

November 3, 2009

SHAWCOR LTD.
 (TSX: SCL.A, SCL.B)

PRESS RELEASE
SHAWCOR LTD. ANNOUNCES THIRD QUARTER 2009 RESULTS
Financial Summary

(in thousands of Canadian dollars except per share amounts)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008 Restated (note 1)	2009	2008 Restated (note 1)
Operating Results				
Revenue	\$ 302,812	\$ 357,249	\$ 923,067	\$ 945,724
EBITDA (note 2)	64,472	68,611	200,069	163,567
Operating income from continuing operations	49,972	52,315	153,584	120,423
Income from continuing operations	33,690	33,962	99,553	78,708
Income (loss) from discontinued operations	57	(82)	371	10,402
Net income	33,747	33,880	99,924	89,110
Net income (loss) per share (Class A and B) – Basic				
Continuing operations	0.48	0.48	1.41	1.11
Discontinued operations	0.00	0.00	0.01	0.15
Total	0.48	0.48	1.42	1.26
Net income (loss) per share (Class A and B) - Diluted				
Continuing operations	0.48	0.47	1.41	1.10
Discontinued operations	0.00	0.00	0.01	0.14
Total	0.48	0.47	1.42	1.24
Cash Flow				
Cash provided by continuing operating activities	59,575	23,967	156,395	78,437
Additions to property, plant and equipment	5,751	23,085	25,926	61,999
Financial Position				
Working capital			274,196	168,891
Total assets			1,136,627	1,131,541
Shareholders' equity per share (Class A and B) (note 3)			\$ 10.90	\$ 9.18

Note 1: Restated for change in accounting policy. Refer to note 1 to the interim consolidated financial statements for the three and nine months ended September 30, 2009.

Note 2: EBITDA is a non-GAAP measure calculated by adding back to income from continuing operations, the sum of interest (income)/expense, taxes and depreciation/amortization of property, plant and equipment and intangible assets. EBITDA does not have a standardized meaning prescribed by GAAP and is not necessarily comparable to similar measures prescribed by other companies. EBITDA is used by many analysts in the oil and gas industry as one of several important analytical tools. The following is the calculation of EBITDA for the periods presented above:

Income from continuing operations	\$ 33,690	\$ 33,962	\$ 99,553	\$ 78,708
Add (deduct):				
Income taxes	15,607	15,741	50,121	38,394
Interest expense - net	675	2,523	3,910	3,505
Amortization of property, plant and equipment	13,405	15,400	43,200	41,907
Amortization of intangible assets	1,095	985	3,285	1,053
EBITDA	\$ 64,472	\$ 68,611	\$ 200,069	\$ 163,567

Note 3: Shareholders' equity per share is a non-GAAP measure calculated by dividing shareholders' equity by the number of Class A and Class B shares outstanding at the date of the balance sheet.

ShawCor Ltd. (“ShawCor” or the “Company”) is a growth-oriented, global energy services company specializing in technology-based products and services for the Pipeline and Pipe Services and the Petrochemical and Industrial markets. The Company operates seven divisions with over seventy manufacturing, sales and service facilities located around the world.

Third Quarter 2009 Highlights

Consolidated revenue from continuing operations for the third quarter of 2009 totaled \$302.8 million, a decrease of \$54.4 million or 15.2%, compared to the third quarter of 2008, with the decrease related to reduced market activity in both of the Company’s industry segments. The decrease in the Pipeline and Pipe Services segment was mainly as a result of lower small diameter pipe coating volumes stemming from a decline in drilling activity in North America as well as reduced pipe coating project volumes in Europe and the Middle East. Revenue in the Petrochemical and Industrial segment decreased primarily as a result of reduced business activity levels due to the soft economic conditions in industrial and automotive markets in North America and Western Europe. The decrease was partially offset by the impact on the translation of the Company’s U.S. dollar denominated revenue from the year over year weakening of the Canadian dollar.

During the third quarter of 2009, the effect of foreign exchange fluctuations on the translation of foreign currency operations had a favourable impact on revenue, operating income from continuing operations and net income of approximately \$8.5 million, \$4.5 million and \$2.6 million, respectively, compared to the third quarter of 2008.

Operating income from continuing operations totaled \$50.0 million in the third quarter, a 4.5% decrease compared to the \$52.3 million reported in the third quarter of 2008 with the 15.2% year over year revenue reduction partially offset by improved operating margins in the Pipeline and Pipe Services segment resulting from improved manufacturing efficiencies and lower manufacturing input costs. Net income in the third quarter of 2009 totaled \$33.7 million (\$0.48 per share, diluted) and remained relatively flat compared to the net income in the third quarter of 2008 of \$33.9 million (\$0.47 per share, diluted).

First Nine Months of 2009 Highlights

Consolidated revenue from continuing operations in the first nine months of 2009 was \$923.1 million, compared to \$945.7 million in the first nine months of 2008, a decrease of \$22.6 million or 2.4%. The decrease was primarily due to lower revenues in both of the Company’s industry segments as a result of reduced market activity, partially offset by the favourable effect of foreign exchange fluctuations.

During the first nine months of 2009, the effect of foreign exchange fluctuations on the translation of foreign currency operations had a favourable impact on revenue, operating income from continuing operations and net income of approximately \$69.5 million, \$25.9 million and \$16.7 million, respectively, compared to the first nine months of 2008.

Net income in the first nine months of 2009 totaled \$99.9 million (\$1.42 per share, diluted) compared to \$89.1 million (\$1.24 per share, diluted) in the first nine months of 2008, an increase of \$10.8 million (\$0.18 per share, diluted) or 12.1%. The increase was primarily due to higher operating income, partially offset by a \$10.4 million (\$0.14 per share, diluted) reduction in income from discontinued operations as the Company had recorded a settlement of a lawsuit related to the Company’s closed pipe coating operation in Mobile, Alabama in the first nine months of 2008.

The Company's backlog at September 30, 2009 of \$239.9 million declined 20.4% from the level at the beginning of the quarter as strong revenue exceeded new order bookings. However, subsequent to the quarter ended September 30, 2009, the Company has secured letters of intent for several large pipe coating projects with customers in Canada (approximately \$54.0 million in revenue value) that are not included in the backlog. In South East Asia, ShawCor's pipe coating division has secured a letter of intent relating to the PNG LNG project in Papua New Guinea (approximately \$180.0 million in revenue value) which, if the project is sanctioned for construction, will have a significant positive impact on the Company's backlog.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management Discussion and Analysis ("MD&A") is intended to help the reader understand the results of operations and financial condition of the Company. The MD&A should be read in combination with the Consolidated Financial Statements and accompanying notes, and the MD&A included in the Company's 2008 Annual Report. All dollar amounts in the MD&A are in thousands of Canadian dollars, except per share amounts, or unless otherwise stated.

Revenue, Income from Operations and Net Income

ShawCor classifies its revenue and income from operations into two industry segments: Pipeline and Pipe Services, and Petrochemical and Industrial. Discussion of the consolidated operating results and operating results for each of these segments follows:

Consolidated Results

Three months ended (in thousands of Canadian dollars)	September 30, 2009	June 30, 2009	September 30, 2008 Restated ^(a)
Revenue from continuing operations	\$302,812	\$312,791	\$357,249
Operating income from continuing operations	\$49,972	\$53,178	\$52,315
Operating margin	16.5%	17.0%	14.6%

(a) Restated for a change in accounting policy – refer to note 1 to the interim consolidated financial statements for the period ended September 30, 2009.

