August 10th, 2017

SHAWCOR LTD.
(TSX: SCL)

PRESS RELEASE

SHAWCOR LTD. ANNOUNCES SECOND QUARTER 2017 RESULTS

- Second quarter 2017 revenue was $384 million, an increase of 7% from the $360 million reported in the first quarter of 2017 and also 50% higher than the $255 million reported in the second quarter of 2016.
- Adjusted EBITDA[1] in the second quarter of 2017 was $53 million, an increase of 24% from the $43 million reported in the first quarter of 2017 and also higher compared to $20 million loss reported in the second quarter of 2016.
- Net income (attributable to shareholders of the Company) in the second quarter of 2017 was $16.1 million (or earnings per share of $0.23 diluted) compared with net income of $15.1 million (or $0.22 per share diluted) in the first quarter of 2017 and a net loss of $41.7 million (or $0.65 loss per share diluted) in the second quarter of 2016.
- The Company's order backlog was $572 million at June 30, 2017, down compared to the backlog at March 31, 2017 of $648 million.

Mr. Steve Orr, Chief Executive Officer of Shawcor Ltd. remarked "We are very pleased with Shawcor's financial performance in the second quarter of 2017 and the positive trend of improvement in Adjusted EBITDA[1], quarter over quarter. Results were positively impacted by the steady recovery of our North American upstream businesses from both higher levels of activity and recently added products and services in this market, better utilization in many of our plants and very strong execution of the concrete weight coating for the Sur de Texas – Tuxpan project in Altamira, Mexico that contributed over $90 million of revenue."

Mr. Orr added "With the North America businesses now contributing, higher plant utilization and the concrete coating work for the Sur de Texas – Tuxpan pipeline project now fully executing, the Company expects to deliver EBITDA at near the current levels for the remainder of 2017. The Company's current order backlog of $572 million and expected stable activity in North America coupled with increased confidence that projects being tracked will be sanctioned provides support for a positive outlook for future years. However, outperformance will likely require the contribution from large projects. With increased optimism for the business supported by the strengthening of our base, project visibility and the Company's strong balance sheet, we are moving forward on our growth strategy through both organic and potential inorganic investments."

[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 June 30,		Six Months Ended June 30,	
	2017	2016	**2017**	2016
Revenue	**$ 383,782**	$ 255,359	**$ 743,514**	$ 620,938
Gross profit	**144,047**	70,870	**273,708**	197,805
Gross profit %	**37.5%**	27.8%	**36.8%**	31.9%
Adjusted EBITDA[(a)]	**53,340**	(20,298)	**96,236**	16,332
Income (Loss) from Operations	**28,234**	(40,792)	**54,044**	(24,842)
Net Income (Loss) for the period[(b)]	**$ 16,064**	$ (41,678)	**$ 31,196**	$ (34,217)
Earnings (Loss) per share:				
Basic	**$ 0.23**	$ (0.65)	**$ 0.45**	$ (0.53)
Fully diluted	**$ 0.23**	$ (0.65)	**$ 0.45**	$ (0.53)

(a) Adjusted earnings before interest, income taxes, depreciation and amortization ("EBITDA") is a non-GAAP measure calculated by adding back to net income (loss) the sum of net finance costs, income taxes, amortization of property, plant, equipment and intangible assets and gains from sale of land. 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 (loss) 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 activity that followed the decrease in oil and gas prices in the second half of 2014 is past the low point and is in the early stages of recovery. Shawcor's financial performance is closely correlated with oil and gas infrastructure spending and the resultant market demand for the Company's products and services. The continued increase in customer spending 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 current level of market demand combined with Shawcor's booked order backlog is expected to enable the Company to deliver strong growth in financial performance in 2017.

If activity levels remain steady in 2018, then strong results are also expected in 2018. However, it is possible that there will be a shortfall in major project activity in 2018, which could lead to a temporary decline in EBITDA before what the Company anticipates will be strong activity levels and superior financial results in 2019 and 2020.

Beyond 2017, the Company's performance will be impacted by three primary elements; North American land drilling and completion activity, overall industry capital spending and large projects.

North American land drilling has shown the most activity momentum with a minimum base level of activity in the number of oil and gas wells being drilled and completed and/or worked over expected to be sustained. The demand for the Company's gathering line pipeline products and services and OCTG tubular services has strengthened from rig counts in Canada and the USA improving over 70% from the prior year. In addition, investments to move increased production volumes in both new and aging transmission infrastructure will support increased demand for the Company's transmission pipeline products and services.

Industry capital spending, supported by the number of Final Investment Decisions (FID) that has already surpassed the total number in 2016, is expected to gradually improve from current levels. It is expected that with recent reduced supplier costs, configuration standardization, and the need to address reservoir depletion, new projects will continue to be sanctioned. Projects with short cycle returns and lower capital investments such as tie-ins, brownfields and step outs will be the first to be actioned, until improved economics and confidence justify larger and longer term investments, such as greenfield developments. Increased project sanctioning will improve the revenue opportunities for the Company's pipeline products and services that are delivered from the Company's global footprint.

There continues to be visibility and movement in certain large projects that are not directly linked to current oil and gas commodity prices. These projects are driven by domestic energy requirements, energy security or market share protection, emission reduction and opportunistic fiscal incentive or regulatory windows. Since these projects are large, complex, and have high execution risk, they will provide material opportunities for the Company's pipeline product and services. Examples of such projects include the Company's Sur de Texas - Tuxpan undersea natural gas pipeline project in Mexico that is currently being executed and the recently awarded PTT 5th Transmission pipeline project in Thailand. These projects are not directly related to new hydrocarbon production and thus the project investment decision is delinked from oil and gas prices. Although tracking of such projects is captured in the Company's bid and budgetary number of $2.1 billion, there is still uncertainty as to when such projects will proceed and the success of the Company securing the available scope of work.

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. The continued improvement in drilling rig counts in North America since the second quarter of 2016 has resulted in higher revenues for Shawcor's North American Pipeline segment businesses in the second quarter of 2017 compared to the first quarter of 2017 and the second quarter of 2016.

