May 9th, 2017

SHAWCOR LTD.
(TSX: SCL)

PRESS RELEASE

SHAWCOR LTD. ANNOUNCES FIRST QUARTER 2017 RESULTS

- First quarter 2017 revenue was $360 million, an increase of 9% from the $329 million reported in the fourth quarter of 2016 but 2% lower than the $366 million reported in the first quarter of 2016.
- Adjusted EBITDA[1] in the first quarter of 2017 was $43 million, an increase of 29% from the $33 million reported in the fourth quarter of 2016 and also increased by 17% versus the $37 million reported in the first quarter one year ago.
- Net income (attributable to shareholders of the Company) in the first quarter of 2017 was $15.1 million (or earnings per share of $0.22 diluted) compared with net income of $27.3 million (or $0.42 per share diluted) in the fourth quarter of 2016 and net income of $7.5 million (or $0.12 per share diluted) in the first quarter of 2016. The decline in net income compared to the fourth quarter of 2016 reflected the one-time gains on land sale and an arbitration award, which together totaled approximately $25 million, reported in the fourth quarter of 2016.
- The Company's order backlog was $648 million at March 31, 2017, in line with the backlog at December 31, 2016 of $650 million.

Mr. Steve Orr, Chief Executive Officer of Shawcor Ltd. remarked "Shawcor's financial performance in the first quarter of 2017 continued the trend of quarter over quarter improvement since the low point that was reached in the second quarter of 2016. Results were positively impacted by excellent project execution at our Asia Pacific pipe coating facilities as well as a steady strengthening in market demand for composite pipe and downhole tubular services in North America. Also, the launch of concrete weight coating for the Sur de Texas – Tuxpan ("Tuxpan") project in Altamira, Mexico contributed approximately $20 million of revenue in the quarter."

Mr. Orr added "With production of the concrete coating work for the Tuxpan pipeline project now well underway in Altamira, Mexico, the Company expects to see a renewed acceleration in earnings growth in the second half of 2017 as the Tuxpan project reaches full production. The Company's current order backlog at $648 million coupled with our expectation that North American well completion activity will continue to improve, provides us with confidence that Shawcor will deliver solid results in 2017. With this positive outlook and the Company's strong balance sheet, management is in an excellent position to focus on executing our long term growth strategy".

[1] See *Section 6.0 – Reconciliation of Non-GAAP Measures* for further details and a reconciliation for Adjusted EBITDA.

Selected Financial Highlights

(in thousands of Canadian dollars, except per share amounts and percentages)	Three Months Ended March 31,			
		2017		2016
Revenue	**$**	**359,732**	$	365,579
Gross profit		**129,661**		126,935
Gross profit %		**36.0%**		34.7%
EBITDA[(a)]		**42,896**		36,630
Income from operations		**25,810**		15,950
Net Income for the period[(b)]	**$**	**15,132**	$	7,461
Earnings per share:				
Basic	**$**	**0.22**	$	0.12
Fully diluted	**$**	**0.22**	$	0.12

(a) EBITDA is a non-GAAP measure calculated by adding back to net income (loss) the sum of net finance costs, income taxes and amortization of property, plant, equipment and intangible assets. EBITDA does not have a standardized meaning prescribed by GAAP and is not necessarily comparable to similar measures provided by other companies. EBITDA is used by many analysts in the oil and gas industry as one of several important analytical tools. 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 measures of performance prepared in accordance with GAAP.

(b) Attributable to shareholders of the Company.

1.0 KEY DEVELOPMENTS

Contract to Provide Pipe Coating Services for Thailand's Fifth Transmission Pipeline Project

On April 7, 2017, the Company announced that its pipe coating division had received a contract in excess of C$40 million from Marubeni-Itochu Tubulars Asia Pte Ltd, a 100% subsidiary of Marubeni-Itochu Steel Inc., to provide internal lining and three layer polyethylene anti-corrosion pipeline coatings for Thailand's Fifth Transmission Pipeline project.

This project is owned by PTT Public Company Limited, a Thai state enterprise company. The pipeline will run through 8 provinces in Thailand and is aimed at reducing risks to electrical power security and easing the delivery of gas from the LNG Terminal in Rayong, Thailand to the Western region.

This contract will be executed in Shawcor's coating facilities in Malaysia, and is expected to commence in Q4 2017 and to be completed by Q4 2018.

1.1 OUTLOOK

The Company believes that the decline in global oil and gas investment that followed the decrease in oil and gas prices in the second half of 2014 has reached a cycle low and is now beginning to trend towards improvement. Shawcor's financial performance is closely correlated with oil and gas infrastructure spending and the trend towards stabilization in market demand for the Company's products and services has enabled the Company to report quarter over quarter gains in revenue and operating income since the trough of the cycle in the second quarter of 2016. The level of improvement in market demand combined with Shawcor's booked order backlog is expected to enable the Company to deliver solid growth in financial performance in 2017. However, the rate of improvement will vary by region.