Third Quarter 2009 versus Third Quarter 2008

Consolidated revenue from continuing operations for the third quarter of 2009 totaled \$302.8 million, a decrease of \$54.4 million or 15.2%, compared to the third quarter of 2008, which was related to decreases across both industry segments. The decrease in the Pipeline and Pipe Services was mainly as a result of lower small diameter pipe coating volumes resulting from lower levels of drilling activity in North America. Revenue related to the Petrochemical and Industrial segment decreased primarily as a result of reduced business activity levels due to the soft economic conditions in industrial and automotive markets in North America and Western Europe.

During the third quarter of 2009, the effect of foreign exchange fluctuations on the translation of foreign currency operations had a favourable impact on revenue, operating income from continuing operations and net income of approximately \$8.5 million, \$4.5 million and \$2.6 million, respectively compared to the third quarter of 2008.

Operating income from continuing operations totaled \$50.0 million (16.5% of revenue from continuing operations) in the third quarter, representing a 4.5% decrease compared to the \$52.3 million (14.6% of revenue from continuing operations) achieved in the third quarter of 2008. The decrease was primarily due to the year over year revenue reduction partially offset by the improved operating margins in the Pipeline and Pipe Services segment resulting from improved manufacturing efficiencies and lower manufacturing input costs.

Net income in the third quarter of 2009 totaled \$33.7 million (\$0.48 per share, diluted) and remained relatively flat compared to the net income in the third quarter of 2008 of \$33.9 million (0.47 per share, diluted).

Third Quarter 2009 versus Second Quarter 2009

Consolidated revenue from continuing operations in the third quarter of 2009 decreased by \$10.0 million or 3.2% compared to the second quarter of 2009. The decrease was primarily due to the unfavourable impact of foreign exchange rate fluctuations.

During the third quarter of 2009, the effect of foreign exchange fluctuations on the translation of foreign currency operations had an unfavourable impact on revenue, operating income from continuing operations and net income of approximately \$17.4 million, \$5.9 million and \$3.9 million, respectively, compared to the second quarter of 2009.

Operating income from continuing operations and net income in the third quarter of 2009 decreased \$3.2 million or 6.0% and \$889 thousand or 2.6%, respectively, compared to the second quarter of 2009, primarily due to the decrease in consolidated revenue.

First nine months of 2009 versus First nine months of 2008

Consolidated revenue from continuing operations in the first nine months of 2009 was \$923.1 million, compared to \$945.7 million in the first nine months of 2008, a decrease of \$22.6 million or 2.4%. The decrease was primarily due to lower revenue in both of the Company's industry segments as a result of reduced market activity, partially offset by the favourable effect of foreign exchange fluctuations.

During the first nine months of 2009, the effect of foreign exchange fluctuations on the translation of foreign currency operating results had a favourable impact on revenue, operating income from continuing operations and net income of approximately \$69.5 million, \$25.9 million and \$16.7 million, respectively compared to the first nine months of 2008.

Operating income from continuing operations in the first nine months of 2009 increased \$33.2 million or 27.5%, compared to the first nine months of 2008. The increase was primarily due to the improved operating margins as a result of greater manufacturing efficiencies and reduced manufacturing input costs, partially offset by the impact of lower revenue on facility utilization and overhead absorption in the period.

Net income for the first nine months of 2009 increased \$10.8 million (\$0.18 per share, diluted) or 12.1%, compared to the first nine months of 2008, primarily due to higher operating income, partially offset by a \$10.4 million (\$0.14 per share, diluted) reduction in income from discontinued operations as the Company had recorded a settlement of a lawsuit related to the Company's closed pipe coating operation in Mobile, Alabama in the first nine months of 2008.

Pipeline and Pipe Services

Three months ended (in thousands of Canadian dollars)	September 30, 2009	June 30, 2009	September 30, 2008 Restated ^(a)
Revenue from continuing operations	\$273,262	\$283,888	\$323,347
Operating income from continuing operations	\$53,433	\$58,853	\$52,971
Operating margin	19.6%	20.7%	16.4%

(a) Restated for a change in accounting policy – refer to note 1 to the interim consolidated financial statements for the period ended September 30, 2009.

Third Quarter 2009 vs. Third Quarter 2008

In the Pipeline and Pipe Services segment, revenue in the third quarter of 2009 totaled \$273.3 million and was \$50.1 million or 15.5% lower than in the third quarter of 2008, primarily due to a decrease in revenue at Bredero Shaw and Flexpipe Systems.

Revenue for Bredero Shaw in the third quarter of 2009 decreased 15.3% compared to the third quarter of 2008 mainly as a result of a decline in drilling activity in North America as well as reduced pipe coating project volumes in Europe and the Middle East, partially offset by the favourable impact of the weaker Canadian dollar on the translation of the division's mainly U.S. dollar-based revenue. In the Europe, Africa and Russia region, revenue decreased by 89.4% as low utilization at the Leith, Scotland and Orkanger, Norway facilities contrasted with the third quarter of 2008 when the Badarastkaya Bay and Pluto projects had contributed strong volumes. Revenue in the Middle East region decreased by 61.1% in the third quarter of 2009 compared to the third quarter of 2008, primarily due to lower pipe coating project activity in Saudi Arabia and Ras Al Khaimah. In the Asia Pacific region, revenue increased 9.6% due mainly to higher levels of pipe coating activity at the region's plant in Kabil, Indonesia. In the America's region, revenue in the third quarter of 2009 increased by 23.1% from the third quarter of 2008, mainly due to strong growth in Mexico and \$50.5 million in revenue contributed by the North East Offshore and Tobago pipeline projects in Trinidad, partially offset by a decrease in small diameter pipe coating activity in Western Canada and the U.S., which declined by 46.1% and 19.4%, respectively.

Revenue for Flexpipe Systems in the third quarter of 2009 decreased 55.4% compared to the third quarter of 2008 as a result of the continuing low levels of drilling and well completion activity in Western Canada.

Operating income from continuing operations in the quarter for the segment totaled \$53.4 million (19.6% of revenue from continuing operations) and increased marginally from \$53.0 million (16.4% of revenue from continuing operations) in the third quarter of 2008. The improvement in operating margins of 3.2 percentage points was the result of improved manufacturing efficiencies, reduced manufacturing input costs and a reduction in fixed costs stemming from the reorganization of Bredero Shaw's Europe, Africa and Russia region.

Third Quarter 2009 versus Second Quarter 2009

In the Pipeline and Pipe Services segment, revenue in the third quarter of 2009 was 3.7% lower than in the second quarter of 2009 primarily due to a decrease at Bredero Shaw, partially offset by an increase at Shaw Pipeline Services.

Revenue in the quarter at Bredero Shaw decreased mainly due to the unfavorable effect of foreign exchange fluctuations, lower large diameter pipe coating project volumes in North America and the impact of the winding down of several large diameter pipe coating projects in the Middle East and Europe, Africa and Russia regions, partially offset by an increase in revenue relating to the Trinidad project and stronger volumes at the Kabil Indonesia facility. Revenue in the quarter at Shaw Pipeline Services increased primarily due to increased higher levels of U.S. land-based pipeline girth well inspection activity.

Operating income from continuing operations in the third quarter of 2009 was 9.2% lower than the level achieved in the second quarter of 2009, primarily as a result of the decrease in revenue in the third quarter of 2009. Operating margin in the third quarter of 2009 decreased by 1.1 percentage points when compared to the second quarter of 2009, primarily due to the unfavorable effect of foreign exchange fluctuations.