The Company expects that the North American Pipeline and Pipe Services segment will benefit in the future 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 liquid natural gas to Mexico and internationally. The Company is currently engaged in bidding on a large diameter onshore transmission line project, but this project must overcome a number of regulatory and legal challenges before it can proceed, which may delay the award and commencement of any work.

Pipeline and Pipe Services Segment - Latin America

With the concrete weight coating operations in Altamira, Mexico on the Sur de Texas – Tuxpan project reaching full production at the end of the second quarter of 2017, the Company expects continued revenue growth in the Latin America Pipeline segment region from the two mobile plants for the remainder of the year. At June 30, 2017, the Company's order backlog reflects approximately 60% of the concrete weight coating work which remains to be completed on the Sur de Texas - Tuxpan project, the majority of which will be executed in the second half of 2017 with a small portion in 2018.

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

Shawcor's EMAR Pipeline segment region remains the region most negatively impacted by the continued deferral of capital spending on new pipeline infrastructure by national and international oil companies The Company continues to pursue revenue opportunities for girth weld inspection, pipeline joint protection and pipe end preservation on both the Turk Stream and Nord Stream 2 pipelines, although these opportunities are not likely to benefit revenue until 2018 or later.

Pipeline and Pipe Services Segment - Asia Pacific

The activity of the Company's Asia Pacific region was negatively impacted in the second quarter of 2017 due to the completion in the first quarter of the flow assurance work for the Shah Deniz project and the anti-corrosion coating for pipe destined for Mexico for the Sur de Texas – Tuxpan project. The region's project activity in the next two quarters will be limited at the current level 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 solid revenue and earnings based on consistent demand growth in the North American and European automotive, industrial and nuclear refurbishment markets served by the segment. The growth trend is expected to continue in 2017 and beyond as new capacity for control cable and sealing and insulation products enters production and relieves capacity constraints.

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 June 30, 2017 of $572 million was lower than the order backlog of $648 million at March 31, 2017. The decrease reflects revenue generated in the quarter from backlog orders, which includes the Sur de Texas – Tuxpan project, partially offset by new orders and the PTT - Fifth Transmission project and other project wins moving from bid into backlog. Based on the current order backlog, projected continued activity levels in North America and improved plant utilization, the Company expects to deliver EBITDA at near the current level for the remainder of 2017.

In addition to the backlog, the Company closely monitors its bidding activity and the value of outstanding firm bids is currently in excess of $500 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.

Although bid and budgetary activity remains at healthy levels, there is a possible scenario that the Company will experience a gap, with no major large project activity for several quarters in 2018. The Company will have greater visibility on this potential gap later in 2017. Despite this, and assuming that there is no major pull back in current activity levels, the Company expects to deliver solid results in 2018 from steady activity in North America and continued sanctioning of projects. The bid and budgetary figures include several large projects, over $100 million, which could commence in the second half of 2018. The Company has the proven capabilities and geographic footprint to win and execute these types of projects. Based on this, the Company is optimistic that it would win a sizable portion of these awards and deliver superior results in 2019 and 2020.

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			Six Months Ended	
(in thousands of Canadian dollars)	**June 30, 2017**	March 31, 2017	June 30, 2016	**June 30, 2017**	June 30, 2016
Pipeline and Pipe Services	**$ 334,913**	$ 309,034	$ 206,990	**$ 643,947**	$ 523,970
Petrochemical and Industrial	**49,078**	51,367	48,818	**100,445**	97,691
Elimination[(a)]	**(209)**	(669)	(449)	**(878)**	(723)
Consolidated revenue	**$ 383,782**	$ 359,732	$ 255,359	**$ 743,514**	$ 620,938

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

Second Quarter 2017 versus First Quarter 2017

Consolidated revenue increased 7%, or $24.1 million, from $359.7 million during the first quarter of 2017 to $383.8 million during the second quarter of 2017, due to an increase of $25.9 million in the Pipeline and Pipe Services segment, partially offset by a decrease of $2.3 million in the Petrochemical and Industrial segment.

Revenue increased by 8% in the Pipeline and Pipe Services segment, or $25.9 million, from $309.0 million in the first quarter of 2017 to $334.9 million in the second quarter of 2017, due to higher activity levels in Latin America and North America, partially offset by lower volumes in the Europe, Middle East, Africa and Russia ("EMAR") and Asia Pacific 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 $2.3 million, or 4%, in the second quarter of 2017, compared to the first quarter of 2017, due to lower activity levels in North America and Asia Pacific, partially offset by higher revenue in Latin 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.

Second Quarter 2017 versus Second Quarter 2016

Consolidated revenue increased by $128.4 million, or 50%, from $255.4 million during the second quarter of 2016, to $383.8 million during the second quarter of 2017, primarily due to a $127.9 million revenue increase in the Pipeline and Pipe Services segment.

In the Pipeline and Pipe Services segment, revenue in the second quarter of 2017 was $334.9 million, or 62% higher than in the second quarter of 2016, due to increased activity levels in North America, Latin America and Asia Pacific, partially offset by lower revenue levels 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 essentially flat at $49.1 million during the second quarter of 2017, compared to $48.8 million in the second quarter of 2016, due to increased activity levels in

EMAR and Asia Pacific being mostly offset by lower revenue levels 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.

Six Months ended June 30, 2017 versus Six Months ended June 30, 2016

Consolidated revenue increased by $122.6 million, or 20%, from $620.9 million for the six month period ended June 30, 2016 to $743.5 million for the six month period ended June 30, 2017, due to increases of $120.0 million, or 23%, in the Pipeline and Pipe Services segment and $2.8 million, or 3%, in the Petrochemical and Industrial segment.