The region with the most momentum for stronger activity is North America and in particular the number of rigs operating and the number of new oil and gas wells being drilled and completed. As the rig counts in Canada and the USA have improved since early 2016, the demand for the Company's gathering line pipeline products and services has strengthened. It is expected that increased gathering pipeline construction will lead to new transmission infrastructure investment to accommodate increased production volumes, particularly in west Texas and in the eastern USA.

Internationally, economic growth in emerging markets and supportive political mandates to reduce hydrocarbon emissions in electricity generation is leading to investment in new natural gas pipeline infrastructure. Examples include the Company's Tuxpan undersea natural gas pipeline project in Mexico and the recently awarded PTT 5th Transmission pipeline project in Thailand. These projects are not directly related to new hydrocarbon production and thus oil and gas prices are not determinative in the project investment decision. As a result, the projects are proceeding now at an early stage of the new capital investment cycle.

In contrast to natural gas demand driven projects, oil and gas greenfield development projects that enable new hydrocarbon production as well as smaller production sustaining capital projects are lagging as national and international oil companies continue to limit commitments for new projects to ensure that capital spending is in line with reduced operating cash flow. However, capital investments will eventually be required to offset depleting production with resulting growth in demand for Shawcor's international products and services beyond 2017. 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

Market demand in Shawcor's North American Pipeline segment businesses is closely tied to well completion activity in North America which drives the demand for small diameter pipe coating and joint protection, composite pipe for gathering line applications, OCTG pipe inspection and refurbishment and gathering line girth weld inspection. Demand for these products and services is expected to fluctuate with changes in global oil and gas prices and the resulting volume of wells drilled and completed. A persistent improvement in drilling rig counts in North America since the second quarter of 2016 has enabled a modest improvement in revenue for Shawcor's North American Pipeline segment businesses and this trend is expected to continue in 2017.

Beyond 2017, the Company expects that the North American Pipeline and Pipe Services segment will benefit from the build of new pipeline infrastructure in the form of tie-back infrastructure in the Gulf of Mexico and new onshore large diameter transmission lines to support increasing production of shale oil and the export of natural gas to Mexico and internationally through LNG.

Pipeline and Pipe Services Segment - Latin America

With the launch of concrete weight coating operations in Altamira, Mexico on the Tuxpan project, the Company expects revenue in the Latin America Pipeline segment region to provide strong growth with full production from the two mobile plants expected to be reached by the end of the second quarter. At March 31, 2017, the Company has booked revenue relating to the Tuxpan project included in the backlog of approximately $340 million to be executed from the second quarter of 2017 to the first quarter of 2018.

Pipeline and Pipe Services Segment – Europe, Middle East, Africa and Russia ("EMAR")

Shawcor's EMAR Pipeline segment region has been the Company's region most impacted by the continued deferral of capital spending on new pipeline infrastructure by national and international oil companies. Although project engineering and bidding activity remains very strong in the region, and the Company is pursuing significant revenue opportunities for girth weld inspection, pipeline joint protection and pipe end preservation on both the Turk Stream and Nord Stream 2 pipelines, these opportunities are not likely to benefit revenue until 2018 or later.

Pipeline and Pipe Services Segment - Asia Pacific

The Company's Asia Pacific region has benefited over the past two quarters from the execution of the flow assurance work for the Shah Deniz project and the anti-corrosion coating for pipe destined for Mexico for the Tuxpan project. With the region's involvement in the coating of these projects now complete, revenue will decrease as project activity will be limited until the PTT 5th Transmission pipeline project commences later in the year.

Petrochemical and Industrial Segment

Shawcor's Petrochemical and Industrial segment businesses continue to deliver steady growth in revenue and earnings based on consistent demand growth in the North American and European automotive, industrial and nuclear refurbishment markets served by the segment. This trend is expected to continue in 2017 as new capacity for control cable and sealing and insulation products enters production and relieves capacity constraints that are currently limiting revenue growth.

Order Backlog

The Company's order backlog consists of firm customer orders only and represents the revenue the Company expects to realize on booked orders over the succeeding twelve months. The Company reports the twelve month billable backlog because it provides a leading indicator of significant changes in consolidated revenue. The order backlog at March 31, 2017 of $648 million was in line with the order backlog of $650 million at December 31, 2016. Revenue generated in the quarter from backlog orders was offset by new orders and the movement of a portion of the booked order for the Tuxpan project in Mexico that is planned for execution in the first quarter of 2018.

In addition to the backlog, the Company closely monitors its bidding activity and the value of outstanding firm bids is currently in excess of $600 million. In addition, the Company has provided budgetary estimates and is currently working with customers on projects with aggregate values of approximately $1.6 billion. Although the Company cannot be certain on the timing of these projects, they do represent a diverse portfolio of opportunities to sustain and grow the backlog in 2017 and beyond.