First nine months of 2009 versus First nine months of 2008

Revenue in the first nine months of 2009 in the Pipeline and Pipe Services segment was \$837.1 million compared to \$838.1 million in the first nine months of 2008. The marginal decrease was primarily due to a decrease at Bredero Shaw as a result of lower small diameter pipe coating volumes in North America, almost entirely offset by the inclusion of revenue from Flexpipe Systems, which was acquired on June 27, 2008 and the favourable impact of the weaker Canadian dollar on the translation of foreign currency operating results.

Operating income from continuing operations in the first nine months of 2009 was \$168.9 million compared to \$119.3 million for the first nine months of 2008, an increase of \$49.6 million or 41.6%. The increase was primarily due to a 5.9 percentage point increase in operating margins, the result of improved manufacturing efficiencies and a decrease in manufacturing input costs.

Petrochemical and Industrial

Three months ended (in thousands of Canadian dollars)	September 30, 2009	June 30, 2009	September 30, 2008
Revenue from continuing operations	\$29,916	\$30,100	\$34,246
Operating income from continuing operations	\$2,092	\$2,208	\$5,170
Operating margin	7.0%	7.3%	15.1%

Third Quarter 2009 versus Third Quarter 2008

In the Petrochemical and Industrial segment, revenue in the third quarter of 2009 totaled \$29.9 million compared to \$34.2 million in the third quarter of 2008, a decrease of \$4.3 million or 12.6%. The decrease was primarily due to reduced business activity levels at DSG-Canusa as a result of the significantly weaker demand in industrial and automotive markets in North America and Western Europe.

Operating income from continuing operations in the quarter for the segment totaled \$2.1 million (7.0% of revenue from continuing operations) compared to \$5.2 million (15.1% of revenue from continuing operations) in the third quarter of 2008 and reflected the impact of the lower revenue in the period.

Third Quarter 2009 versus Second Quarter 2009

Revenue and operating income for the segment in the third quarter of 2009 decreased marginally over levels in the second quarter of 2009 and resulted from the unfavorable effect of foreign exchange fluctuations.

First nine months of 2009 versus First nine months of 2008

Revenue for the Petrochemical and Industrial segment in the first nine months of 2009 was \$89.3 million compared to \$109.0 million for the first nine months of 2008, a decrease of \$19.6 million or 18.0%. The decrease was mainly due to a decline at DSG-Canusa as a result of the current global economic downturn, especially in the automotive industry. ShawFlex revenue was also negatively impacted during the first nine months of 2009 by lower industry wire and cable prices as a result of reductions in the price of copper compared to the first nine months of 2008.

Operating income in the first nine months of 2009 was \$4.6 million and in the first nine months of 2008 was \$16.6 million, a decrease of \$11.9 million or 72.1%. Operating margins declined by 10.0 percentage points, a result of the decrease in revenue during the period, the impact of lower business activity on factory utilization, and a one-time increase in fixed costs related to restructuring at DSG-Canusa's European operations.

Financial and Corporate

Financial and corporate costs consist of corporate office costs not charged to the operating divisions and other non-operating items including foreign exchange gains and losses on cash balances.

Third Quarter 2009 versus Third Quarter 2008

Financial and corporate costs for the third quarter of 2009, before net foreign exchange losses of \$2.3 million, totaled \$3.2 million a decrease of \$2.8 million from the \$6.0 million in the third quarter of 2008, before net foreign exchange gains of \$247 thousand. The decrease compared to the second quarter of 2008 was primarily due to the reversal of a provision related to resolved workers compensation claims, lower professional fees and a higher allocation of corporate costs to R&D expense reported in the Pipeline and Pipe Services segment due to increased R&D activity.

Third Quarter 2009 versus Second Quarter 2009

Financial and corporate costs decreased by \$3.1 million in the third quarter of 2009 compared to the second quarter of 2009, primarily as a result of a decrease in professional fees and general liability insurance costs.

First nine months of 2009 versus First nine months of 2008

Financial and corporate costs for the first nine months of 2009 totaled \$17.5 million, before net foreign exchange losses of \$2.5 million, a marginal decrease compared to \$17.6 million, before net foreign exchange gains of \$2.3 million in the first nine months of 2008.

Net Interest Expense

Third Quarter 2009 versus Third Quarter 2008

Net interest expense totaled \$675 thousand in the third quarter of 2009, compared to \$2.5 million in the third quarter of 2008, a decrease of \$1.8 million primarily due to a repayment of Senior Notes of \$28.7 million made in the second quarter of 2009. Refer to note 8 to the interim consolidated financial statements for the quarter ended September 30, 2009, for further information.

Third Quarter 2009 versus Second Quarter 2009

Net interest expense decreased by \$897 thousand in the third quarter of 2009 compared to the second quarter of 2009, primarily due to the repayment of Senior Notes of \$28.7 million, discussed above.

First nine months of 2009 versus First nine months of 2008

Net interest expense for the first nine months of 2009 totaled \$3.9 million compared to \$3.5 million, in the first nine months of 2008, an increase of \$405 thousand. The increase was primarily due to lower cash balances as a result of the Flexpipe Systems acquisition on June 27, 2008 and cash employed to repurchase shares under the Normal Course Issuer Bid, partially offset by a decrease in interest expense as a result of the repayment of Senior Notes of \$28.7 million, discussed above.

Income Taxes

Income tax expense related to continuing operations in the third quarter of 2009 was \$15.6 million, an effective rate of 31.7%, compared to \$15.7 million or an effective rate of 31.6% in the third quarter of 2008 and \$17.3 million, an effective rate of 33.5%, in the second quarter of 2009. The effective tax rate in the third quarter of 2009 was marginally higher than the Company's expected tax rate of 31.0%, primarily as a result of foreign withholding taxes on inter-corporate dividends and the impact of certain costs which are not deductible for income tax purposes.

Cash Flow

Cash provided by continuing operating activities

Cash provided by continuing operating activities in the third quarter of 2009 totaled \$59.6 million, compared to \$24.0 million in the third quarter of 2008 and \$58.1 million in the second quarter of 2009 with the changes reflecting the changes in income from continuing operations as well as the movement in net working capital. During the quarter, the change in non-cash working capital and foreign exchange was a decrease of \$11.0 million, with reduced accounts receivable, inventory and higher taxes payable, partially offset by lower accounts payable and deferred revenue.

Cash provided by continuing operating activities in the first nine months of 2009 totaled \$156.4 million, compared to \$78.4 million in the first nine months of 2008, an increase of \$78.0 million as a result of an increase in income from continuing operations and the movement in net working capital. During the first nine months of 2009, the change in non-cash working capital and foreign exchange was a decrease of \$4.6 million, with reduced accounts receivable, inventory and higher taxes payable, partially offset by lower accounts payable and deferred revenue. This reduction in working capital compares with an increase in the first nine months of 2008 of \$50.8 million.

Cash used in continuing investing activities

Cash used in continuing investing activities in the third quarter of 2009 totaled \$5.6 million, compared to \$10.3 million in the second quarter of 2009 and \$23.1 million in the third quarter of 2008, and was comprised of capital expenditures on property, plant and equipment of \$5.8 million partially offset by foreign exchange adjustments.

Cash used in continuing investing activities in the first nine months of 2009 totaled \$30.0 million, compared to \$180.7 million in the first nine months of 2008 and was comprised of capital expenditures on property, plant and equipment of \$25.9 million and a long-term notes receivable investment of \$4.1 million.

Cash provided by (used in) continuing financing activities

Cash used in continuing financing activities in the third quarter of 2009 totaled \$4.7 million, compared to \$51.6 million last quarter and \$24.4 million in the third quarter of 2008, and mainly consisted of dividends paid to shareholders of \$4.9 million.

