May 8th, 2018

SHAWCOR LTD.
(TSX: SCL)

PRESS RELEASE

SHAWCOR LTD. ANNOUNCES FIRST QUARTER 2018 RESULTS

- First quarter 2018 revenue was $351 million, a decrease of 18% from the $427 million reported in the fourth quarter of 2017 and 3% lower than the $360 million reported in the first quarter of 2017.
- Adjusted EBITDA[1] in the first quarter of 2018 was $35 million, a decrease of 48% from the $67 million reported in the fourth quarter of 2017 and 19% lower compared to $43 million reported in the first quarter of 2017.
- Net income (attributable to shareholders of the Company) in the first quarter of 2018 was $5.2 million (or earnings per share of $0.07 diluted) compared with net income of $20.3 million (or $0.29 per share diluted) in the fourth quarter of 2017 and a net income of $15.4 million (or $0.22 per share diluted) in the first quarter of 2017.
- The Company's order backlog was $459 million at March 31, 2018, up compared to the backlog at December 31, 2017 of $385 million.

Mr. Steve Orr, Chief Executive Officer of Shawcor Ltd. remarked "First quarter revenue and Adjusted EBITDA[1] were in line with expectations given the absence of a large pipe coating project to replace the Sur de Texas-Tuxpan work that was largely completed in the fourth quarter of 2017. The solid EBITDA[1] performance of this quarter demonstrates the continued demand for our products and services and the strength of our expanded portfolio."

Mr. Orr added "We expect 2018 to be a pivotal year for the Company and this quarter's results demonstrate that the actions that have been taken to diversify the portfolio are gaining traction. Our base business in 2018 is expected to grow beyond the levels seen prior to the downturn aided by increased activity in North America. In addition, we are seeing the industry gain confidence in longer-term market fundamentals that play a key role in project approvals. As such, we are well positioned to serve our customers as they move forward with their investment programs. With the increased visibility and optimism in international projects being sanctioned and a strengthening of our base business, we are continuing to execute our growth strategy."

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[1] *EBITDA and Adjusted EBITDA are Non-GAAP measures and do not have standardized meanings under GAAP and are not necessarily comparable to similar measures provided by other companies. See section 6.0 – Reconciliation of Non-GAAP Measures for further details and a reconciliation of EBITDA and Adjusted EBITDA*

Selected Financial Highlights

(in thousands of Canadian dollars, except per share amounts and percentages)		Three Months Ended March 31,		
		2018		2017[c]
Revenue	**$**	**350,519**	$	360,060
Gross profit		**116,786**		129,989
Gross profit %		**33.3%**		36.1%
Adjusted EBITDA[a]		**35,068**		43,224
Income from operations		**11,437**		26,138
Net Income for the period[b]	**$**	**5,210**	$	15,393
Earnings per share:				
Basic	**$**	**0.07**	$	0.22
Fully diluted	**$**	**0.07**	$	0.22

(a) Adjusted EBITDA is a non-GAAP measure calculated by adding back to net income the sum of net finance costs, income taxes, amortization of property, plant, equipment and intangible assets, gains from sale of land, arbitration awards outside of the normal course of business, cost associated with repayment and modification of long-term debt and impairment of assets. Adjusted EBITDA does not have a standardized meaning prescribed by GAAP and is not necessarily comparable to similar measures provided by other companies. See *section 6.0 – Reconciliation of Non GAAP Measures.*

(b) Attributable to shareholders of the Company.

(c) Restated due to the adoption of the IFRS 15 standard that became effective as at January 1, 2018, but was implemented retrospectively to January 1, 2017.

1.0 KEY DEVELOPMENTS

Flexpipe capacity expansion in the Middle East

On May 2, 2018, the Company announced that its Flexpipe Systems division has entered into a majority ownership joint venture with a local pipe installation company with the intent to set up a manufacturing facility in the Middle East. The total value of the joint venture's investment is expected to exceed USD$20 million and the facility is expected to primarily serve the Middle Eastern, North African and Asia-Pacific markets. This facility is expected to increase Flexpipe's global production capacity of existing spoolable composite product by 30%, with flexibility to extend to a larger diameter range. First shipments from this new facility are expected by the end of 2019.

Contract to Provide Pipe Coating Services for an Offshore Qatar Pipeline Project

During the first quarter of 2018, the Company announced that its pipe coating division had received a contract with a value in excess of $50 million from the EEW Group to provide anti-corrosion and concrete weight coatings in connection with the replacement and upgrading of an offshore pipeline located in Qatar.

The contract will be executed in Shawcor's coating facilities in Italy, and is expected to commence in Q3 2018 and to be completed by Q1 2020.