2.0 CONSOLIDATED INFORMATION AND RESULTS FROM OPERATIONS

2.1 Revenue

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

	Three Months Ended		
(in thousands of Canadian dollars)	**March 31, 2017**	December 31, 2016	March 31, 2016
Pipeline and Pipe Services	**$ 309,034**	$ 286,207	$ 316,980
Petrochemical and Industrial	**51,367**	43,321	48,873
Elimination[a]	**(669)**	(346)	(274)
Consolidated revenue	**$ 359,732**	$ 329,182	$ 365,579

(a) Represents the elimination of the inter-segment sales between the Pipeline and Pipe Services segment and the Petrochemical and Industrial segment.

First Quarter 2017 versus Fourth Quarter 2016

Consolidated revenue increased 9%, or $30.6 million, from $329.2 million during the fourth quarter of 2016 to $359.7 million during the first quarter of 2017, due to increases of $22.8 million in the Pipeline and Pipe Services segment and $8.0 million in the Petrochemical and Industrial segment.

Revenue increased by 8% in the Pipeline and Pipe Services segment, or $22.8 million, from $286.2 million in the fourth quarter of 2016 to $309.0 million in the first quarter of 2017, due to higher activity levels in Asia Pacific, Latin America and North America, partially offset by lower volumes in the Europe, Middle East, Africa and Russia ("EMAR") region. 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 $8.0 million, or 19%, in the first quarter of 2017, compared to the fourth quarter of 2016, due to higher activity levels in all regions. See *Section 3.2 – Petrochemical and Industrial Segment* for additional disclosure with respect to the change in revenue in the Petrochemical and Industrial segment.

First Quarter 2017 versus First Quarter 2016

Consolidated revenue decreased by $5.8 million, or 2%, from $365.6 million during the first quarter of 2016, to $359.7 million during the first quarter of 2017, due to a decrease of $7.9 million in the Pipeline and Pipe Services segment, partially offset by a $2.5 million increase in the Petrochemical and Industrial segment.

In the Pipeline and Pipe Services segment, revenue in the first quarter of 2017 was $309.0 million, or 3% lower than in the first quarter of 2016, due to decreased activity levels in EMAR, partially offset by higher activity levels in North America, Latin America and Asia Pacific. See *Section 3.1 – Pipeline and Pipe Services Segment* for additional disclosure with respect to the change in revenue in the Pipeline and Pipe Services segment.

In the Petrochemical and Industrial segment, revenue increased by $2.5 million, or 5%, during the first quarter of 2017, compared to the first quarter of 2016, 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.

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		
	March 31, 2017	December 31, 2016	March 31, 2016
Operating income	**$ 25,810**	$ 21,697	$ 15,950
Operating margin[(a)]	**7.2%**	6.6%	4.4%

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.

First Quarter 2017 versus Fourth Quarter 2016

Operating income increased by $4.1 million, from an operating income of $21.7 million during the fourth quarter of 2016 to operating income of $25.8 million in the first quarter of 2017. Operating income was positively impacted by increases in gross profit of $22.0 million. This was partially offset by an increase in selling, general and administrative ("SG&A") expenses of $7.3 million, a $1.3 million increase in research and development expenses, a $2.8 million increase in net foreign exchange losses and a $5.6 million in gain on sale of land recorded in the fourth quarter of 2016.

The increase in gross profit resulted from the higher revenue, as explained above, and a 3.3 percentage point increase in the gross margin from the fourth quarter of 2016. The increase in the gross margin percentage was primarily due to product and project mix, labour cost efficiencies due to higher facility utilization and increased absorption of manufacturing overheads and a $4.8 million reduction in the carrying value of inventory recorded in the fourth quarter of 2016.

SG&A expenses increased by $7.3 million, from $71.8 million in the fourth quarter of 2016 to $79.0 million in the first quarter of 2017, primarily due to an increase in personnel related and management incentive compensation expenses of $4.6 million and an increase of $5.7 million due to reductions in provisions for import duties and decommissioning obligations recorded in the fourth quarter of 2016. This was partially offset by a $3.0 million reduction in warranty provisions and professional fees.

First Quarter 2017 versus First Quarter 2016

Operating income increased by $9.9 million, from an operating income of $16.0 million in the first quarter of 2016 to an operating income of $25.8 million during the first quarter of 2017. Operating income was impacted by an increase in gross profit of $2.7 million, decreases of $4.8 million in SG&A expenses, $0.7 million in research and development expenses, $1.4 million in amortization of property, plant, equipment and intangible assets and $0.3 million in net foreign exchange losses.

The increase in gross profit resulted from a 1.3 percentage point increase in gross margin, partially offset by the lower revenue, as explained above. The increase in the gross margin percentage was primarily attributable to product and project mix.