Cash used in continuing financing activities in the first nine months of 2009 totaled \$75.0 million, compared to cash provided by continuing financing activities in the first nine months of 2008 of \$18.8 million, and consisted of dividends paid to shareholders of \$32.2 million and the repayment of Senior Notes and bank indebtedness of \$28.7 million and \$15.4 million, respectively.

Other Comprehensive Loss

Other comprehensive loss in the quarter totaled \$13.0 million and was comprised of an unrealized foreign currency loss on translation of self-sustaining foreign operations as a result of the strengthening of the Canadian dollar during the period, net of hedging activities.

Liquidity and Capitalization

At September 30, 2009, the Company recorded a working capital ratio (the ratio of current assets to current liabilities) of 2.1 to 1 compared to 1.65 to 1 at December 31, 2008. Operating working capital, excluding cash and cash equivalents, bank indebtedness, the current portion of long-term debt, current future taxes and working capital of discontinued operations, decreased \$12.6 million during the quarter to \$163.8 million, reflecting lower accounts receivables and inventory levels.

Change in Accounting Policies

The following are changes in the Company's accounting policies which came into effect in the first quarter of 2009:

a) Goodwill and Intangible Assets

On January 1, 2009, the Company adopted CICA Handbook section 3064, Goodwill and Intangible Assets. Also as of this date, as is required on adoption of this section, the Company no longer applies Emerging Issues Committee Abstract EIC-27, Revenues and Expenditures During the Pre-operating Period. As required, this accounting standard has been adopted retrospectively with restatement of prior year figures. The following adjustments were made to the Company's consolidated financial statements as a result of adopting this accounting standard:

Change in Consolidated Balance Sheets:

(in thousands of Canadian dollars)	As at Dec. 31, 2008	As at Dec. 31, 2007
Increase in inventories	\$ 1,678	\$ 2,501
Decrease in other assets	(3,285)	(5,067)
Increase in future taxes	484	770
Decrease in total assets	<u>\$ (1,123)</u>	<u>\$ (1,796)</u>
Future income taxes	\$ -	\$ -
Decrease in retained earnings	(1,123)	(1,796)
Decrease in total liabilities and shareholders' equity	<u>\$ (1,123)</u>	<u>\$ (1,796)</u>

Change in Consolidated Statement of Income:

	Three Months Ended, September 30, 2008	Nine Months Ended, September 30, 2008
Increase (decrease) in cost of goods sold	\$ (1,829)	\$ 4,731
Increase (decrease) in income taxes	549	(1,419)
Increase (decrease) in income from continuing operations	<u>\$ 1,280</u>	<u>\$ (3,312)</u>
Increase (decrease) in net income	<u>\$ 1,280</u>	<u>\$ (3,312)</u>
Earnings per share		
Basic		
Continuing operations	\$ 0.02	\$ (0.04)
Total	\$ 0.02	\$ (0.04)
Diluted		
Continuing operations	\$ 0.01	\$ (0.04)
Total	\$ 0.01	\$ (0.04)

The following is a description of the revised accounting policy adopted by the Company as a result of implementing this accounting change:

Costs incurred in the mobilization of project-specific plants for fixed term projects are included in work-in-process inventories and are charged to costs of goods sold on a percentage-of-completion basis. Such costs are to be included in inventories only if incurred after the Company is awarded the project and if directly related to the performance of the contract.

b) Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

On January 1, 2009, the Company adopted EIC-173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities. The adoption of this accounting standard had no effect on the Company's consolidated financial statements.

International Financial Reporting Standards

During 2008, the AcSB confirmed that publicly accountable enterprises, including the Company, will be required to adopt International Financial Reporting Standards ("IFRS") in place of Canadian Generally Accepted Accounting Principles ("GAAP") for interim and annual reporting purposes. The required changeover date is for fiscal years beginning on or after January 1, 2011.

The Company has commenced the process to transition to IFRS and has developed a project plan, which was described in the Company's 2008 Annual Report to Shareholders.

The Company is currently engaged in the solution development phase of the project, which involves the training of project team members and the development of new IFRS accounting policies and implementation guidance. This phase of the project is expected to be completed by the end of the fourth quarter of 2009.

During the implementation phase, the Company will execute the changes to business processes, financial systems, accounting policies, disclosure controls and internal controls over financial reporting that will be required to implement IFRS. This phase of the project is expected to be completed by the end of the second quarter of 2010.

At this time, the impact on the Company's consolidated financial statements is not reasonably determinable.

Financial Instruments

The following table sets out the notional amounts outstanding under foreign exchange contracts, the average contractual exchange rates and the settlement of these contracts as at September 30, 2009:

		September 30, 2009
U.S. dollars sold for Canadian dollars		
Less than one year	US\$	12,000
Weighted-average rate		1.1748
U.S. dollars sold for Euros		
Less than one year	US\$	1,465
Weighted-average rate		1.3442
U.S. dollars sold for British Pounds		
Less than one year	US\$	5,000
Weighted-average rate		1.5509
Euros sold for U.S. dollars		
Less than one year	Euro	2,150
Weighted-average rate		1.4490
One year to two years	Euro	2,200
Weighted-average rate		1.4465
Euros sold for British Pounds		
Less than one year	Euro	508
Weighted-average rate		1.1760
Euros sold for Norwegian Kroners		
Less than one year	Euro	1,681
Weighted-average rate		8.7647

As of September 30, 2009, the Company had notional amounts of \$30.3 million of forward contracts outstanding (\$25.5 million as of December 31, 2008) with the fair value of the Company's net benefit from all foreign exchange forward contracts totaling \$1.5 million (\$1.5 million, net obligation, as of December 31, 2008).

Critical Accounting Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. These estimates and assumptions are made with

management's best judgment given the information available at the time; however, actual results could differ from the estimates. Critical estimates used in preparing the consolidated financial statements were materially unchanged during the quarter, as compared to those disclosed in the Company's last annual MD&A contained in the Company's 2008 Annual Report.

Risks and Uncertainties

Operating in an international environment, servicing predominantly the oil and gas industry, ShawCor faces a number of business risks and uncertainties that could materially adversely affect its projections, businesses, results of operations and financial condition. There were no material changes in the nature or magnitude of such business risks during the quarter. A more complete outline of the risks and uncertainties facing the Company are included in the annual MD&A contained in the Company's 2008 Annual Report.

Contractual Obligations

There were no material changes to the Company's contractual obligations during the quarter, other than those that would be expected in the ordinary course of business.

Summary of Quarterly Results

The following is a summary of selected financial information for the ten most recently completed quarters:

(in thousands of Canadian dollars except per share amounts)	First	Second	Third	Fourth	Full Year
Revenue (Restated – see note below)					
2009	\$ 307,464	\$ 312,791	\$ 302,812	\$ -	\$ -
2008	293,357	295,118	357,249	433,853	1,379,577
2007	221,329	276,440	264,892	285,438	1,048,099
Operating income from continuing operations (Restated – see note below)					
2009	50,434	53,178	49,972	-	-
2008	40,919	27,189	52,315	75,588	196,011
2007	27,074	39,764	52,149	43,081	162,068
Income from continuing operations (Restated – see note below)					
2009	31,520	34,343	33,690	-	-
2008	26,952	17,825	33,962	56,013	134,752
2007	22,679	25,177	34,845	36,565	119,266
Income (loss) from discontinued operations (Restated – see note below)					
2009	21	293	57	-	-
2008	(69)	10,553	(82)	609	11,011
2007	(55)	(48)	(59)	(30,300)	(30,462)
Net income (Restated – see note below)					
2009	31,541	34,636	33,747	-	-
2008	26,852	28,378	33,880	56,623	145,733
2007	22,624	25,129	34,786	6,265	88,804