1.1 OUTLOOK

Shawcor's financial performance is closely correlated with oil and gas infrastructure spending and the resultant demand for the Company's products and services. The Company believes the recovery of the oil and gas markets experienced in 2017 will further advance throughout 2018 and allow it to deliver positive performance on its base business in 2018, particularly in North America. As expected, the Company delivered positive Adjusted EBITDA in the first quarter of 2018 in line with the level achieved in the fourth quarter of 2016. Although the current level is lower compared to the quarterly results achieved in 2017 due to the absence of a large project, it does demonstrate the strength of the Company's base business and that its efforts to diversify the portfolio before the downturn are gaining traction. The Company continues to expect that the full year Adjusted EBITDA results in 2018 will be at a similar level as the annualized results of the fourth quarter of 2016, although there are some temporary factors that could impact short term quarterly performance in 2018. These factors include higher costs from logistics partners, both trucking and rail, to move Canadian produced products to the United States to meet growing demand, the reactivations of its plants to secure work or enable technology capabilities and upfront investment in the pursuit of multiple large projects (greater than $100 million in revenue). The Company expects to deliver positive performance in 2018 from the strength of its expanded base business driven by the continued demand in North America and improved asset utilization from increased industry capital spending, and to rebuild its backlog by securing projects that it is currently pursuing over the near term.

There is increased confidence that the level of capital spending is increasing as operators are beginning to commit capital to projects to address reservoir depletion and maintain production supply. Although the current focus remains on projects with shorter return profiles involving 'tie ins' to existing infrastructure, the Company is seeing resumed activity in the international and offshore markets which is reflected in the increased number of individual bids that it currently has outstanding. This is an important driver of demand for the Company's products and services across all the Pipeline and Pipe Services segment which in turn will support better utilization of its assets. The Company remains well positioned to capitalize on this continuing positive trend in project activity through its global footprint, technology portfolio and execution history.

During the first quarter of 2018, the Company continued its strategic positioning efforts in pursuit of several large projects. These large projects (characterized as greater than $100 million revenue for the Company) are not directly linked to oil and gas commodity prices as they involve energy security or reservoir access considerations. The Company continues to believe that there is a strong likelihood that some of these projects will be sanctioned in 2018 for commencement beyond 2018.

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. It is expected that North American land activity will continue to drive growth in rig counts and wells completed, particularly in the United States. This positive trend will support strong demand for the Company's products and services throughout 2018, especially considering the Company's expanded addressable market from the addition of new products and services into the portfolio since 2013.

The Company is also experiencing increasing demand for its pipe coating capabilities from increased activity in the Gulf of Mexico. This demand is improving the utilization of the Channelview coating facility which is strategically positioned to execute the requirements of customers operating in the Gulf. The Company also continues to be actively engaged in bidding several large diameter onshore transmission line projects that have and are expected to see continued delays due to regulatory and legal challenges.

Pipeline and Pipe Services Segment - Latin America

Due to the substantial completion of the work related to the Sur de Texas – Tuxpan project in 2017, the Company is expecting lower revenues in Latin America throughout 2018. The world class mobile coating assets in Altamira are being decommissioned and will be transported to another location to support the pursuit of another large project. Albeit on a smaller scale to the Sur de Texas – Tuxpan project in 2017, the Company is experiencing increased activity on smaller projects throughout Latin America that should improve plant utilization in 2018. The Company is currently reactivating facilities in Mexico and Brazil for expected continued activity in the Gulf of Mexico and smaller offshore Brazilian projects already awarded.

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

Shawcor's EMAR Pipeline segment region continues to be negatively impacted by reduced capital spending by national and international companies. The Company expects to commence work in the second half of 2018 on a recently awarded contract to provide anti-corrosion and concrete weight coatings related to an offshore pipeline located in Qatar. In addition, the Company remains focused on securing 2018 work related to girth weld inspection, pipeline joint protection and pipe end preservation on both Turk Stream and Nordstream 2 pipelines and several other projects.

Pipeline and Pipe Services Segment - Asia Pacific

The region's project activity over the near term will be limited largely to the PTT 5th Transmission pipeline project which commenced in the fourth quarter of 2017 and small regional projects. The region is showing signs of recovery beyond 2018 with continued strong bid and budgetary activity related to the development of gas reservoirs.

Petrochemical and Industrial Segment

Shawcor's Petrochemical and Industrial segment businesses continue to deliver solid revenue and operating income based on stable demand in the Global automotive market and European and North American industrial markets. These markets generally follow GDP activity. The growth trend is expected to continue in 2018 with increased infrastructure spending and as new capacity for sealing and insulation products enters production and relives capacity constraints. In addition, increased demand for wire and cable products continues to be driven by projects related to nuclear refurbishment programs in Canada and several Light Rail Transit (LRT) projects.

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 of $459 million as at March 31, 2018 was higher than the $385 million order backlog as at December 31, 2017. The increase reflects new orders on the Company's base business and other project wins moving from bid into backlog, partially offset by revenue generated in the quarter from backlog orders.