SG&A expenses in the first quarter of 2017 decreased by $4.8 million compared to the first quarter of 2016, primarily due to a $3.6 million reduction in personnel related expenses, a $1.8 million decrease in professional fees, a decrease in rental related expenses for facilities of $2.4 million and a net reduction in other costs of $1.4 million. Partially offsetting these expense reductions was an increase in management incentive compensation expenses of $4.4 million.

2.3 Finance Costs, net

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

	Three Months Ended		
(in thousands of Canadian dollars)	**March 31, 2017**	December 31, 2016	March 31, 2016
Interest income	**$ (457)**	$ (2,274)	$ (316)
Interest expense, other	**1,815**	1,254	914
Interest expense on long-term debt	**4,270**	3,888	4,146
Finance costs, net	**$ 5,628**	$ 2,868	$ 4,744

First Quarter 2017 versus Fourth Quarter 2016

In the first quarter of 2017, net finance costs were $5.6 million, compared to a net finance cost of $2.9 million during the fourth quarter of 2016. The increase in net finance costs was due to a decrease in interest income of $1.8 million on short term deposits and other receivables, a $0.4 million increase in interest expense on long term debt and higher interest on bank borrowings and facilities of $0.6 million.

First Quarter 2017 versus First Quarter 2016

In the first quarter of 2017, net finance costs were $5.6 million, compared to a net finance cost of $4.7 million during the first quarter of 2016. The increase in net finance costs was primarily a result of higher interest expense on bank borrowings and facilities.

2.4 Income Taxes

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

	Three Months Ended		
(in thousands of Canadian dollars)	**March 31, 2017**	December 31, 2016	March 31, 2016
Income tax expense	**$ 2,510**	$ 6,954	$ 2,598

First Quarter 2017 versus Fourth Quarter 2016

The Company recorded an income tax expense of $2.5 million (14% of income before income taxes) in the first quarter of 2017, compared to an income tax expense of $7.0 million (20% of income before income taxes) in the fourth quarter of 2016. The effective tax rate in the first quarter of 2017 was lower than the expected income tax rate of 27% primarily due to a portion of the Company’s taxable income being earned in lower tax jurisdictions and losses being generated in higher tax jurisdictions.

First Quarter 2017 versus First Quarter 2016

The Company recorded an income tax expense of $2.5 million (14% of income before income taxes) in the first quarter of 2017, compared to an income tax expense of $2.6 million (24% of income before income taxes) in the first quarter of 2016. The effective tax rate in the first quarter of 2017 was lower than the expected income tax rate of 27% primarily due to a portion of the Company’s taxable income being earned in lower tax jurisdictions and losses being generated in higher tax jurisdictions.

2.5 Foreign Exchange Impact

The following table sets forth the significant currencies in which the Company operates and the average foreign exchange rates for these currencies versus Canadian dollars, for the following periods:

	Three Months Ended		
	March 31, 2017	December 31, 2016	March 31, 2016
U.S. dollar	**1.3255**	1.3339	1.3623
Euro	**1.4119**	1.4462	1.5009
British Pounds	**1.6520**	1.6665	1.9549

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)	**Q1-2017 Versus Q4-2016**	**Q1-2017 versus Q1-2016**
Revenue	**$ (3,358)**	**$ (15,424)**
Operating income	**$ (229)**	**$ (1,204)**
Net income	**$ (141)**	**$ (810)**

In addition to the translation impact noted above, the Company recorded a foreign exchange loss of $1.4 million in the first quarter of 2017, compared to a foreign exchange loss of $1.7 million for the comparable period in the prior year, as a result of the impact of changes in foreign exchange rates on monetary assets and liabilities and short term foreign currency intercompany loans within the group, net of hedging activities.

2.6 Net Income (attributable to shareholders of the Company)

First Quarter 2017 versus Fourth Quarter 2016

Net income decreased by $12.1 million, from a net income of $27.3 million during the fourth quarter of 2016 to a net income of $15.1 million during the first quarter of 2017. This was mainly due to a $19.2 million arbitration award against Wasco Energy recorded in the fourth quarter of 2016 and a $2.8 million increase in finance costs. This was partially offset by the $4.1 million increase in operating income, as explained in section 2.2 above, and a $4.4 million decrease in income tax expense.

First Quarter 2017 versus First Quarter 2016

Net income increased by $7.7 million, from $7.5 million during the first quarter of 2016 to $15.1 million during the first quarter of 2017. This was mainly due to the $9.9 million increase in operating income, as explained in section 2.2 above. This was partially offset by a $0.9 increase in finance costs and a $2.0 million higher loss from investments in associates.

3.0 SEGMENT INFORMATION

3.1 Pipeline and Pipe Services Segment

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

	Three Months Ended		
(in thousands of Canadian dollars, except percentages)	**March 31, 2017**	December 31, 2016	March 31, 2016
North America	**$ 146,856**	$ 145,328	$ 137,767
Latin America	**29,115**	11,212	28,147
EMAR	**62,404**	81,537	128,514
Asia Pacific	**70,659**	48,130	22,552
Total revenue	**$ 309,034**	$ 286,207	$ 316,980
Operating income	**$ 24,610**	$ 11,689	$ 16,193
Operating margin[(a)]	**8.0%**	4.1%	5.1%

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.