(in thousands of Canadian dollars except per share amounts)	First	Second	Third	Fourth	Full Year
Operating income from continuing operations per share (Classes A and B)					
(Restated – see note below)					
Basic					
2009	0.72	0.76	0.71	-	-
2008	0.57	0.38	0.74	1.07	2.76
2007	0.37	0.55	0.73	0.60	2.23
Diluted					
2009	0.72	0.76	0.70	-	-
2008	0.57	0.38	0.73	1.07	2.74
2007	0.36	0.54	0.72	0.59	2.21
Income from continuing operations per share (Classes A and B)					
(Restated – see note below)					
Basic					
2009	0.45	0.49	0.48	-	-
2008	0.38	0.25	0.48	0.79	1.90
2007	0.31	0.35	0.49	0.51	1.64
Diluted					
2009	0.45	0.49	0.48	-	-
2008	0.37	0.25	0.47	0.78	1.88
2007	0.30	0.34	0.48	0.51	1.62
Income (loss) from discontinued operations per share (Classes A and B)					
(Restated – see note below)					
Basic					
2009	0.00	0.00	0.00	-	-
2008	0.00	0.15	0.00	0.01	0.16
2007	0.00	0.00	0.00	(0.42)	(0.42)
Diluted					
2009	0.00	0.00	0.00	-	-
2008	0.00	0.15	0.00	0.01	0.15
2007	0.00	0.00	0.00	(0.42)	(0.41)
Net income per share (Classes A and B)					
(Restated – see note below)					
Basic					
2009	0.45	0.49	0.48	-	-
2008	0.38	0.40	0.48	0.80	2.06
2007	0.31	0.35	0.49	0.09	1.22
Diluted					
2009	0.45	0.49	0.48	-	-
2008	0.37	0.40	0.47	0.79	2.03
2007	0.30	0.34	0.48	0.09	1.21

Note: Quarterly revenue and operating income from continuing operations figures have been restated to reflect the change in accounting policy for deferred project costs adopted in the first quarter of 2009. Refer to note 1 to the interim consolidated financial statements for the quarter ended September 30, 2009.

The following are key factors affecting the comparability of quarterly financial results.

The Company's operations in the Pipeline and Pipe Services segment, representing more than 90% of the Company's consolidated revenue, are largely project-based. The nature and timing of projects can result in variability in the Company's quarterly revenue and profitability. In addition, certain of the Company's operations are subject to a degree of seasonality, particularly in the Pipeline and Pipe Services market segment. The comparability of the quarterly information disclosed above is also impacted by movements in exchange rates as the majority of the Company's revenue is transacted in currencies other than Canadian dollars, primarily U.S. dollars. Changes in the rates of exchange between the Canadian dollar and other currencies could have a significant effect on the amount of this revenue when it is translated into Canadian dollars.

Outstanding Share Capital

As at October 21, 2009, the Company had 57,438,253 Class A Subordinate Voting Shares outstanding and 13,060,209 Class B Multiple Voting Shares outstanding. Each Class B share is convertible into a Class A share at the option of the holder. In addition, as at October 21, 2009, the Company had stock options outstanding to purchase up to 2,849,146 Class A shares.

Management's Health, Safety and Environmental Commitment

The Company is committed to providing a safe and healthy workplace and ensuring that all business activities are conducted in a manner that protects the environment. This commitment includes designing and operating its plants and individual processes in compliance with applicable government requirements regulating the discharge of substances into the environment or otherwise relating to the protection of the environment. The Company's program for health, safety and environmental management is further described in the Company's Annual Information Form under Health, Safety, and Environmental Policy.

Outlook

The Company's geographic diversification has been a critical factor in the strong financial performance reported in the first nine months of 2009. Continued strength in international business activity with such projects as the Kumang Cluster and Gumusut projects in the Asia Pacific region and the NEO project in Trinidad, have offset the revenue weakness associated with the dramatic decline in drilling activity in North America.

The Company's consolidated order backlog at September 30, 2009, representing the value of firm customer purchase orders expected to be completed within one year, totaled \$239.9 million, 20.4% lower than at the beginning of the quarter. However, subsequent to the quarter ended September 30, 2009, the Company has secured letters of intent for several large pipe coating projects with customers in Canada (approximately \$54.0 million in revenue value) that are not included in the backlog. In South East Asia, ShawCor's pipe coating division has secured a letter of intent relating to the PNG LNG project in Papua New Guinea (approximately \$180.0 million in revenue value) which, if the project is sanctioned for construction, will have a significant positive impact on the Company's backlog.

Forward Looking Information

This document includes certain statements that reflect management's expectations and objectives for ShawCor's future performance, opportunities and growth which constitute forward-looking information under applicable securities laws. Such statements, except to the extent that they contain historical facts, are forward-looking and accordingly involve 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. These statements are based on assumptions, estimates and analysis made by ShawCor 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. Although ShawCor believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions in light of currently available information, ShawCor can give no assurance that such expectations will be achieved.

Forward-looking statements involve known and unknown risks and uncertainties that could cause actual results to differ materially from those predicted, expressed or implied by the forward-looking statements. Significant risks facing ShawCor include, but are not limited to: changes in global economic activity and changes in energy supply and demand which impact on the level of drilling activity and pipeline construction; political, economic and other risks arising from ShawCor's international operations; compliance with environmental, trade and other laws; liability claims; fluctuations in foreign exchange rates; fluctuations in prices of raw materials, as well as other risks and uncertainties.

Other information relating to the Company, including its Annual Information Form, is available on SEDAR at www.sedar.com.

ShawCor will be hosting a Shareholder and Analyst conference call and webcast on November 4, 2009 at 10:00 am ET to discuss the Company's third quarter 2009 financial results. Please visit our website at www.shawcor.com for future details.

For further information, please contact:

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SHAWCOR LTD.
INTERIM FINANCIAL INFORMATION (Unaudited)
(in thousands of Canadian dollars except per share data)

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008 Restated-note 1	2009	2008 Restated-note 1
Revenue	\$ 302,812	\$ 357,249	\$ 923,067	\$ 945,724
Cost of goods sold	173,350	234,463	541,338	623,701
Gross profit	129,462	122,786	381,729	322,023
Selling, general and administrative expenses (notes 2 and 3)	59,521	52,403	171,290	155,595
Amortization of property, plant and equipment	13,405	15,400	43,200	41,907
Amortization of intangible assets	1,095	985	3,285	1,053
Foreign exchange losses (gains)	2,321	(247)	2,506	(2,286)
Research and development expenses	3,148	1,930	7,864	5,331
Operating income from continuing operations	49,972	52,315	153,584	120,423
Interest income on short-term deposits	191	224	507	2,286
Interest expense on bank indebtedness	(368)	(1,494)	(1,343)	(2,165)
Interest expense on long-term debt	(498)	(1,253)	(3,074)	(3,626)
Income before income taxes and non-controlling interest	49,297	49,792	149,674	116,918
Income taxes	15,607	15,741	50,121	38,394
Income before non-controlling interest	33,690	34,051	99,553	78,524
Non-controlling interest	-	(89)	-	184
Income from continuing operations	33,690	33,962	99,553	78,708
Income (loss) from discontinued operations (note 4)	57	(82)	371	10,402
Net income	\$ 33,747	\$ 33,880	\$ 99,924	\$ 89,110
Earnings per shares (note 19)				
Basic				
Continuing operations	\$ 0.48	\$ 0.48	\$ 1.41	\$ 1.11
Discontinued operations	-	-	0.01	0.15
Total	\$ 0.48	\$ 0.48	\$ 1.42	\$ 1.26
Diluted				
Continuing operations	\$ 0.48	\$ 0.47	\$ 1.41	\$ 1.10
Discontinued operations	-	-	0.01	0.14
Total	\$ 0.48	\$ 0.47	\$ 1.42	\$ 1.24