In addition to the backlog, the Company closely monitors its bidding activity and the value of outstanding firm bids is currently in excess of $1 billion, an increase over the $800 million reported in the fourth quarter of 2017. The increase reflects new projects bidding activity and smaller projects moving from budgetary into bid. In addition, the Company is working with customers on a number of projects and has provided budgetary estimates in aggregate values of approximately $1.5 billion. Although the Company cannot be certain on the timing of these projects, they do represent a diverse portfolio of opportunities to sustain and build the backlog in 2018 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, 2018**	December 31, 2017[b]	March 31, 2017[b]
Pipeline and Pipe Services	**$ 299,966**	$ 382,549	$ 309,362
Petrochemical and Industrial	**51,007**	44,361	51,367
Elimination[a]	**(454)**	(94)	(669)
Consolidated revenue	**$ 350,519**	$ 426,816	$ 360,060

(a) Represents the elimination of the inter-segment sales between the Pipeline and Pipe Services segment and the Petrochemical and Industrial segment.
(b) Restated due to the adoption of the IFRS 15 standard that became effective as at January 1, 2018, but was implemented retrospectively to January 1, 2017.

First Quarter 2018 versus Fourth Quarter 2017

Consolidated revenue decreased 17.9%, or $76.3 million, from $426.8 million during the fourth quarter of 2017 to $350.5 million during the first quarter of 2018, due to a decrease of $82.6 million in the Pipeline and Pipe Services segment, partially offset by an increase of $6.6 million in the Petrochemical and Industrial segment.

Revenue decreased by 21.6% in the Pipeline and Pipe Services segment, or $82.6 million, from $382.5 million in the fourth quarter of 2017 to $300.0 million in the first quarter of 2018, due to lower activity levels in Latin America and the Europe, Middle East, Africa and Russia regions, partially offset by higher volumes in North 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 was higher by $6.6 million, or 15.0%, in the first quarter of 2018, compared to the fourth quarter of 2017, due to higher activity levels in North America and the EMAR region. See *Section 3.2 – Petrochemical and Industrial Segment* for additional disclosure with respect to the change in revenue in the Petrochemical and Industrial segment.

First Quarter 2018 versus First Quarter 2017

Consolidated revenue decreased by $9.5 million, or 2.6%, from $360.1 million during the first quarter of 2017, to $350.5 million during the first quarter of 2018, due to decreases of $9.4 million in the Pipeline and Pipe Services segment and $0.4 million in the Petrochemical and Industrial segment.

In the Pipeline and Pipe Services segment, revenue in the first quarter of 2018 was $300.0 million, or 3.0% lower than in the first quarter of 2017, due to decreased activity levels in EMAR and Asia Pacific, partially offset by higher activity levels in North America and Latin America. See *Section 3.1 – Pipeline and Pipe Services Segment* for additional disclosure with respect to the change in revenue in the Pipeline and Pipe Services segment.

In the Petrochemical and Industrial segment, revenue decreased by $0.4 million, or 0.7%, during the first quarter of 2018, compared to the first quarter of 2017, due to decreased activity levels in North America and Asia Pacific, partially offset by higher volumes in EMAR. 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:

	Three Months Ended		
(in thousands of Canadian dollars, except percentages)	**March 31, 2018**	December 31, 2017[b]	March 31, 2017[b]
Operating income	**$ 11,437**	$ 34,472	$ 26,138
Operating margin[a]	**3.3%**	8.1%	7.3%

(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. See *section 6.0 – Reconciliation of Non-GAAP Measures.*

(b) Restated due to the adoption of the IFRS 15 standard that became effective as at January 1, 2018, but was implemented retrospectively to January 1, 2017.

First Quarter 2018 versus Fourth Quarter 2017

Operating income decreased by $23.0 million, from an operating income of $34.5 million during the fourth quarter of 2017 to an operating income of $11.4 million in the first quarter of 2018. Operating income was negatively impacted by a $45.1 million decrease in gross profit and a $1.1 million increase in research and development expenses. This was partially offset by decreases in selling, general and administrative ("SG&A") expenses of $14.0 million and $1.1 million in amortization of property, plant, equipment and intangible assets and a $8.1 million impairment charge recorded in the fourth quarter of 2017.

The decrease in gross profit resulted from the lower revenue, as explained above, and a 4.6 percentage point decrease in the gross margin from the fourth quarter of 2017. The decrease in the gross margin percentage was primarily due to product and project mix, lower facility utilization and decreased absorption of manufacturing overheads, particularly in the Pipeline and Pipe Services segment.

SG&A expenses decreased by $14.0 million, from $93.4 million in the fourth quarter of 2017 to $79.3 million in the first quarter of 2018, primarily due to a $6.7 million decrease in compensation and other related personnel costs, a $7.0 million decrease in restructuring costs and a $1.2 million decrease in professional fees.

First Quarter 2018 versus First Quarter 2017

Operating income decreased by $14.7 million, from an operating income of $26.1 million in the first quarter of 2017 to an operating income of $11.4 million during the first quarter of 2018. Operating income was negatively impacted by a $13.2 million decrease in gross profit, a $4.0 million net increase in amortization of property, plant, equipment and intangible assets and a $0.3 million increase in SG&A expenses. This was partially offset by a $0.5 million decrease in research and development expenses and a $2.3 million lower net foreign exchange loss.