Revenue for the Pipeline and Pipe Services segment during the first half of 2017 was $643.9 million, or $120.0 million higher than in the comparable period in 2016, due to higher activity levels in Latin America, Asia Pacific and North America, partially offset by lower revenue in the EMAR region. See s*ection 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 $2.8 million in the first half of 2017 compared to the same period in 2016, due to higher activity levels in all regions. See s*ection 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			Six Months Ended	
	June 30, 2017	March 31, 2017	June 30, 2016	**June 30, 2017**	June 30, 2016
Operating income (loss)	**$ 28,234**	$ 25,810	$ (40,792)	**$ 54,044**	$ (24,842)
Operating margin[(a)]	**7.4%**	7.2%	(16.0%)	**7.3%**	(4.0%)

(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.

Second Quarter 2017 versus First Quarter 2017

Operating income increased by $2.4 million, from an operating income of $25.8 million during the first quarter of 2017 to operating income of $28.2 million in the second quarter of 2017. Operating income was positively impacted by an increase in gross profit of $14.4 million, a $1.4 million decrease in research and development expenses and a $0.3 million gain on sale of land. This was partially offset by increases in selling, general and administrative ("SG&A") expenses of $6.6 million, in amortization of property, plant, equipment and intangible assets of $6.3 million and in net foreign exchange losses of $0.7 million.

The increase in gross profit resulted from the higher revenue, as explained above, and a 1.5 percentage point increase in the gross margin from the first quarter of 2017. The increase in the gross margin percentage was primarily due to product and project mix, higher facility utilization and increased absorption of manufacturing overheads.

SG&A expenses increased by $6.6 million, from $79.0 million in the first quarter of 2017 to $85.7 million in the second quarter of 2017, primarily due to a net increase in personnel related and management incentive compensation expenses, including an increase in government mandated employee profit sharing on large project activity in Latin America.

Second Quarter 2017 versus Second Quarter 2016

Operating income increased by $69.0 million, from an operating loss of $40.8 million in the second quarter of 2016 to an operating income of $28.2 million during the second quarter of 2017. Operating income was positively impacted by an increase in gross profit of $73.2 million, a reduction of $2.5 million in research and development expenses and a $1.4 million decrease in impairment charges. This was partially offset by increases in amortization of property, plant, equipment and intangible assets of $5.7 million and in net foreign exchange losses of $2.4 million.

The increase in gross profit resulted from the higher revenue, as explained above, and a 9.8 percentage point increase in the gross margin from the second quarter of 2016. The increase in the gross margin percentage was primarily due to higher large project activity, improved North America business activity, higher facility utilization and increased absorption of manufacturing overheads.

SG&A expenses in the second quarter of 2017 decreased by $0.3 million compared to the second quarter of 2016, primarily due to a $14.3 million increase in personnel related and management incentive compensation expenses, including an increase in government mandated employee profit sharing on large project activity in Latin America, partially offset by a decrease of $1.3 million in professional fees, a $1.7 million decrease in rental and building costs and lower expenses in various other categories. The second quarter of 2016 also included $9.8 million in higher restructuring costs, including $6.0 million for employee severance and $3.8 million for plant and office closure and co-location costs.

Six Months ended June 30, 2017 versus Six Months ended June 30, 2016

Operating income increased by $78.9 million, from an Operating loss of $24.8 million in the six month period ended June 30, 2016, to an operating income of $54.0 million in the six month period ended June 30, 2017. Operating income was positively impacted by a year over year increase in gross profit of $75.9 million and decreases in SG&A expenses of $5.1 million, in research and development expenses of $3.2 million and in impairment charges of $1.4 million. These items were partially offset by increases in amortization of property, plant, equipment and intangible assets of $4.4 million and in net foreign exchange losses of $2.1 million.

The increase in gross profit resulted from the higher revenue, as explained above, and a 5.0 percentage point increase in the gross margin from the prior year. The increase in the gross margin percentage was primarily due to higher large project activity, improved North America business activity, higher facility utilization and increased absorption of manufacturing overheads.

SG&A expenses decreased by $5.1 million in the first six months of 2017 compared to the comparable period in 2016, primarily due to a net reduction in restructuring charges of $9.8 million compared to the first six months of 2016, a decrease in rental and building costs of $4.1 million and a $3.1 million decrease in professional consulting and legal fees. This was partially offset by an increase in personnel related and management incentive compensation expenses of $12.6 million, including an increase in government mandated employee profit sharing on large project activity in Latin America.

2.3 Finance Costs, net

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

	Three Months Ended			Six Months Ended	
(in thousands of Canadian dollars)	**June 30, 2017**	March 31, 2017	June 30, 2016	**June 30, 2017**	June 30, 2016
Interest income	**$ (733)**	$ (234)	$ (183)	**$ (967)**	$ (499)
Interest expense, other	**1,372**	1,592	1,418	**2,964**	2,332
Interest expense on long-term debt	**4,144**	4,270	2,738	**8,414**	6,884
Finance costs, net	**$ 4,783**	$ 5,628	$ 3,973	**$ 10,411**	$ 8,717

Second Quarter 2017 versus First Quarter 2017

In the second quarter of 2017, net finance costs were $4.8 million, compared to net finance costs of $5.6 million during the first quarter of 2017. The decrease in net finance costs was primarily due to a $0.5 million increase in interest income and a $0.3 million decrease in interest expense on bank borrowings and facilities.

Second Quarter 2017 versus Second Quarter 2016

In the second quarter of 2017, net finance costs were $4.8 million, compared to net finance costs of $4.0 million during the second quarter of 2016. The increase in net finance costs was primarily a result of higher interest expense on long term debt, partially offset by higher interest income.

Six Months ended June 30, 2017 versus Six Months ended June 30, 2016

For the six months ended June 30, 2017, net finance costs were $10.4 million, compared to $8.7 million in the comparable period in the prior year. The increase in net finance costs was primarily a result of higher interest expense on long term debt and higher interest expense on bank borrowings and facilities, partially offset by higher interest income.