First Quarter 2017 versus Fourth Quarter 2016

Revenue in the first quarter of 2017 increased by $22.8 million to $309.0 million, from $286.2 million in the fourth quarter of 2016. Revenue benefitted from higher activity levels in Asia Pacific, Latin America and North America, partially offset by lower volumes in EMAR:

- Revenue in North America increased by $1.5 million, or 1%, as a result of higher flexible composite pipe volumes and small diameter coating revenue in the US and Canada, increased activity levels in pipe weld inspection services and tubular management services and increased engineering services revenue at Lake Superior Consulting. This was partially offset by lower activity levels for large diameter pipe coatings in the US and Canada.

- In Latin America, revenue increased by $17.9 million, or 160%, primarily as a result of the start of production in Altamira, Mexico for the Tuxpan project, partially offset by lower volumes at the Company’s Argentina facilities.

- Revenue in EMAR decreased by $19.1 million, or 23%, primarily due to lower activity levels on the Shah Deniz project in the Caspian and decreased revenue from the Orkanger, Norway, Ras Al Khaimah, UAE (“RAK”) and Leith, Scotland facilities. This was partially offset by higher activity levels at the Company’s Italian facilities and on field joint coating projects in the region.

- Asia Pacific revenue increased by $22.5 million, or 47%, mainly due to higher pipe coating project volumes for the Shah Deniz and Tuxpan projects at the Kabil, Indonesia and Kuantan, Malaysia facilities.

In the first quarter of 2017, operating income was $24.6 million compared to an operating income of $11.7 million in the fourth quarter of 2016, an increase of $12.9 million. The increase in operating income was primarily due to the $18.3 million increase in gross profit due to the increase in revenue, as explained above, and a 3.5 percentage point increase in gross margin. The increase in gross margin was due to favourable project mix, labour efficiencies due to higher facility utilization and increased manufacturing overhead absorption and a $4.8 million reduction in the carrying value of inventory recorded in the fourth quarter of 2016. This was partially offset by higher SG&A expenses, explained in section 2.2 above, and the $5.6 million gain on sale of land recorded in the fourth quarter of 2016.

First Quarter 2017 versus First Quarter 2016

Revenue in the first quarter of 2017 was $309.0 million, a decrease of $7.9 million, or 3%, from $317.0 million in the comparable period of 2016. Segment revenue was adversely affected by the impact on translation of foreign operations, as noted in section 2.5 above, and lower activity levels in EMAR, partially offset by higher revenue in North America, Latin America and Asia Pacific:

- In North America, revenue increased by $9.1 million, or 7%, primarily due to higher volumes of small diameter pipe coating in Canada, increased activity levels in pipe weld inspection services and in tubular management services and higher flexible composite pipe sales volumes. This was partially offset by lower activity levels of large diameter pipe coating in the US and Canada.

- Latin America revenue increased by $1.0 million, or 3%, primarily as a result of the start of production in Altamira, Mexico for the Tuxpan project, partially offset by lower volumes at the Company's Argentina facilities and at the Veracruz, Mexico facility.

- Revenue in EMAR decreased by $66.1 million, or 51%, primarily due to lower activity levels on the Shah Deniz project in the Caspian and at the Leith, Scotland, RAK and Italian facilities. This was partially offset by higher activity levels at the Orkanger, Norway facility.

- Revenue in Asia Pacific increased by $48.1 million, or 213%, mainly due to higher pipe coating project volumes from the Shah Deniz and Tuxpan projects at the Kabil, Indonesia and Kuantan, Malaysia facilities.

In the first quarter of 2017, operating income was $24.6 million compared to $16.2 million in the first quarter of 2016, an increase of $8.4 million. This increase was attributable primarily to a reduction in SG&A expenses, decreases in research and development expenses and amortization of property, plant, equipment and intangible assets, as explained in section 2.2 above. This was partially offset by a reduction in gross profit of $1.1 million as a result of a decrease in revenue of $7.9 million, as explained above, partially offset by a 0.5 percentage point increase in gross margin. The increase in gross margin was due to favourable project mix.

3.2 Petrochemical and Industrial Segment

The following table sets forth, by geographic location, the revenue, operating income and operating margin for the Petrochemical and Industrial segment for the following periods:

	Three Months Ended		
(in thousands of Canadian dollars, except percentages)	**March 31, 2016**	December 31, 2016	March 31, 2016
North America	**$ 31,472**	$ 26,358	$ 29,611
EMAR	**16,678**	13,887	16,508
Asia Pacific	**3,217**	3,076	2,754
Total revenue	**$ 51,367**	$ 43,321	$ 48,873
Operating income	**$ 9,647**	$ 6,270	$ 7,595
Operating margin[(a)]	**18.8%**	14.5%	15.5%

(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.