The decrease in gross profit resulted from a 2.8 percentage point decrease in gross margin and from the lower revenue, as explained above. The decrease in the gross margin percentage was primarily due to product and project mix, lower facility utilization and decreased absorption of manufacturing overheads, particularly in the Pipeline and Pipe Services segment.

SG&A expenses in the first quarter of 2018 increased by $0.3 million compared to the first quarter of 2017, primarily due to a $3.3 million increase in equipment, building and other costs, partially offset by a $3.2 million reduction in compensation and other related personnel costs.

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, 2018**	December 31, 2017	March 31, 2017
Interest income	(841)	$ (333)	$ (457)
Interest expense, other	**1,292**	1,661	1,815
Interest expense on long-term debt	**2,215**	2,234	4,270
Finance costs, net	**$ 2,666**	$ 3,562	$ 5,628

First Quarter 2018 versus Fourth Quarter 2017

In the first quarter of 2018, net finance costs were $2.7 million, compared to net finance costs of $3.6 million during the fourth quarter of 2017. The decrease in net finance costs was primarily due to a $0.5 million increase in interest income on short-term deposits and other receivables and a $0.4 million decrease in interest expense on other borrowings and accretion costs on decommissioning obligations.

First Quarter 2018 versus First Quarter 2017

In the first quarter of 2018, net finance costs were $2.7 million, compared to a net finance cost of $5.6 million during the first quarter of 2017. The decrease in net finance costs was primarily a result of a $0.4 million increase in interest income million on short-term deposits and other receivables, lower interest costs on long term debt due to lower interest rates and decreases in interest expense on other borrowings and accretion costs on decommissioning obligations.

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, 2018**	December 31, 2017[(a)]	March 31, 2017[(a)]
Income tax expense	**$ 3,313**	$ 9,998	$ 2,577

(a) Restated due to the adoption of the IFRS 15 standard that became effective as at January 1, 2018, but was implemented retrospectively to January 1, 2017

First Quarter 2018 versus Fourth Quarter 2017

The Company recorded an income tax expense of $3.3 million (38% of income before income taxes) in the first quarter of 2018, compared to an income tax expense of $10.0 million (33% of income before income taxes) in the fourth quarter of 2017. The effective tax rate in the first quarter of 2018 was higher than the expected income tax rate of 27% primarily due to a large portion of the Company's taxable income being earned in higher tax jurisdictions and some losses in the quarter being generated in jurisdictions where the Company was unable to record a tax benefit.

First Quarter 2018 versus First Quarter 2017

The Company recorded an income tax expense of $3.3 million (38% of income before income taxes) in the first quarter of 2018, compared to an income tax expense of $2.6 million (14% of income before income taxes) in the first quarter of 2017. The effective tax rate in the first quarter of 2018 was higher than the expected income tax rate of 27% primarily due to a large portion of the Company's taxable income being earned in higher tax jurisdictions and some losses in the quarter being generated in jurisdictions where the Company was unable to record a tax benefit.

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, 2018	December 31, 2017	March 31, 2017
U.S. dollar	**1.2635**	1.2702	1.3255
Euro	**1.5461**	1.5035	1.4119
British Pounds	**1.7542**	1.7044	1.6520

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)	**Q1-2018 Versus Q4-2017**	**Q1-2018 Versus Q1-2017**
Revenue	**$ 194**	**$ (5,484)**
Income from operations	**$ 14**	**$ 453**
Net income (attributable to shareholders of the Company)	**$ (215)**	**$ 27**

In addition to the translation impact noted above, the Company recorded a foreign exchange gain of $0.8 million in the first quarter of 2018, compared to a foreign exchange loss of $1.4 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 2018 versus Fourth Quarter 2017

Net income decreased by $15.1 million, from a net income of $20.3 million during the fourth quarter of 2017 to a net income of $5.2 million during the first quarter of 2018. This was mainly due to the $23.0 million decrease in operating income, as explained in section 2.2 above, partially offset by a $0.9 million reduction in finance costs and $6.7 million reduction in income tax expense.

First Quarter 2018 versus First Quarter 2017

Net income decreased by $10.2 million, from $15.4 million during the first quarter of 2017 to $5.2 million during the first quarter of 2018. This was mainly due to the $14.7 million decrease in operating income, as explained in section 2.2 above, and a $0.7 million increase in income tax expense. This was partially offset by a $3.0 decrease in finance costs and a $2.6 million lower 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, 2018**	December 31, 2017[(b)]	March 31, 2017[(b)]
North America	**$ 174,197**	$ 163,900	$ 146,905
Latin America	**37,372**	130,445	29,115
EMAR	**52,548**	53,889	62,683
Asia Pacific	**35,849**	34,315	70,659
Total revenue	**$ 299,966**	$ 382,549	$ 309,362
Operating income	**$ 8,897**	$ 36,808	$ 24,938
Operating margin[(a)]	**3.0%**	9.6%	8.1%

(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. See *section 6.0 - Reconciliation of Non-GAAP Measures*.
(b) Restated due to the adoption of the IFRS 15 standard that became effective as at January 1, 2018, but was implemented retrospectively to January 1, 2017.