2.4 Income Taxes

The following table sets forth the income taxes for the following periods:

	Three Months Ended			Six Months Ended	
(in thousands of Canadian dollars)	**June 30, 2017**	March 31, 2017	June 30, 2016	**June 30, 2017**	June 30, 2016
Income tax expense (recovery)	**$ 6,860**	$ 2,510	$ (5,826)	**$ 9,370**	$ (3,228)

Second Quarter 2017 versus First Quarter 2017

The Company recorded an income tax expense of $6.9 million (30% of income before income taxes) in the second quarter of 2017, compared to an income tax expense of $2.5 million (14% of income before income taxes) in the first quarter of 2017. The effective tax rate in the second quarter of 2017 was higher than the Company's expected income tax rate of 27% primarily due to a large portion of the Company's taxable income being earned in higher tax jurisdictions.

Second Quarter 2017 versus Second Quarter 2016

The Company recorded an income tax expense of $6.9 million (30% of income before income taxes) in the second quarter of 2017, compared to an income tax recovery of $5.8 million (12% of loss before income taxes) in the second quarter of 2016. The effective tax rate in the second quarter of 2017 was higher than the Company's expected income tax rate of 27% primarily due to a large portion of the Company's taxable income being earned in higher tax jurisdictions.

Six Months ended June 30, 2017 versus Six Months ended June 30, 2016

The Company recorded an income tax expense of $9.4 million (23% of income before income taxes) during the six-month period ended June 30, 2017, compared to an income tax recovery of $3.2 million (9% of loss before income taxes) during the six-month period ended June 30, 2016. The effective tax rate for the six month period ended June 30, 2017 was lower than the Company's expected effective income tax rate of 27%, primarily due to a large portion of the Company's taxable income being earned in lower 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 June 30,		**Six Months Ended June 30,**	
	2017	2016	**2017**	2016
U.S. dollar	**1.3360**	1.2916	**1.3308**	1.3304
Euro	**1.4766**	1.4484	**1.4479**	1.4748
British Pounds	**1.7148**	1.8339	**1.6858**	1.8972

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)	**Q2-2017 Versus Q1-2017**	**Q2-2017 versus Q2-2016**	**Q2-2017 YTD versus Q2-2016 YTD**
Revenue	**$ 10,747**	**$ 3,222**	**$ (17,062)**
Operating income	**$ 2,569**	**$ 84**	**$ (2,623)**
Net income	**$ 2,074**	**$ (325)**	**$ (2,311)**

In addition to the translation impact noted above, the Company recorded a foreign exchange loss of $2.2 million in the second quarter of 2017 (six months ended June 30, 2017 – loss of $3.6 million), compared to a gain of $0.3 million for the comparable period in the prior year (six months ended June 30, 2016 – a loss of $1.4 million), 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.

2.6 Net Income (attributable to shareholders of the Company)

Second Quarter 2017 versus First Quarter 2017

Net income increased by $0.9 million, from a net income of $15.1 million during the first quarter of 2017 to a net income of $16.1 million during the second quarter of 2017. This was mainly due to the $2.4 million increase in operating income, as explained in *section 2.2* above, a $2.1 million reduction in loss from investment in associates and a $0.8 million decrease in finance costs. This was partially offset by a $4.3 million increase in income tax expense.

Second Quarter 2017 versus Second Quarter 2016

Net income increased by $57.7 million, from a $41.7 million net loss during the second quarter of 2016 to a $16.1 million net income during the second quarter of 2017. This was mainly due to the $69.0 million increase in operating income, as explained in *section 2.2* above, and $2.1 million of costs associated with repayment and modification of long term debt recorded in the second quarter of 2016. This was partially offset by a $12.7 million increase in income tax expense.

Six Months ended June 30, 2017 versus Six Months ended June 30, 2016

Net income increased by $65.4 million, from a $34.2 million net loss during the six-month period ended June 30, 2016 to a net income of $31.2 million during the six-month period ended June 30, 2017, mainly due to the $78.9 million increase in operating income, as explained in *section 2.2* above, and $2.1 million of costs associated with repayment and modification of long term debt recorded in the second quarter of 2016. This was partially offset by a $12.6 million increase in income tax expense, a $2.1 million higher loss from investments in associates and a $1.7 million increase in finance costs.

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, except percentages)	Three Months Ended			Six Months Ended	
	June 30, 2017	March 31, 2017	June 30, 2016	**June 30, 2017**	June 30, 2016
North America	**$ 155,425**	$ 146,856	$ 99,359	**$ 302,281**	$ 237,126
Latin America	**99,559**	29,115	8,392	**128,674**	36,539
EMAR	**49,059**	62,404	89,802	**111,463**	218,316
Asia Pacific	**30,870**	70,659	9,437	**101,529**	31,989
Total revenue	**$ 334,913**	$ 309,034	$ 206,990	**$ 643,947**	$ 523,970
Operating income (loss)	**$ 27,182**	$ 24,610	$ (42,572)	**$ 51,792**	$ (26,379)
Operating margin[(a)]	**8.1%**	8.0%	(20.6%)	**8.0%**	(5.0%)

(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.

Second Quarter 2017 versus First Quarter 2017

Revenue in the second quarter of 2017 increased by $25.9 million to $334.9 million, from $309.0 million in the first quarter of 2017. Revenue benefitted from the impact on translation of foreign operations, as noted in *section 2.5* above, and higher activity levels in Latin America and North America, partially offset by lower volumes in EMAR and Asia Pacific:

- Revenue in North America increased by $8.6 million, or 6%, primarily as a result of higher large diameter pipe coatings in the US and Canada and increased integrity management services revenue. This was partially offset by lower activity levels for flexible composite pipe, tubular management services and small diameter coating revenue in Canada.

- In Latin America, revenue increased by $70.4 million, or 242%, primarily as a result of the ramp up 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 $13.3 million, or 21%, primarily due to lower activity levels on the Shah Deniz project in the Caspian and decreased revenue from the Ras Al Khaimah, UAE ("RAK"), Leith, Scotland and the Company's Italian facilities.

- Asia Pacific revenue decreased by $39.8 million, or 56%, mainly due to lower pipe coating project volumes for the Shah Deniz and Tuxpan projects at the Kabil, Indonesia and Kuantan, Malaysia facilities.