First Quarter 2017 versus Fourth Quarter 2017

In the first quarter of 2017, revenue increased by $8.0 million, or 19%, to $51.4 million, compared to the fourth quarter of 2016, primarily due to increased shipments of heat shrink tubing product, particularly in the automotive sector, and higher activity levels for wire and cable products.

Operating income of $9.6 million in the first quarter of 2017 was $3.4 million, or 54%, higher than in the fourth quarter of 2016. The increase in operating income was primarily due to an increase in gross profit of $3.6 million due to the increased revenue, as explained above, and a 2.4 percentage point increase in gross margin. The increase in gross margin was due to favourable product mix and labour efficiencies due to higher facility utilization and increased manufacturing overhead absorption.

First Quarter 2017 versus First Quarter 2016

Revenue in the first quarter of 2017 increased by $2.5 million, or 5%, compared to the first quarter of 2016. Revenue was impacted by increased shipments of heat shrink tubing product, particularly in the automotive sector, and by higher activity levels for wire and cable products.

Operating income in the first quarter of 2017 was $9.6 million compared to $7.6 million in the first quarter of 2016, an increase of $2.1 million, or 27%. The increase in operating income was primarily due to an increase in gross profit of $2.7 million as a result of an increase in revenue of $2.5 million, as explained above, and a 4.0 percentage point increase in gross margin. The increase in gross margin was due to favourable product mix and labour efficiencies due to higher facility utilization and increased manufacturing overhead absorption.

3.3 Financial and Corporate

Financial and corporate costs include corporate expenses not allocated to the operating segments and other non-operating items, including foreign exchange gains and losses on foreign currency denominated cash and working capital balances. The corporate division of the Company only earns revenue that is considered incidental to the activities of the Company. As a result, it does not meet the definition of a reportable operating segment as defined under IFRS.

The following table sets forth the Company's unallocated financial and corporate expenses, before foreign exchange gains and losses, for the following periods:

	Three Months Ended		
(in thousands of Canadian dollars)	**March 31, 2017**	December 31, 2016	March 31, 2016
Financial and corporate expenses	**$ (7,024)**	$ (3,249)	$ (6,125)

First Quarter 2017 versus Fourth Quarter 2016

Financial and corporate costs increased by $3.8 million from $3.2 million during the fourth quarter of 2016 to $7.0 million in the first quarter of 2017. The increase was primarily due to an increase in personnel related and management incentive compensation expenses of $2.0 million. In addition, in the fourth quarter of 2016, $1.5 million in provisions for pension expense and professional fees were reversed.

First Quarter 2017 versus First Quarter 2016

Financial and corporate costs increased by $0.9 million from the first quarter of 2016 to $7.0 million in the first quarter of 2017. The increase was primarily due to higher personnel related and stock based and long term management incentive expenses of $2.6 million. This was partially offset by a $1.5 million decrease in professional consulting and legal fees.

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 respond to market demand growth and to facilitate growth in new markets, the increase in investment in net working capital, the timing of major project activity, the expected improvement in consolidated revenues and earnings in 2017 from 2016, the growth in revenue and earnings in the Pipeline and Pipe Services segment and in the Petrochemical and Industrial segment of the Company's business, the sufficiency of resources, capacity and capital to meet market demand, to meet contractual obligations and to execute the Company's development and growth strategy, the impact of the existing order backlog and other factors on the Company's revenue and operating income, the impact of global economic activity on the demand for the Company's products, the impact of the improvement 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 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 previous 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; 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; and fluctuations in foreign exchange rates.

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, increases in expenditures on natural 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 Wednesday May 10th, 2017 at 10:00AM ET, which will discuss the Company's Fourth Quarter Financial Results.

To participate via telephone, please dial 1-877-776-4039 or 1-315-625-6955 and enter passcode 7617759; alternatively, please go to the following website address to participate via webcast:
http://edge.media-server.com/m/p/rc2fpb5y/