First Quarter 2018 versus Fourth Quarter 2017

Revenue in the first quarter of 2018 decreased by $82.6 million to $300.0 million, from $382.5 million in the fourth quarter of 2017. Revenue was impacted by lower activity levels in Latin America and EMAR, partially offset by higher volumes in North America and Asia Pacific:

- Revenue in North America increased by $10.3 million, or 6.3%, as a result of higher flexible composite pipe volumes and small diameter coating revenue in the US and increased activity levels in pipe weld inspection services and tubular management services. This was partially offset by lower activity levels for large diameter pipe coatings in the US and engineering services at Lake Superior Consulting.

- In Latin America, revenue decreased by $93.1 million, or 71.4%, primarily as a result of the wind down of production in Altamira, Mexico for the Tuxpan project and lower volumes at the Company’s Argentina facilities.

- Revenue in EMAR decreased by $1.3 million, or 2.5%, primarily due to lower activity levels at the Orkanger, Norway facility, the Company’s Italian facilities and lower volumes of pipe weld inspection services in the region. This was partially offset by higher activity levels at the Ras Al Khaimah, UAE (“RAK”) and Leith, Scotland facilities and on field joint coating projects in the region.

- Asia Pacific revenue increased by $1.5 million, or 4.5%, mainly due to higher pipe coating project volumes for the BP Tangguh project at the Kabil, Indonesia facility, partially offset by lower activity at the Kuantan, Malaysia facility.

In the first quarter of 2018, operating income was $8.9 million compared to an operating income of $36.8 million in the fourth quarter of 2017, a decrease of $27.9 million. The decrease in operating income was primarily due to the $48.6 million decrease in gross profit due to the decrease in revenue, as explained above, and a 5.4 percentage point decrease in gross margin. The decrease in gross margin was due to unfavourable project mix, lower facility utilization and decreased manufacturing overhead absorption. This was partially offset by lower SG&A expenses, as explained in section 2.2 above, and the $8.1 million impairment charge recorded in the fourth quarter of 2017.

First Quarter 2018 versus First Quarter 2017

Revenue in the first quarter of 2018 was $300.0 million, a decrease of $9.4 million, or 3.0%, from $309.4 million in the comparable period of 2017. 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 and Asia Pacific, partially offset by higher revenue in North America and Latin America:

- In North America, revenue increased by $27.3 million, or 18.6%, primarily due to higher volumes of large diameter pipe coating in Canada and small diameter pipe coating in the US and increased activity levels in pipe weld inspection and flexible composite pipe sales volumes. This was partially offset by lower activity levels for large diameter pipe coating in the US and a decrease in revenues attributable to tubular management services.

- Latin America revenue increased by $8.3 million, or 28.4%, primarily as a result of higher activity levels at the Company's Argentina facilities.

- Revenue in EMAR decreased by $10.1 million, or 16.2%, primarily due to the absence of the Shah Deniz project in the Caspian and lower activity levels at the Orkanger, Norway, RAK and Italian facilities and field joint coating projects in the region. This was partially offset by higher activity levels at the Leith, Scotland facility.

- Revenue in Asia Pacific decreased by $34.8 million, or 49.3%, mainly due to lower pipe coating project volumes from the Shah Deniz and Sur de Texas -Tuxpan projects at the Kabil, Indonesia and Kuantan, Malaysia facilities.

In the first quarter of 2018, operating income was $8.9 million compared to $24.9 million in the first quarter of 2017, a decrease of $16.0 million. The decrease in operating income was primarily due to the $12.7 million decrease in gross profit resulting from the decrease in revenue, as explained above, and a 3.1 percentage point decrease in gross margin. The decrease in gross margin was due to unfavourable project mix, lower facility utilization and decreased manufacturing overhead absorption.

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 **March 31, 2018**	 December 31, 2017	 March 31, 2017
North America	**$ 28,245**	$ 24,769	$ 31,472
EMAR	**19,876**	16,540	16,678
Asia Pacific	**2,886**	3,052	3,217
Total revenue	**$ 51,007**	$ 44,361	$ 51,367
Operating income	**$ 8,868**	$ 5,342	$ 9,647
Operating margin[(a)]	**17.4%**	12.0%	18.8%

(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. See *section 6.0 - Reconciliation of Non-GAAP Measures*.