SEGMENTED INFORMATION

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008 Restated-note 1	2009	2008 Restated-note 1
Revenue				
Pipeline and Pipe Services	\$ 273,262	\$ 323,347	\$ 837,101	\$ 838,125
Petrochemical and Industrial	29,916	34,246	89,334	108,968
Intersegment Eliminations	(366)	(344)	(3,368)	(1,369)
	\$ 302,812	\$ 357,249	\$ 923,067	\$ 945,724
Income (loss) from operations				
Pipeline and Pipe Services	\$ 53,433	\$ 52,971	\$ 168,932	\$ 119,339
Petrochemical and Industrial	2,092	5,170	4,625	16,561
Financial and Corporate	(5,553)	(5,826)	(19,973)	(15,477)
	\$ 49,972	\$ 52,315	\$ 153,584	\$ 120,423

SHAWCOR LTD.
INTERIM FINANCIAL INFORMATION (Unaudited)
(in thousands of Canadian dollars)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008 Restated-note 1	2009	2008 Restated-note 1
Operating activities:				
Income from continuing operations	\$ 33,690	\$ 33,962	\$ 99,553	\$ 78,708
Items not requiring an outlay of cash:				
Amortization of property, plant and equipment	13,405	15,400	43,200	41,907
Amortization of intangible assets	1,095	985	3,285	1,053
Amortization of transaction costs	111	110	333	330
Asset retirement obligation expense (note 10)	(427)	170	2,033	1,902
Stock-based compensation (note 2)	772	836	2,394	2,529
Future income taxes	(1,977)	674	(327)	409
Loss on disposal of property, plant and equipment	1,028	255	1,361	358
Gain on short-term investments	(73)	-	(1,202)	-
Impairment of available-for-sale financial assets	-	-	336	1,498
Non-controlling interest in earnings of subsidiaries	-	89	-	(184)
Gain on disposal of subsidiary	-	-	-	(1,063)
Settlement of asset retirement obligations (note 10)	(280)	716	(2,244)	(658)
Change in employee future benefits	1,272	857	3,087	2,489
Change in non-cash working capital and foreign exchange	10,958	(30,087)	4,585	(50,841)
Cash provided by continuing operating activities	<u>59,575</u>	<u>23,967</u>	<u>156,395</u>	<u>78,437</u>
Investing activities:				
Purchases of property, plant and equipment	(5,751)	(23,085)	(25,926)	(61,999)
Proceeds on disposal of property, plant and equipment	(61)	-	44	33
Acquisition of subsidiaries	-	-	-	(124,376)
Increase in long-term notes receivable	180	-	(4,068)	-
Proceeds on disposal of subsidiaries	-	-	-	5,635
Investment in shares	-	-	-	-
Cash used in continuing investing activities	<u>(5,632)</u>	<u>(23,085)</u>	<u>(29,950)</u>	<u>(180,707)</u>
Financing activities:				
Increase (decrease) in bank indebtedness	(689)	(10,005)	(15,418)	52,965
Repayment of long-term debt	-	-	(28,705)	-
Issue of shares (note 11)	816	304	1,301	1,739
Purchase of shares for cancellation	-	(10,154)	-	(22,796)
Dividends paid to shareholders	(4,850)	(4,537)	(32,205)	(13,085)
Cash provided by (used in) continuing financing activities	<u>(4,723)</u>	<u>(24,392)</u>	<u>(75,027)</u>	<u>18,823</u>
Foreign exchange on foreign cash and cash equivalents	(4,479)	1,531	(8,395)	6,024
Net cash provided by (used in) continuing operations	44,740	(21,979)	43,023	(77,423)
Net cash provided by (used in) discontinued operations (note 4)	739	(37,638)	1,416	(33,702)
Cash and cash equivalents at beginning of period	<u>77,892</u>	<u>123,509</u>	<u>78,932</u>	<u>175,017</u>
Cash and cash equivalents at end of period	<u>\$ 123,371</u>	<u>\$ 63,892</u>	<u>\$ 123,371</u>	<u>\$ 63,892</u>

SHAWCOR LTD.
INTERIM FINANCIAL INFORMATION (Unaudited)
(in thousands of Canadian dollars)

CONSOLIDATED BALANCE SHEETS

	September 30, 2009	December 31, 2008 Restated-Note 1
Assets		
Current assets		
Cash and cash equivalents (note 5)	\$ 123,371	\$ 78,932
Short-term investments	1,202	-
Accounts receivable	235,140	307,933
Taxes receivable	13,542	9,261
Inventories	124,035	152,284
Prepaid expenses	18,340	14,635
Derivative financial instruments	1,674	523
Current future income taxes	3,318	3,532
Current assets of discontinued operation (note 4)	10,815	12,256
	<u>531,437</u>	<u>579,356</u>
Property, plant and equipment, net	279,440	307,735
Goodwill	218,312	229,549
Intangible assets (note 6)	63,879	66,452
Future income taxes	29,868	31,173
Other assets (note 7)	13,691	13,024
	<u>\$ 1,136,627</u>	<u>\$ 1,227,289</u>
Liabilities		
Current liabilities		
Bank indebtedness (note 8)	\$ -	\$ 15,418
Accounts payable and accrued liabilities	151,303	193,675
Taxes payable	65,827	53,405
Derivative financial instruments	139	2,049
Deferred revenues	12,898	54,692
Current portion of long-term debt	27,015	30,672
Current liabilities of discontinued operation (note 4)	59	455
	<u>257,241</u>	<u>350,366</u>
Long-term debt	26,666	60,554
Future income taxes	72,303	73,939
Derivative financial instruments	39	-
Other non-current liabilities (note 9)	11,448	9,978
	<u>367,697</u>	<u>494,837</u>
Shareholders' Equity		
Capital stock (note 11)	203,671	202,073
Contributed surplus (note 12)	16,610	14,512
Retained earnings	669,126	601,407
Accumulated other comprehensive loss (note 13)	(120,477)	(85,540)
	<u>768,930</u>	<u>732,452</u>
	<u>\$ 1,136,627</u>	<u>\$ 1,227,289</u>

SHAWCOR LTD.
INTERIM FINANCIAL INFORMATION (Unaudited)
(in thousands of Canadian dollars)

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008 Restated-note 1	2009	2008 Restated-note 1
Balance at beginning of period	\$ 640,229	\$ 523,487	\$ 601,407	\$ 489,836
Transitional adjustment (note 1)	-	-	-	(1,796)
Adjusted balance at beginning of period	640,229	523,487	601,407	488,040
Net income	33,747	33,880	99,924	89,110
	673,976	557,367	701,331	577,150
Excess of purchase price paid over stated value of shares (note 11)	-	(8,752)	-	(19,987)
Dividends declared	(4,850)	(4,537)	(32,205)	(13,085)
Balance at end of period	\$ 669,126	\$ 544,078	\$ 669,126	\$ 544,078

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008 Restated-note 1	2009	2008 Restated-note 1
Net income	\$ 33,747	\$ 33,880	\$ 99,924	\$ 89,110
Other comprehensive income (loss), net of income taxes:				
Unrealized gain (loss) on translating financial statements of self-sustaining foreign operations	(15,822)	(5,868)	(41,374)	17,432
Loss on translating financial statements of self-sustaining foreign operations transferred to net income in the current period	-	-	678	-
Gain (loss) on hedges of unrealized foreign currency translation	3,460	(1,757)	6,948	(3,975)
Income tax benefit (expense)	(592)	300	(1,189)	678
Unrealized foreign currency translation gain, net of hedging activities	(12,954)	(7,325)	(34,937)	14,135
Unrealized loss on available-for-sale financial assets arising during the period	-	(959)	(336)	(1,870)
Unrealized loss on available-for-sale financial assets transferred to net income in the current period	-	-	336	1,498
Income tax expense transferred to net income in the period	-	-	-	253
Change in unrealized loss on available-for-sale financial assets	-	(959)	-	(119)
Gain on derivatives designated as cash flow hedges	-	-	-	-
Income tax expense	-	-	-	-
Gain on derivatives designated as cash flow hedges in prior periods transferred to net income in the current period	-	-	-	(1,508)
Income tax expenses transferred to net income in the current period	-	-	-	512
Change in loss on derivatives designated as cash flow hedges	-	-	-	(996)
	(12,954)	(8,284)	(34,937)	13,020
Comprehensive income	\$ 20,793	\$ 25,596	\$ 64,987	\$ 102,130

ShawCor Ltd.