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)		March 31, 2017		December 31, 2016
ASSETS				
Current Assets				
Cash and cash equivalents	$	**144,765**	$	194,824
Short-term investments		**1,875**		1,890
Loans and notes receivable		**3,828**		3,832
Accounts receivable		**344,004**		294,397
Income taxes receivable		**36,275**		35,141
Inventory		**136,783**		113,485
Prepaid expenses		**29,009**		22,477
Derivative financial instruments		**10,208**		9,393
		706,747		675,439
Non-current Assets				
Loans receivable		**5,056**		5,058
Property, plant and equipment		**459,734**		471,468
Intangible assets		**186,441**		192,907
Investments in associates		**23,945**		26,739
Deferred income tax assets		**31,353**		28,955
Other assets		**26,228**		26,407
Goodwill		**348,285**		350,818
Total non-current assets		**1,081,042**		1,102,352
TOTAL ASSETS	$	**1,787,789**	$	1,777,791
LIABILITIES AND EQUITY				
Current Liabilities				
Bank indebtedness	$	**–**	$	2,463
Accounts payable and accrued liabilities		**209,802**		212,539
Provisions		**19,699**		21,104
Income taxes payable		**38,457**		39,011
Derivative financial instruments		**5,375**		3,759
Deferred revenue		**117,811**		103,584
Obligations under finance lease		**656**		950
Other Liabilities		**12,772**		12,043
Total current liabilities		**404,572**		395,453
Non-current Liabilities				
Long-term debt		**260,998**		263,528
Obligations under finance lease		**11,049**		11,019
Provisions		**35,592**		35,304
Employee future benefits		**21,174**		20,727
Deferred income tax liabilities		**6,067**		7,484
Other liabilities		**1,704**		1,236
Total non-current liabilities		**336,584**		339,298
Total Liabilities		**741,156**		734,751
Equity				
Share capital		**704,183**		703,316
Contributed surplus		**24,292**		23,379
Retained earnings		**277,690**		273,045
Non-controlling interests		**5,803**		5,892
Accumulated other comprehensive income		**34,665**		37,408
Total Equity		**1,046,633**		1,043,040
TOTAL LIABILITIES AND EQUITY	$	**1,787,789**	$	1,777,791

Shawcor Ltd.

Consolidated Statements of Income (Unaudited)

(in thousands of Canadian dollars, except per share amounts)	Three Months Ended March 31, **2017**	2016
Revenue		
Sale of products	**$ 126,116**	$ 124,915
Rendering of services	**233,616**	240,664
	359,732	365,579
Cost of Goods Sold and Services Rendered	**230,071**	238,644
Gross Profit	**129,661**	126,935
Selling, general and administrative expenses	**79,027**	83,831
Research and development expenses	**3,618**	4,308
Foreign exchange losses	**1,424**	1,713
Amortization of property, plant and equipment	**14,744**	14,829
Amortization of intangible assets	**5,038**	6,304
Income from Operations	**25,810**	15,950
Loss from investments in associates	**(2,696)**	(453)
Finance costs, net	**(5,628)**	(4,744)
Income before Income Taxes	**17,486**	10,753
Income taxes	**2,510**	2,598
Net Income	**$ 14,976**	$ 8,155
Net Income Attributable to:		
Shareholders of the Company	**15,132**	7,461
Non-controlling interests	**(156)**	694
Net Income	**$ 14,976**	$ 8,155
Earnings per Share		
Basic	**$ 0.22**	$ 0.12
Diluted	**$ 0.22**	$ 0.12
Weighted Average Number of Shares Outstanding (000's)		
Basic	**69,901**	64,531
Diluted	**69,945**	64,617

Shawcor Ltd.

Consolidated Statements of Comprehensive Income (Loss) (Unaudited)

(in thousands of Canadian dollars)	Three Months Ended March 31, 2017	2016
Net Income	**$ 14,976**	$ 8,155
Other Comprehensive Loss to be Reclassified to Net Income in Subsequent Periods		
Exchange differences on translation of foreign operations	**(2,576)**	(39,386)
Other comprehensive income attributable to investments in associates	**(98)**	(912)
Net Other Comprehensive Income (Loss) to be Reclassified to Net Income in Subsequent Periods	**(2,674)**	(40,298)
Other Comprehensive Loss not to be Reclassified to Net Income in Subsequent Periods		
Actuarial loss on defined benefit plan	**(3)**	(4)
Income tax recovery	**1**	2
Net Other Comprehensive Loss not to be Reclassified to Net Income in Subsequent Periods	**(2)**	(2)
Other Comprehensive Loss, Net of Income Taxes	**(2,676)**	(40,300)
Total Comprehensive Income (Loss)	**$ 12,300**	$ (32,145)
Comprehensive Income (Loss) Attributable to:		
Shareholders of the Company	**$ 12,389**	$ (32,296)
Non-controlling interests	**(89)**	151
Total Comprehensive Income (Loss)	**$ 12,300**	$ (32,145)

