Company discloses these measures because it believes that they assist readers in understanding the results of the Company's operations and financial position and are meant to provide further information about its financial results to readers. These measures should not be considered in isolation or used in substitution for other measures of performance prepared in accordance with GAAP. The following is a reconciliation of the non-GAAP measures 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,	
	2015	2014	**2015**	2014
Net (loss) income for the period	**$ 31,467**	$ (21,501)	**$ 99,520**	$ 94,194
Add:				
Income tax expense (recovery)	**9,653**	(22,253)	**31,551**	21,010
Finance costs, net	**4,728**	3,813	**18,244**	18,401
Amortization of property, plant, equipment and intangible assets	**20,061**	18,389	**79,387**	70,806
EBITDA[(a)]	**65,909**	(21,552)	**228,702**	204,411
Add:				
Impairment	**590**	78,999	**590**	120,378
Impairment of investments in joint ventures	–	18,948		18,948
Gain on sale of land	–	(609)	**(814)**	(609)
Loss (gain) on assets held for sale	–	593		(6,427)
ADJUSTED EBITDA[(a)]	**66,499**	76,379	**228,478**	336,701
Net (loss) income for the period[(b)]	**$ 30,901**	$ (20,652)	**$ 98,244**	$ 94,861
Add:				
Impairment	**590**	78,999	**590**	120,378
Impairment of investment in joint ventures	–	18,948	–	18,948
Deduct:				
Deferred Tax Recovery	**112**	(27,931)	**112**	(39,925)
Adjusted Net Income	**$ 31,603**	$ 49,364	**$ 98,946**	$ 194,262
Adjusted EPS (Diluted)[(c)]	**$ 0.49**	$ 0.76	**$ 1.53**	$ 3.14

(a) Adjusted EBITDA and EBITDA are 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,	
	2015	2014	**2015**	2014
Income (Loss) from Operations	**$ 45,696**	$ (20,868)	**$ 149,429**	$ 148,676
Add:				
Impairment	**590**	78,999	**590**	120,378
Adjusted Operating Income	**$ 46,286**	$ 58,131	**$ 150,019**	$ 269,054