First Quarter 2018 versus Fourth Quarter 2017

In the first quarter of 2018, revenue increased by $6.6 million, or 15.0%, to $51.0 million, compared to the fourth quarter of 2017, 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 $8.9 million in the first quarter of 2018 was $3.5 million, or 66.0%, higher than in the fourth quarter of 2017. The increase in operating income was primarily due to an increase in gross profit of $3.5 million resulting from the increased revenue, as explained above, and a 3.2 percentage point increase in gross margin. The increase in gross margin was due to favourable product mix and higher facility utilization and increased manufacturing overhead absorption.

First Quarter 2018 versus First Quarter 2017

Revenue in the first quarter of 2018 decreased by $0.4 million, or 0.7%, compared to the first quarter of 2017. Revenue was impacted by decreased shipments of wire and cable products, partially offset by higher activity levels in heat shrink tubing product, particularly in the automotive sector.

Operating income in the first quarter of 2018 was $8.9 million compared to $9.6 million in the first quarter of 2017, a decrease of $0.8 million, or 8.1%. The decrease in operating income was primarily due to a decrease in gross profit of $0.5 million resulting from the decrease in revenue, as explained above, and a 0.9 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.

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, 2018**	December 31, 2017	March 31, 2017
Financial and corporate expenses	**$ (7,155)**	$ (8,557)	$ (7,024)

First Quarter 2018 versus Fourth Quarter 2017

Financial and corporate costs decreased by $1.4 million from $8.6 million during the fourth quarter of 2017 to $7.2 million in the first quarter of 2018. The decrease was primarily due to a $1.0 million decrease in compensation and other related personnel costs and $1.7 million in restructuring costs recorded in the fourth quarter of 2017. This was partially offset by a $0.9 million increase in insurance related expenses.

First Quarter 2018 versus First Quarter 2017

Financial and corporate costs increased by $0.1 million from the first quarter of 2017 to $7.2 million in the first quarter of 2018. The increase was primarily due to a $1.2 million increase in professional fees, management information system and other expenses. This was partially offset by a $1.0 million decrease in stock based and long term management incentive expenses and a $0.3 million decrease in compensation and other related personnel costs.

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 timing of the Qatar pipeline coating project and other project activity, the sanctioning of large projects in 2018 and the impact thereof on the Company's business, the level of Adjusted EBITDA in 2018, the growth in revenue and operating income in the Petrochemical and Industrial segment of the Company's business, the increase in demand for the Company's products in the North American Pipeline and Pipe Services segment of the Company's business, the decline in revenues but improved plant utilization in the Latin American Pipeline and Pipe Services 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 expected development of the Company's order backlog and the impact thereof on the Company's revenue and operating income, including the award of contracts on outstanding bids, 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 and tax matters and other claims generally, and the level of payments under the Company's performance bonds.

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 with other factors, 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, as well as other risks and uncertainties described under "Risks and Uncertainties" in the Company's annual MD&A and in the Company's Annual Information Form under "Risk Factors".

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, including continuing recovery of the oil and gas markets throughout 2018, increases in expenditures on natural gas infrastructures, modest global economic growth, stable demand in the global automotive market and in the European and North American industrial markets as such apply to the Company's Petrochemical and Industrial segment, the Company's ability to execute projects under contract, the continued supply of and stable pricing for commodities used by the Company, short term increases in rail and transportation costs, 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 9th, 2018 at 10:00AM ET, which will discuss the Company's First Quarter End 2018 Financial Results.

To participate via telephone, please dial 1-877-776-4039 or 1-315-625-6955. Conference Call ID: 2073946; alternatively, please go to the following website address to participate via webcast:
https://edge.media-server.com/m6/p/oq9wjarm

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, 2018**		December 31, 2017 [(a)]
ASSETS				
Current Assets				
Cash and cash equivalents	**$**	**248,379**	$	289,065
Loans receivable		**2,335**		2,448
Contract assets		**49,632**		65,413
Accounts receivable		**248,033**		194,439
Income taxes receivable		**22,130**		20,205
Inventories		**126,816**		115,018
Prepaid expenses		**28,304**		21,931
Derivative financial instruments		**289**		382
Total current assets		**725,918**		708,901
Non-current Assets				
Loans receivable		**2,372**		2,283
Property, plant and equipment		**417,983**		417,781
Intangible assets		**164,368**		164,872
Investments in associates		**30,113**		20,188
Deferred income tax assets		**34,395**		33,979
Other assets		**5,122**		20,606
Goodwill		**338,657**		329,391
Total non-current assets		**993,010**		989,100
TOTAL ASSETS	**$**	**1,718,928**	$	1,698,001
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable and accrued liabilities	**$**	**213,067**	$	201,017
Provisions		**26,580**		27,361
Income taxes payable		**32,209**		42,904
Derivative financial instruments		**291**		1,915
Contract liabilities		**44,485**		44,826
Obligations under finance lease		**787**		1,111
Other liabilities		**10,593**		11,848
Total current liabilities		**328,012**		330,982
Non-current Liabilities				
Long-term debt		**253,048**		246,175
Obligations under finance lease		**11,497**		10,840
Provisions		**38,153**		36,555
Employee future benefits		**18,658**		18,552
Deferred income tax liabilities		**4,371**		6,448
Other liabilities		**1,902**		3,665
Total non-current liabilities		**327,629**		322,235
Total Liabilities		**655,641**		653,217
Equity				
Share capital		**707,364**		704,956
Contributed surplus		**27,814**		27,651
Retained earnings		**296,910**		302,206
Non-controlling interests		**6,053**		5,848
Accumulated other comprehensive income		**25,146**		4,123
Total Equity		**1,063,287**		1,044,784
TOTAL LIABILITIES AND EQUITY	**$**	**1,718,928**	$	1,698,001