In the second quarter of 2017, operating income was $27.2 million compared to an operating income of $24.6 million in the first quarter of 2017, an increase of $2.6 million. The increase in operating income was primarily due to the $16.0 million increase in gross profit due to the increase in revenue, as explained above, and a 1.9 percentage point increase in gross margin. The increase in gross margin was due to favourable project mix, higher facility utilization and increased manufacturing overhead absorption. This was partially offset by higher SG&A expenses and an increase in amortization of property, plant, equipment and intangible assets, as explained in *section 2.2* above.

Second Quarter 2017 versus Second Quarter 2016

Revenue in the second quarter of 2017 was $334.9 million, an increase of $127.9 million, or 62%, from $207.0 million in the comparable period of 2016. Segment revenue was positively affected by the impact on translation of foreign operations, as noted in *section 2.5* above, and higher activity levels in North America, Latin America and Asia Pacific, partially offset by lower revenue in EMAR:

- In North America, revenue increased by $56.1 million, or 56%, primarily due to higher volumes of small diameter pipe coating in Canada and large diameter pipe coating in the USA and Canada, increased activity levels in pipe weld inspection services, in tubular management services, increased engineering services revenue and higher flexible composite pipe sales volumes. This was partially offset by lower activity levels of large diameter pipe coating in Canada.

- Latin America revenue increased by $91.2 million, or 1086%, primarily as a result of the ramp up 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 $40.7 million, or 45%, primarily due to lower activity levels on the Shah Deniz project in the Caspian and at the Leith, Scotland, Orkanger, Norway, RAK and Italian facilities.

- Revenue in Asia Pacific increased by $21.4 million, or 227%, mainly due to higher pipe coating project volumes from the Woodside Greater Western Flank and Tuxpan projects at the Kabil, Indonesia and Kuantan, Malaysia facilities.

In the second quarter of 2017, operating income was $27.2 million compared to an operating loss of $42.6 million in the second quarter of 2016, an increase of $69.8 million. The increase in operating income was primarily due to the $73.4 million increase in gross profit due to the increase in revenue, as explained above, and a 11.6 percentage point increase in gross margin. The increase in gross margin was due to favourable large project mix, higher facility utilization and increased manufacturing overhead absorption. In addition, research and development expenses were lower during the second quarter of 2017 compared to the prior year and a $1.4 million impairment charge was recorded in the second quarter of 2016. This was partially offset by increases in amortization of property, plant, equipment and intangible assets and net foreign exchange losses, as explained in *section 2.2* above.

Six Months ended June 30, 2017 versus Six Months ended June 30, 2016

Revenue in the Pipeline and Pipe Services segment for the six month period ended June 30, 2017 was $643.9 million, an increase of $120.0 million, from $524.0 million in the comparable period in the prior year. Segment revenue was adversely affected by the impact on translation of foreign operations from the weakening Canadian dollar, as noted in *section 2.5* above, and by higher activity levels in Latin America, North America and Asia Pacific, partially offset by lower revenue in EMAR:

- Revenue in North America increased by $65.2 million, or 27%, primarily due to increased revenue from flexible composite pipe sales, tubular management services, pipe weld inspection services and small diameter pipe coating in Canada. This was partially offset by lower activity levels of large diameter pipe coating activity in the USA and Canada and lower volumes of small diameter pipe coating in the USA.

- In Latin America, revenue was higher by $92.1 million, or 252%, mainly due to the ramp up of production in Altamira, Mexico for the Tuxpan project, partially offset by lower volumes at the Company's Argentina facilities.

- In EMAR, revenue decreased by $106.9 million, or 49%, primarily due to decreased pipe coating activity levels in RAK, Orkanger, Norway and Leith, Scotland, on the Shah Deniz project in the Caspian and at the Company's Italian facilities.

- Revenue in Asia Pacific increased by $69.5 million, or 217%, mainly due to higher pipe coating project volumes from the Woodside Greater Western Flank, Shah Deniz and Tuxpan projects at the Kabil, Indonesia and Kuantan, Malaysia facilities.

Operating income for the six month period ended June 30, 2017 was $51.8 million compared to an operating loss of $26.4 million for the six month period ended June 30, 2016, an increase of $78.2 million. The increase in operating income is primarily due to a $73.4 million increase in gross profit as a result of the increase in revenue, as explained above, and a 5.4 percentage point increase in gross margin. The increase in gross margin was due to favourable large project mix, higher facility utilization and increased manufacturing overhead absorption. In addition, SG&A expenses and research and development expenses were lower during 2017 compared to the prior year and a $1.4 million impairment charge was recorded in the second quarter of 2016. This was partially offset by increases in amortization of property, plant, equipment and intangible assets and net foreign exchange losses, as explained in *section 2.2* above.

3.2 Petrochemical and Industrial Segment

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

(in thousands of Canadian dollars, except percentages)	Three Months Ended			Six Months Ended	
	June 30, 2017	March 31, 2017	June 30, 2016	**June 30, 2017**	June 30, 2016
North America	**$ 28,255**	$ 31,472	$ 29,837	**$ 59,727**	$ 59,448
EMAR	**17,772**	16,678	16,277	**34,450**	32,785
Asia Pacific	**3,051**	3,217	2,704	**6,268**	5,458
Total Revenue	**$ 49,078**	$ 51,367	$ 48,818	**$ 100,445**	$ 97,691
Operating income	**$ 7,945**	$ 9,647	$ 9,751	**$ 17,592**	$ 17,346
Operating margin[(a)]	**16.2%**	18.8%	20.0%	**17.5%**	17.8%

(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.

Second Quarter 2017 versus First Quarter 2017

In the second quarter of 2017, revenue decreased by $2.3 million, or 4%, to $49.1 million, compared to the first quarter of 2017, primarily due to decreased shipments of wire and cable products, partially offset by higher activity levels for heat shrink tubing product, particularly in the automotive sector in the EMAR region.