Notes to the Consolidated Financial Statements (Unaudited)

(in thousands of Canadian Dollars, except per share amounts, unless otherwise stated)

1. Accounting policies

The accompanying unaudited interim consolidated financial statements of ShawCor Ltd. (the “Company”) have been prepared in accordance with Canadian generally accepted accounting principles (“GAAP”) for the preparation of interim financial statements. They do not include all of the information and disclosures required by GAAP for annual consolidated financial statements. Except as noted below, these unaudited interim consolidated financial statements have been prepared in accordance with accounting policies outlined in the Company’s audited consolidated financial statements for the year ended December 31, 2008.

Accordingly, the unaudited interim consolidated financial statements should be read in conjunction with the Company’s annual consolidated financial statements.

a) Goodwill and Intangible Assets

On January 1, 2009, the Company adopted CICA Handbook section 3064, *Goodwill and Intangible Assets*. Also as of this date, as is required on adoption of this section, the Company no longer applies Emerging Issues Committee Abstract EIC-27, *Revenues and Expenditures During the Pre-operating Period*. As required, this accounting standard has been adopted retrospectively with restatement of prior year figures. The following adjustments were made to the Company’s consolidated financial statements as a result of adopting this accounting standard:

Change in Consolidated Balance Sheets:

	As at December 31, 2008	As at December 31, 2007
Increase in inventories	\$ 1,678	\$ 2,501
Decrease in other assets	(3,285)	(5,067)
Increase in future taxes	484	770
Decrease in total assets	<u>\$ (1,123)</u>	<u>\$ (1,796)</u>
Future income taxes	\$ -	\$ -
Decrease in retained earnings	<u>(1,123)</u>	<u>(1,796)</u>
Decrease in total liabilities and shareholders' equity	<u>\$ (1,123)</u>	<u>\$ (1,796)</u>

Change in Consolidated Statement of Income:

	Three Months Ended, September 30, 2008		Nine Months Ended, September 30, 2008	
Increase (decrease) in cost of goods sold	\$	(1,829)	\$	4,731
Increase (decrease) in income taxes		549		(1,419)
Increase (decrease) in income from continuing operations	\$	1,280	\$	(3,312)
Increase (decrease) in net income	\$	1,280	\$	(3,312)
Earnings per share				
Basic				
Continuing operations	\$	0.02	\$	(0.04)
Total	\$	0.02	\$	(0.04)
Diluted				
Continuing operations	\$	0.01	\$	(0.04)
Total	\$	0.01	\$	(0.04)

The following is a description of the revised accounting policy adopted by the Company as a result of implementing this accounting change:

Costs incurred in the mobilization of project-specific plants for fixed term projects are included in work-in-process inventories and are charged to costs of goods sold on a percentage-of-completion basis. Such costs are to be included in inventories only if incurred after the Company is awarded the project and if directly related to the performance of the contract.

b) Credit Risk and the Fair Value of Financial Assets and Financial Liabilities

On January 1, 2009, the Company adopted EIC-173, Credit Risk and the Fair Value of Financial Assets and Financial Liabilities. The adoption of this accounting standard had no effect on the Company's consolidated financial statements.

2. Stock-based compensation

The Board of Directors approved the granting of 520,200 stock options during the nine months ended September 30, 2009 under the 2001 Employee Plan (the "Plan"). The total fair value of the stock options granted during the nine months ended September 30, 2009 was \$2.6 million (2008 - \$4.1 million) and the weighted average fair value of the options was \$5.63 (2008 - \$10.54), calculated using the Black-Scholes pricing model with the following assumptions:

	<u>2009</u>	<u>2008</u>
Expected life of options	6.25 years	6.25 years
Expected stock price volatility	34.79%	29.30%
Expected dividend yield	1.41%	0.75%
Risk-free interest rate	2.60%	3.68%

The fair value of options granted under the Plan will be amortized to compensation expense over the 5 year vesting period of options. The compensation cost from the continuing amortization of granted stock options for the three and nine months ended September 30, 2009, included in selling, general and administrative (“SG&A”) expenses, was \$772 thousand and \$2.4 million, respectively (\$836 thousand and \$2.5 million, for the three and nine months ended September 30, 2008, respectively).

3. Employee future benefits

The Company’s cost under both defined benefit and defined contribution arrangements included in selling, general and administrative expenses for the three and nine months ended September 30, 2009 was \$2.1 million and \$7.0 million, respectively (\$2.5 million and \$7.3 million, for the three and nine months ended September 30, 2008, respectively).

4. Discontinued operations

On November 2, 2004, the Company announced its decision to close the Mobile, Alabama pipe coating facility (the “Mobile Facility”) and by December 31, 2005, operations at the Mobile Facility had ceased. The Company adopted discontinued operation accounting treatment for the Mobile Facility in 2005. The Mobile Facility was part of the Pipeline and Pipe Services market segment.

The following table summarizes the financial results and cash flows from discontinued operations for the three and nine months ended September 30, 2009 and 2008 and the assets and liabilities as of those dates:

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2009	2008	2009	2008
Revenue	\$ -	\$ -	\$ -	\$ -
Income (loss) from operations	57	(35)	371	17,052
Interest expense	-	-	-	-
Income (loss) from discontinued operations before income taxes	57	(35)	371	17,052
Income tax recovery (expense)	-	(47)	-	(6,650)
Income (loss) from discontinued operations	<u>\$ 57</u>	<u>\$ (82)</u>	<u>\$ 371</u>	<u>\$ 10,402</u>
Cash flow used in operating activities	\$ 739	\$ (37,638)	\$ 1,416	\$ (33,702)
Cash flow from (used in) investing activities	-	-	-	-
Cash flow from (used in) operating activities	<u>\$ 739</u>	<u>\$ (37,638)</u>	<u>\$ 1,416</u>	<u>\$ (33,702)</u>
Current assets			\$ 10,815	\$ 10,374
Property, plant and equipment, net			\$ -	\$ -
Current liabilities			\$ 59	\$ 1,231

5. Cash and cash equivalents

	<u>September 30, 2009</u>	<u>December 31, 2008</u>
Cash	\$ 88,216	\$ 78,932
Cash equivalents	<u>35,155</u>	<u>-</u>
	<u>\$ 123,371</u>	<u>\$ 78,932</u>

6. Intangible assets

	<u>September 30, 2009</u>	<u>December 31, 2008 Restated - note 1</u>
Cost		
Intellectual property with limited life	\$ 57,576	\$ 57,576
Intangible assets with limited life	9,547	8,847
Intangible assets with indefinite life	<u>1,931</u>	<u>1,931</u>
	<u>\$ 69,054</u>	<u>\$ 68,354</u>
Accumulated amortization	<u>5,175</u>	<u>1,902</u>
	<u>\$ 63,879</u>	<u>\$ 66,452</u>

Intellectual property represents the costs of certain technology and know-how and patents obtained in acquisitions. Intangible assets include trademarks, brand names and customer relationships obtained in acquisitions.