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, 2016	**703,316**	**23,379**	**273,045**	**5,892**	**37,408**	**1,043,040**
Net income	**–**	**–**	**15,132**	**(156)**	**–**	**14,976**
Other comprehensive income (loss)	**–**	**–**	**–**	**67**	**(2,743)**	**(2,676)**
Comprehensive income (loss)	**–**	**–**	**15,132**	**(89)**	**(2,743)**	**12,300**
Issued on exercise of stock options	**481**	**–**	**–**	**–**	**–**	**481**
Compensation cost on exercised options	**176**	**(176)**	**–**	**–**	**–**	**–**
Compensation cost on exercised RSUs	**210**	**(210)**	**–**	**–**	**–**	**–**
Share-based compensation expense	**–**	**1,299**	**–**	**–**	**–**	**1,299**
Dividends declared and paid to shareholders	**–**	**–**	**(10,487)**	**–**	**–**	**(10,487)**
Balance - March 31, 2017	**$ 704,183**	**$ 24,292**	**$ 277,690**	**$ 5,803**	**$ 34,665**	**$ 1,046,633**
Balance - December 31, 2015	$ 534,484	$ 18,638	$ 492,713	$ 7,455	$ 71,911	$ 1,125,201
Net income	–	–	7,461	694	–	8,155
Other comprehensive loss	–	–	–	(543)	(39,757)	(40,300)
Comprehensive income (loss)	–	–	7,461	151	(39,757)	(32,145)
Issued on exercise of stock options	532	–	–	–	–	532
Compensation cost on exercised options	177	(177)	–	–	–	–
Compensation cost on exercised RSUs	174	(174)	–	–	–	–
Share-based compensation expense	–	1,429	–	–	–	1,429
Dividends declared and paid to shareholders	–	–	(9,633)	–	–	(9,633)
Balance - March 31, 2016	535,367	19,716	490,541	7,606	32,154	1,085,384

Shawcor Ltd.

Consolidated Statements of Cash Flows (Unaudited)

(in thousands of Canadian dollars)	Three Months Ended March 31, 2017	2016
Operating Activities		
Net income	**$ 14,976**	$ 8,155
Add (deduct) items not affecting cash		
Amortization of property, plant and equipment	**14,744**	14,829
Amortization of intangible assets	**5,038**	6,304
Amortization of long-term prepaid expenses	**102**	115
Decommissioning obligations expense	**80**	41
Other provision expenses	**(18)**	1,739
Share-based and other incentive-based compensation	**2,814**	1,240
Deferred income taxes	**(3,572)**	(4,973)
(Loss) Gain on disposal of property, plant and equipment	**(591)**	165
Unrealized loss on derivative financial instruments	**4,927**	2,644
Loss from investments in associates	**2,696**	453
Other	**468**	–
Settlement of decommissioning liabilities	**(156)**	(3)
Settlement of other provisions	**(573)**	(7,739)
Net change in employee future benefits	**359**	603
Change in non-cash working capital and foreign exchange	**(65,956)**	61,896
Cash **(Used in) Provided by Operating Activities**	**(24,662)**	85,469
Investing Activities		
Increase in loans receivable	**(44)**	–
Decrease in short-term investments	**15**	176
Purchase of property, plant and equipment	**(9,483)**	(17,961)
Proceeds on disposal of property, plant and equipment	**879**	1,046
Increase in other assets	**(4,112)**	(1,120)
Business acquisition, net of cash acquired	**–**	(25,539)
Cash Used in Investing Activities	**(12,745)**	(43,398)
Financing Activities		
Decrease in bank indebtedness	**(2,463)**	–
Decrease in loans payable	**–**	(237)
Payment of obligations under finance lease	**(282)**	(173)
Issuance of shares	**481**	532
Dividend paid to shareholders	**(10,487)**	(9,633)
Cash Used in Financing Activities	**(12,751)**	(9,511)
Effect of Foreign Exchange on Cash and Cash Equivalents	**99**	(15,028)
Net (Decrease) Increase in Cash and Cash Equivalents	**(50,059)**	17,532
Cash and Cash Equivalents - Beginning of Period	**194,824**	260,645
Cash and Cash Equivalents - End of Period	**144,765**	$ 278,177

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. These 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 provide further information and assist readers in understanding the results of the Company's operations and financial position. 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 and Adjusted EBITDA

EBITDA is a non-GAAP measure defined as earnings before interest, income taxes, depreciation and amortization. Adjusted EBITDA is also a non-GAAP measure defined as EBITDA adjusted for non-operational items. The Company believes that EBITDA and Adjusted EBITDA are useful supplemental measures that provide a meaningful indication of the Company's results from principal business activities prior to the consideration of how these activities are financed or the tax impacts in various jurisdictions. The Company presents Adjusted EBITDA as a measure of EBITDA that excludes the impact of transactions that are outside the Company's normal course of business.

	Three Months Ended		
(in thousands of Canadian dollars)	**March 31, 2017**	December 31, 2016	March 31, 2016
Net income	**$ 14,976**	$ 28,339	**$** 8,155
Add:			
Income taxes	**2,510**	6,954	2,598
Finance costs, net	**5,628**	2,868	4,744
Amortization of property, plant, equipment and intangible assets	**19,782**	18,927	21,133
EBITDA	**$ 42,896**	$ 57,088	**$** 36,630
Cost associated with repayment and modification of long-term debt	–	948	–
Arbitration award	–	(19,221)	–
Gain on sale of land	–	(5,562)	–
ADJUSTED EBITDA	**$ 42,896**	$ 33,253	**$** 36,630

(a) Adjusted EBITDA and EBITDA are used by many analysts in the oil and gas industry as one of several important analytical tools.