Operating income of $7.9 million in the second quarter of 2017 was $1.7 million, or 18%, lower than in the first quarter of 2017. The decrease in operating income was primarily due to a decrease in gross profit of $1.6 million due to the decreased revenue, as explained above, and a 1.7 percentage point decrease in gross margin. The decrease in gross margin was due to unfavourable product mix and lower facility utilization and decreased manufacturing overhead absorption.

Second Quarter 2017 versus Second Quarter 2016

Revenue in the second quarter of 2017 increased by $0.3 million, or 1%, compared to the second quarter of 2016. Revenue was impacted by increased shipments of heat shrink tubing product, particularly in the automotive sector in the EMAR region, partially offset by lower activity levels for wire and cable products.

Operating income in the second quarter of 2017 was $7.9 million compared to $9.8 million in the second quarter of 2016, a decrease of $1.8 million, or 19%. The decrease in operating income was due to a decrease in gross profit of $0.2 million due to a 0.6 percentage point decrease in gross margin, and higher SG&A expenses. The decrease in gross margin was due to unfavourable product mix. SG&A expenses were mainly impacted by higher personnel related and management incentive compensation expenses.

Six Months ended June 30, 2017 versus Six Months ended June 30, 2016

Revenue increased in the six months ended June 30, 2017 by $2.8 million, or 3%, to $100.4 million compared to the comparable period in 2016, due to increased shipments of wire and cable products in North America, combined with increased heat shrinkable product shipments in EMAR and Asia Pacific, partially offset by the impact of foreign exchange on revenue, as noted in *section 2.5* above.

Operating income for the six months ended June 30, 2017 was $17.6 million compared to $17.3 million for the six months ended June 30, 2016, an increase of $0.2 million, or 1%. Operating income was higher due to an increase in gross profit of $2.5 million as a result of the increase in revenue of $2.8 million, as explained above, and a 1.7 percentage point increase in gross margin, partially offset by higher SG&A expenses. The increase in gross margin was due to favourable product mix, higher facility utilization and increased manufacturing overhead absorption. SG&A expenses were mainly impacted by higher personnel related and management incentive compensation expenses.

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			**Six Months Ended**	
(in thousands of Canadian dollars)	**June 30, 2017**	March 31, 2017	June 30, 2016	**June 30, 2017**	June 30, 2016
Financial and corporate expenses	**$ (5,039)**	$ (7,024)	$ (7,327)	**$ (12,063)**	$ (13,452)

Second Quarter 2017 versus First Quarter 2017

Financial and corporate costs decreased by $2.0 million from $7.0 million during the first quarter of 2017 to $5.0 million in the second quarter of 2017. The decrease was primarily due to a net decrease of $2.7 million in personnel related and management compensation expenses and $0.5 million in higher professional consulting and legal fees.

Second Quarter 2017 versus Second Quarter 2016

Financial and corporate costs decreased by $2.3 million from the second quarter of 2016 to $5.0 million in the second quarter of 2017. The decrease was primarily due to a net decrease of $2.3 million in personnel related and management compensation expenses.

Six Months ended June 30, 2017 versus Six Months ended June 30, 2016

Financial and corporate costs decreased by $1.4 million from the six month period ended June 30, 2016 to $12.1 million for the six month period ended June 30, 2017. The decrease was primarily due to a $2.0 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 stability in consolidated revenues and earnings for the balance of 2017 and improvement in future years, 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 impact of new pipeline infrastructure and of increasing production volumes in existing and new transmission infrastructure, 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 and the delay in the commencement of future projects, whether as a result of lower investment in global oil and gas extraction and transportation activity following declines in the global price of oil and gas, long term changes in global or regional economic and regulatory activity or changes in energy supply and demand, all of 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, the ability of the Company to continue to satisfy all covenants under its Credit Facilities and the Senior Notes and the Company's continued ability to successfully manage foreign exchange, interest rate, credit and liquidity risks. The Company believes that the expectations reflected in the forward looking information are based on reasonable assumptions in light of currently available information. However, should one or more risks materialize or should any assumptions prove incorrect, then actual results could vary materially from those expressed or implied in the forward looking information included in this document and the Company can give no assurance that such expectations will be achieved.

When considering the forward looking information in making decisions with respect to the Company, readers should carefully consider the foregoing factors and other uncertainties and potential events. The Company does not assume the obligation to revise or update forward looking information after the date of this document or to revise it to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws.

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

Shawcor will be hosting a Shareholder and Analyst Conference Call and Webcast on Friday August 11th, 2017 at 10:00AM ET, which will discuss the Company's Second Quarter Financial Results.

To participate via telephone, please dial 1-877-776-4039 or 1-315-625-6955 and enter passcode 56090541; alternatively, please go to the following website address to participate via webcast:
http://edge.media-server.com/m/p/9vxbkw5e

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.

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Shawcor Ltd.
Interim Consolidated Balance Sheets (Unaudited)

(in thousands of Canadian dollars)		June 30, 2017		December 31, 2016
ASSETS				
Current assets				
Cash and cash equivalents	**$**	**167,077**	$	194,824
Short-term investments		**1,834**		1,890
Loans receivable		**3,825**		3,832
Accounts receivable		**327,102**		294,397
Income taxes receivable		**17,643**		35,141
Inventories		**132,837**		113,485
Prepaid expenses		**26,437**		22,477
Derivative financial instruments		**5,378**		9,393
Total current assets		**682,133**		675,439
Non-current assets				
Loans receivable		**4,914**		5,058
Property, plant and equipment		**455,450**		471,468
Intangible assets		**178,278**		192,907
Investments in associates		**23,242**		26,739
Deferred income tax assets		**31,747**		28,955
Other assets		**25,552**		26,407
Goodwill		**343,179**		350,818
Total non-current assets		**1,062,362**		1,102,352
TOTAL ASSETS	**$**	**1,744,495**	$	1,777,791
LIABILITIES AND EQUITY				
Current liabilities				
Bank indebtedness	**$**	**–**	$	2,463
Accounts payable and accrued liabilities		**194,752**		212,539
Provisions		**17,474**		21,104
Income taxes payable		**39,500**		39,011
Derivative financial instruments		**2,896**		3,759
Deferred revenue		**100,489**		103,584
Obligations under finance lease		**506**		950
Other liabilities		**11,260**		12,043
Total current liabilities		**366,877**		395,453
Non-current liabilities				
Long-term debt		**254,671**		263,528
Obligations under finance lease		**11,476**		11,019
Provisions		**37,293**		35,304
Employee future benefits		**21,219**		20,727
Deferred income tax liabilities		**5,721**		7,484
Other liabilities		**984**		1,236
Total non-current liabilities		**331,364**		339,298
Total liabilities		**698,241**		734,751
Equity				
Share capital		**704,744**		703,316
Contributed surplus		**25,365**		23,379
Retained earnings		**283,277**		273,045
Non-controlling interests		**6,064**		5,892
Accumulated other comprehensive income		**26,804**		37,408
Total equity		**1,046,254**		1,043,040
TOTAL LIABILITIES AND EQUITY	**$**	**1,744,495**	$	1,777,791