(a) Restated due to the adoption of the IFRS 15 standard that became effective as at January 1, 2018, but was implemented retrospectively to January 1, 2017.

Shawcor Ltd.

Consolidated Statements of Income (Unaudited)

(in thousands of Canadian dollars, except per share amounts)		Three Months Ended March 31, 2018		2017 [(a)]
Revenue				
Sale of products	**$**	**154,917**	**$**	126,116
Rendering of services		**195,602**		233,944
		350,519		360,060
Cost of Goods Sold and Services Rendered		**233,733**		230,071
Gross Profit		**116,786**		129,989
Selling, general and administrative expenses		**79,325**		79,027
Research and development expenses		**3,104**		3,618
Foreign exchange (gains) losses		**(827)**		1,424
Amortization of property, plant and equipment		**19,221**		14,744
Amortization of intangible assets		**4,526**		5,038
Income from Operations		**11,437**		26,138
Loss from investments in associates		**(116)**		(2,696)
Finance costs, net		**(2,666)**		(5,628)
Income before Income Taxes		**8,655**		17,814
Income taxes		**3,313**		2,577
Net Income	**$**	**5,342**	$	15,237
Net Income Attributable to:				
Shareholders of the Company	**$**	**5,210**	$	15,393
Non-controlling interests		**132**		(156)
Net Income	**$**	**5,342**	$	15,237
Earnings per Share				
Basic	**$**	**0.07**	$	0.22
Diluted	**$**	**0.07**	$	0.22
Weighted Average Number of Shares Outstanding (000s)				
Basic		**70,016**		69,901
Diluted		**70,223**		69,945

(a) Restated due to the adoption of the IFRS 15 standard that became effective as at January 1, 2018, but was implemented retrospectively to January 1, 2017.

Shawcor Ltd.

Consolidated Statements of Comprehensive Income (Unaudited)

(in thousands of Canadian dollars)	Three Months Ended March 31, 2018	2017 [a]
Net Income	**$ 5,342**	$ 15,237
Other Comprehensive Income (Loss) to be Reclassified to Net Income in Subsequent Periods		
Exchange differences on translation of foreign operations	**21,061**	(2,576)
Other comprehensive income attributable to investments in associates	**41**	(98)
Net Other Comprehensive Income (Loss) to be Reclassified to Net Income in Subsequent Periods	**21,102**	(2,674)
Other Comprehensive Loss not to be Reclassified to Net Income in Subsequent Periods		
Actuarial loss on defined benefit plan	**(10)**	(3)
Income tax recovery	**4**	1
Net Other Comprehensive Loss not to be Reclassified to Net Income in Subsequent Periods	**(6)**	(2)
Other Comprehensive Income (Loss), Net of Income Taxes	**21,096**	(2,676)
Total Comprehensive Income	**$ 26,438**	$ 12,561
Comprehensive Income Attributable to:		
Shareholders of the Company	**$ 26,233**	$ 12,650
Non-controlling interests	**205**	(89)
Total Comprehensive Income	**$ 26,438**	$ 12,561

(a) Restated due to the adoption of the IFRS 15 standard that became effective as at January 1, 2018, but was implemented retrospectively to January 1, 2017.

Shawcor Ltd.

Consolidated Statements of Changes in Equity (Unaudited)

(in thousands of Canadian dollars)	Share Capital	Contributed Surplus	Retained Earnings[a]	Non-controlling Interests	Accumulated Other Comprehensive (Loss) Income	Total Equity[a]
Balance - December 31, 2017	**$704,956**	**$27,651**	**$302,206**	**$5,848**	**$4,123**	**$1,044,784**
Net income	**–**	**–**	**5,210**	**132**	**–**	**5,342**
Other comprehensive income	**–**	**–**	**–**	**73**	**21,023**	**21,096**
Comprehensive income	**–**	**–**	**5,210**	**205**	**21,023**	**26,438**
Issued on exercise of stock options	**1,331**	**–**	**–**	**–**	**–**	**1,331**
Compensation cost on exercised options	**516**	**(516)**	**–**	**–**	**–**	**–**
Compensation cost on exercised Restricted Share Units	**561**	**(561)**	**–**	**–**	**–**	**–**
Share-based compensation expense	**–**	**1,240**	**–**	**–**	**–**	**1,240**
Dividends declared and paid to shareholders	**–**	**–**	**(10,506)**	**–**	**–**	**(10,506)**
Balance - March 31, 2018	**707,364**	**27,814**	**296,910**	**6,053**	**25,146**	**1,063,287**
Balance - January 1, 2017	$ 703,316	$ 23,379	$ 272,997	$ 5,892	$ 37,408	$ 1,042,992
Net income (loss)[a]	–	–	15,393	(156)	–	15,237
Other comprehensive income (loss)	–	–	–	67	(2,743)	(2,676)
Comprehensive income (loss)	–	–	15,393	(89)	(2,743)	12,561
Issued on exercise of stock options	481	–	–	–	–	481
Compensation cost on exercised options	176	(176)	–	–	–	–
Compensation cost on exercised Restricted Share Units	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	277,903	5,803	34,665	1,046,846