Shawcor Ltd.

Interim Consolidated Statements of Income (Loss) (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands of Canadian dollars, except per share amounts)	**2017**	2016	**2017**	2016
Revenue				
Sale of products	**$ 126,306**	$ 63,677	**$ 252,422**	$ 188,592
Rendering of services	**257,476**	191,682	**491,092**	432,346
	383,782	255,359	**743,514**	620,938
Cost of Goods Sold and Services Rendered	**239,735**	184,489	**469,806**	423,133
Gross Profit	**144,047**	70,870	**273,708**	197,805
Selling, general and administrative expenses	**85,670**	86,005	**164,697**	169,836
Research and development expenses	**2,254**	4,722	**5,872**	9,030
Foreign exchange losses (gains)	**2,164**	(274)	**3,588**	1,439
Amortization of property, plant and equipment	**20,904**	14,253	**35,648**	29,082
Amortization of intangible assets	**5,132**	6,038	**10,170**	12,342
Gain on sale of land	**(311)**	(511)	**(311)**	(511)
Impairment	**–**	1,429	**–**	1,429
Income (Loss) from Operations	**28,234**	(40,792)	**54,044**	(24,842)
Loss from investments in associates	**(619)**	(715)	**(3,315)**	(1,168)
Finance costs, net	**(4,783)**	(3,973)	**(10,411)**	(8,717)
Costs associated with repayment and modification of long-term debt	**–**	(2,061)	**–**	(2,061)
Income (Loss) before Income Taxes	**22,832**	(47,541)	**40,318**	(36,788)
Income tax expense (recovery)	**6,860**	(5,826)	**9,370**	(3,228)
Net Income (Loss)	**$ 15,972**	$ (41,715)	**$ 30,948**	$ (33,560)
Net Income (Loss) Attributable to:				
Shareholders of the Company	**$ 16,064**	$ (41,678)	**$ 31,196**	$ (34,217)
Non-controlling interests	**(92)**	(37)	**(248)**	657
Net Income (Loss)	**$ 15,972**	$ (41,715)	**$ 30,948**	$ (33,560)
Earnings (Loss) per Share ("EPS")				
Basic	**$ 0.23**	$ (0.65)	**$ 0.45**	$ (0.53)
Diluted	**$ 0.23**	$ (0.65)	**$ 0.45**	$ (0.53)
Weighted Average Number of Shares Outstanding (000's)				
Basic	**69,932**	64,589	**69,916**	64,560
Diluted	**70,033**	64,589	**70,024**	64,560

Shawcor Ltd.

Interim Consolidated Statements of Comprehensive Income (Loss) (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
(in thousands of Canadian dollars)	**2017**	2016	**2017**	2016
Net Income (Loss) for the Period	**$ 15,972**	$ (41,715)	**$ 30,948**	$ (33,560)
Other Comprehensive Loss to be Reclassified to Net Income (Loss) in Subsequent Periods				
Exchange losses on translation of foreign operations	**(7,416)**	(9,914)	**(9,992)**	(49,302)
Cash flow hedge gains reclassified to net income	**–**	1,536	**–**	1,536
Other comprehensive loss attributable to investments in associates	**(84)**	(66)	**(182)**	(978)
Net Other Comprehensive Loss to be Reclassified to Net Income (Loss) in Subsequent Periods	**(7,500)**	(8,444)	**(10,174)**	(48,744)
Other Comprehensive Loss not to be Reclassified to Net Income (Loss) in Subsequent Periods				
Actuarial loss on defined benefit plan	**(10)**	(9,697)	**(13)**	(9,697)
Income tax recovery	**2**	2,606	**3**	2,606
Net Other Comprehensive Loss not to be Reclassified to Net Income (Loss) in Subsequent Periods	**(8)**	(7,091)	**(10)**	(7,091)
Other Comprehensive Loss, Net of Income Tax	**(7,508)**	(15,535)	**(10,184)**	(55,835)
Total Comprehensive Income (Loss)	**$ 8,464**	$ (57,250)	**$ 20,764**	$ (89,395)
Comprehensive Income (Loss) Attributable to:				
Shareholders of the Company	**$ 8,203**	$ (56,881)	**$ 20,592**	$ (89,177)
Non-controlling interests	**261**	(369)	**172**	(218)
Total Comprehensive Income (Loss)	**$ 8,464**	$ (57,250)	**$ 20,764**	$ (89,395)