(a) Restated due to the adoption of the IFRS 15 standard that became effective as at January 1, 2018, but was implemented retrospectively to January 1, 2017.

Shawcor Ltd.

Interim Consolidated Statements of Cash Flows (Unaudited)

(in thousands of Canadian dollars)	Three Months Ended March 31, 2018	2017[(a)]
Operating Activities		
Net income	**$ 5,342**	$ 15,237
Add (deduct) items not affecting cash		
Amortization of property, plant and equipment	**19,221**	14,744
Amortization of intangible assets	**4,526**	5,038
Amortization of long-term prepaid expenses	**–**	102
Decommissioning obligations expense	**173**	80
Other provision expenses	**3,147**	(18)
Share-based compensation and other incentive-based compensation	**2,523**	2,814
Deferred income taxes	**(1,984)**	(3,572)
Loss on disposal of property, plant and equipment	**(63)**	(591)
Unrealized (gain) loss on derivative financial instruments	**(1,531)**	4,927
Loss from investments in associates	**116**	2,696
Other	**(4,117)**	468
Settlement of decommissioning liabilities	**–**	(156)
Settlement of other provisions	**(3,882)**	(573)
Net change in employee future benefits	**(51)**	359
Change in non-cash working capital and foreign exchange	**(52,417)**	(66,217)
Cash Used in Operating Activities	**$ (28,997)**	$ (24,662)
Investing Activities		
Decrease (increase) in loans receivable	**155**	(44)
Decrease in short-term investments	**–**	15
Purchase of property, plant and equipment	**(9,477)**	(9,483)
Proceeds on disposal of property, plant and equipment	**507**	879
Decrease (increase) in other assets	**244**	(4,112)
Cash Used in Investing Activities	**$ (8,571)**	$ (12,745)
Financing Activities		
Decrease in bank indebtedness	**–**	(2,463)
Payment of obligations under finance lease	**(299)**	(282)
Issuance of shares	**1,331**	481
Dividends paid to shareholders	**(10,506)**	(10,487)
Cash Used in Financing Activities	**$ (9,474)**	$ (12,751)
Effect of Foreign Exchange on Cash and Cash Equivalents	**6,356**	99
Net decrease in Cash and Cash Equivalents	**(40,686)**	(50,059)
Cash and Cash Equivalents - Beginning of Period	**289,065**	194,824
Cash and Cash Equivalents - End of Period	**$ 248,379**	$ 144,765

(a) Restated due to the adoption of the IFRS 15 standard that became effective as at January 1, 2018, but was implemented retrospectively to January 1, 2017.

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 items which do not impact day to day operations. 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 and for comparing its operating performance with the performance of other companies that have different financing, capital or tax structures. 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 or day to day operations. Adjusted EBITDA is used by many analysts in the oil and gas industry as one of several important analytical tools to evaluate financial performance and is a key metric in business valuations. It is also considered important by lenders to the Company and is included in the financial covenants of the Company's debt agreements.

	Three Months Ended		
(in thousands of Canadian dollars)	**March 31, 2018**	December 31, 2017[(a)]	March 31, 2017[(a)]
Net Income	**$ 5,342**	$ 20,513	$ 15,237
Add:			
Income taxes	**3,313**	9,998	2,577
Finance costs, net	**2,666**	3,562	5,628
Amortization of property, plant, equipment and intangible assets	**23,747**	24,869	19,782
EBITDA	**$ 35,068**	$ 58,942	$ 43,224
Impairment	**–**	8,073	–
ADJUSTED EBITDA	**$ 35,068**	$ 67,015	$ 43,224

(a) Restated due to the adoption of the IFRS 15 standard that became effective as at January 1, 2018, but was implemented retrospectively to January 1, 2017.

Operating Margin

Operating margin is defined as operating income divided by revenue and is a non-GAAP measure. The Company believes that operating margin is a useful supplemental measure that provides meaningful assessment of the business performance of the Company and its Operating Segments. The Company uses this measure as a key indicator of financial performance, operating efficiency and cost control based on volume of business generated.