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

(in thousands of Canadian dollars)	Share Capital	Contributed Surplus	Retained Earnings	Non-controlling Interests	Accumulated Other Comprehensive Income (Loss)	Total Equity
Balance - December 31, 2016	**$ 703,316**	**$ 23,379**	**$ 273,045**	**$ 5,892**	**$ 37,408**	**$ 1,043,040**
Net income	**–**	**–**	**31,196**	**(248)**	**–**	**30,948**
Other comprehensive loss	**–**	**–**	**–**	**420**	**(10,604)**	**(10,184)**
Comprehensive income	**–**	**–**	**31,196**	**172**	**(10,604)**	**20,764**
Issued on exercise of stock options	**759**	**–**	**–**	**–**	**–**	**759**
Compensation cost on exercised stock options	**276**	**(276)**	**–**	**–**	**–**	**–**
Compensation cost on exercised restricted share units	**393**	**(393)**	**–**	**–**	**–**	**–**
Share-based compensation expense	**–**	**2,655**	**–**	**–**	**–**	**2,655**
Dividends declared and paid to shareholders	**–**	**–**	**(20,964)**	**–**	**–**	**(20,964)**
Balance – June 30, 2017	**704,744**	**25,365**	**283,277**	**6,064**	**26,804**	**1,046,254**
Balance - December 31, 2015	534,484	18,638	492,713	7,455	71,911	1,125,201
Net loss	–	–	(34,217)	657	–	(33,560)
Other comprehensive loss	–	–	–	(875)	(54,960)	(55,835)
Comprehensive loss	–	–	(34,217)	(218)	(54,960)	(89,395)
Issued on exercise of stock options	1,644	–	–	–	–	1,644
Compensation cost on exercised stock options	541	(541)	–	–	–	–
Compensation cost on exercised restricted share units	178	(178)	–	–	–	–
Share-based compensation expense	–	2,854	–	–	–	2,854
Dividends declared and paid to shareholders	–	–	(19,322)	–	–	(19,322)
Balance – June 30, 2016	536,847	20,773	439,174	7,237	16,951	1,020,982

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

(in thousands of Canadian dollars)	Three Months Ended June 30, 2017	Three Months Ended June 30, 2016	Six Months Ended June 30, 2017	Six Months Ended June 30, 2016
Operating Activities				
Net income (loss)	**$ 15,972**	$ (41,715)	**$ 30,948**	$ (33,560)
Add (deduct) items not affecting cash				
Amortization of property, plant and equipment	**20,904**	14,253	**35,648**	29,082
Amortization of intangible assets	**5,132**	6,038	**10,170**	12,342
Amortization of long-term prepaid expenses	**729**	82	**831**	197
Impairment	**–**	1,429	**–**	1,429
Decommissioning liabilities expenses	**133**	327	**213**	368
Other provision expenses	**952**	6,449	**934**	8,188
Share-based compensation and incentive-based compensation	**(615)**	2,636	**2,199**	3,876
(Gain) loss on disposal of property, plant and equipment	**(1,109)**	599	**(1,700)**	764
Gain on Sale of Land	**(311)**	(511)	**(311)**	(511)
Unrealized (gain) loss on derivative financial instruments	**(1,775)**	(924)	**3,152**	1,720
Loss from investments in associates	**619**	715	**3,315**	1,168
Deferred income taxes	**(1,921)**	(5,098)	**(5,493)**	(10,071)
Other	**(719)**	(1,341)	**(251)**	(1,341)
Settlement of decommissioning liabilities	**(327)**	(3)	**(483)**	(6)
Settlement of other provisions	**(987)**	(3,553)	**(1,560)**	(11,292)
Net change in employee future benefits	**385**	(916)	**744**	(313)
Change in non-cash working capital and foreign exchange	**3,996**	(10,191)	**(61,960)**	51,988
Cash Provided by (Used in) Operating Activities	**41,058**	(31,724)	**16,396**	54,028
Investing Activities				
Decrease (increase) in loans receivable	**17**	–	**(27)**	–
Decrease in short-term investments	**41**	2	**56**	178
Purchase of property, plant and equipment	**(14,794)**	(15,434)	**(24,277)**	(33,395)
Proceeds on disposal of property, plant and equipment	**3,521**	2,316	**4,400**	3,362
Decrease (increase) in other assets	**4,180**	(1,888)	**68**	(3,008)
Business acquisition, net of cash acquired	**–**	(6,792)	**–**	(32,331)
Cash Used in Investing Activities	**(7,035)**	(21,796)	**(19,780)**	(65,194)
Financing Activities				
Decrease in bank indebtedness	**–**	–	**(2,463)**	–
Decrease in loans payable	**–**	–	**–**	(520)
Repayment of long-term debt	**–**	(101,820)	**–**	(101,820)
Repayment of obligations under finance lease	**(230)**	(192)	**(512)**	(365)
Issuance of shares	**278**	1,112	**759**	1,644
Dividends paid to shareholders	**(10,477)**	(9,689)	**(20,964)**	(19,322)
Cash Used in Financing Activities	**(10,429)**	(110,589)	**(23,180)**	(120,383)
Effect of Foreign Exchange on Cash and Cash Equivalents	**(1,282)**	1,548	**(1,183)**	(13,480)
Net increase (decrease) in Cash and Cash Equivalents	**22,312**	(162,561)	**(27,747)**	(145,029)
Cash and Cash Equivalents - Beginning of Period	**144,765**	278,177	**194,824**	260,645
Cash and Cash Equivalents - End of Period	**$ 167,077**	$ 115,616	**$ 167,077**	$ 115,616

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.

(in thousands of Canadian dollars)	Three Months Ended June 30, **2017**	Three Months Ended June 30, 2016	Six Months Ended June 30, **2017**	Six Months Ended June 30, 2016
Net Income (Loss)	**$ 15,972**	$ (41,715)	**$ 30,948**	$ (33,560)
Add:				
Income tax expense (recovery)	**6,860**	(5,826)	**9,370**	(3,228)
Finance costs, net	**4,783**	3,973	**10,411**	8,717
Amortization of property, plant, equipment and intangible assets	**26,036**	20,291	**45,818**	41,424
EBITDA[(a)]	**$ 53,651**	$ (23,277)	**$ 96,547**	$ 13,353
Gain on sale of land	**(311)**	(511)	**(311)**	(511)
Costs associated with repayment and modification of long-term debt	**–**	2,061	**–**	2,061
Impairment	**–**	1,429	**–**	1,429
ADJUSTED EBITDA[(a)]	**$ 53,340**	$ (20,298)	**$ 96,236**	$ 16,332

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