7. Other assets

	<u>September 30, 2009</u>	<u>December 31, 2008 Restated - note 1</u>
Long-term investment	\$ 24	\$ 360
Long-term prepaid expenses	4,424	5,931
Long-term notes receivable	4,068	-
Accrued employee future benefit asset	<u>5,175</u>	<u>6,733</u>
	<u>\$ 13,691</u>	<u>\$ 13,024</u>

Long-term investment as of September 30, 2009 represents an investment in Garneau Inc., a Canadian-based, publicly traded pipe coating company. The Company has reviewed the 2008 financial performance of Garneau, as outlined in its public filings, and the protracted decline in its share price and has concluded that the decrease in fair value, based on quoted market prices, of the investment from original cost is other than temporary. The Company has recorded a charge to SG&A expense, in the financial and corporate segment, during the three and nine months ended September 30, 2009 of \$nil and \$336 thousand, respectively (\$nil and \$1.5 million for the three and nine months ended September 30, 2008, respectively).

Long-term notes receivable as of September 30, 2009 relates to amount advanced by the Company to an external party to support the construction of port facilities at a Bredero Shaw plant location in Kabil, Indonesia.

8. Bank indebtedness and Long-term debt

As of September 30, 2009, the Company had total operating credit lines of \$259.0 million (\$293.5 million as of December 31, 2008), of which \$73.0 million has been drawn for various standby letters of credit for performance, bid and surety bonds (\$81.5 million as of December 31, 2008), to yield unutilized credit facilities of \$186.0 million (\$198.0 million as of December 31, 2008), excluding the Company's proportionate share of the bank indebtedness of its joint venture, Arabian Pipecoating Company Limited of \$nil (\$15.4 million as of December 31, 2008).

Under the terms of the Company's 5.11% Senior Notes ("Senior Notes"), the Company is required to repay the Senior Notes in three equal annual installments of USD\$25 million. On June 30, 2009, the Company made the first repayment of \$28.7 million ("Repayment") using the current exchange rate. The Repayment was funded by USD\$25.0 million that was permanently repatriated from the Company's U.S. dollar based operations ("Repatriation"). The Repatriation gave rise to a net foreign exchange loss of \$678 thousand and was transferred from accumulated other comprehensive income to the consolidated statement of income during the second quarter of 2009. As at September 30, 2009, \$53.6 million was outstanding under the Senior Notes, of which \$27.0 million has been classified as current portion of long-term debt.

9. Other non-current liabilities

	<u>September 30, 2009</u>	<u>December 31, 2008</u>
Non-current asset retirement obligations (note 10)	\$ 6,024	\$ 6,680
Accrued employee future benefit obligations	4,827	3,298
Long-term capital leases	597	0
	<u>\$ 11,448</u>	<u>\$ 9,978</u>

10. Assets retirement obligations

	<u>September 30, 2009</u>	<u>December 31, 2008</u>
Balance, at beginning of year	\$ 22,606	\$ 14,082
Liabilities settled in year	(2,243)	(891)
Liabilities incurred in year	-	8,675
Revisions to cash flow estimates	1,190	-
Accretion expense	845	703
Translation of self-sustaining foreign operations	83	37
	<u>\$ 22,481</u>	<u>\$ 22,606</u>

Asset retirement obligations are included in the consolidated balance sheets as follows:

	<u>September 30, 2009</u>	<u>December 31, 2008</u>
Accounts payable and accrued liabilities	\$ 16,457	\$ 15,926
Other non-current liabilities	6,024	6,680
	<u>\$ 22,481</u>	<u>\$ 22,606</u>

The total undiscounted cash flows which are estimated to be required to settle all asset retirement obligations is \$25.4 million (\$24.0 million as of December 31, 2008) and the credit-adjusted risk-free rates at which the estimated cash flows have been discounted range between 5.11% and 7.0%.

11. Capital stock

The following shares were outstanding as of September 30, 2009 and December 31, 2008:

(in thousands of Canadian dollars except number of shares information)	<u>September 30, 2009</u>	<u>December 31, 2008</u>
Number of shares: Class A		
Balance, beginning of the period	57,358,537	58,234,570
Issued - stock options	76,880	113,234
Conversions Class B to Class A	-	17,933
Purchase - normal course issuer bid	-	(1,007,200)
Balance, end of the period	<u>57,435,417</u>	<u>57,358,537</u>
Number of shares: Class B	<u>13,060,209</u>	<u>13,060,209</u>
Total number of shares	<u>70,495,626</u>	<u>70,418,746</u>
Stated value:		
Balance, beginning of the period	\$ 201,070	\$ 202,248
Issued - stock options	1,301	1,763
Conversions Class B to Class A	-	1
Purchase - normal course issuer bid	-	(3,518)
Compensation cost on exercised options	297	576
Balance, end of the period	<u>202,668</u>	<u>201,070</u>
Stated value: Class B	<u>1,003</u>	<u>1,003</u>
Total stated value	<u>\$ 203,671</u>	<u>\$ 202,073</u>

During the nine months ended September 30, 2009, the Company repurchased and cancelled nil Class A Subordinated Voting Shares (2,574,600 during the nine months ended September 30, 2008) under the terms of a Normal Course Issuer Bid. The excess of cost over stated capital of the acquired shares, which for the nine months ended September 30, 2009 totaled \$nil (\$20.0 million for the nine months ended September 30, 2008), was charged to retained earnings.

12. Contributed surplus

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
Balance, beginning of period	\$ 15,958	\$ 12,924	\$ 14,512	\$ 11,729
Stock compensation expense (note 2)	772	836	2,394	2,529
Fair value of stock options exercised	(120)	(74)	(296)	(572)
Balance, end of period	<u>\$ 16,610</u>	<u>\$ 13,686</u>	<u>\$ 16,610</u>	<u>\$ 13,686</u>

13. Accumulated other comprehensive loss

	September 30, 2009	December 31, 2008
Unrealized foreign currency translation losses, net of hedging activities	\$ (120,477)	\$ (85,540)
Unrealized loss on available-for-sale financial asset	-	-
Gain on derivatives designated as cash flow hedges	-	-
	<u>\$ (120,477)</u>	<u>\$ (85,540)</u>

14. Stock option plans

A summary of the status of the Company's stock option plans and changes during the period are presented below:

	September 30, 2009		December 31, 2008	
	Total Shares	Weighted Average Exercise Price	Total Shares	Weighted Average Exercise Price
Balance outstanding, beginning of period	2,470,466	\$ 19.14	2,173,980	\$ 17.24
Granted	520,200	15.70	428,600	30.03
Exercised	(76,880)	16.93	(113,234)	15.56
Forfeited	(64,640)	22.00	(16,880)	19.24
Expired	-	-	(2,000)	15.94
Balance outstanding, end of period	<u>2,849,146</u>	<u>\$ 18.84</u>	<u>2,470,466</u>	<u>\$ 19.14</u>

Options Outstanding				Options Exercisable	
Range of exercise prices	Outstanding as at September 30, 2009	Weighted average remaining contractual life in years	Weighted average exercise price	Exercisable at September 30, 2009	Weighted average exercise price
\$10.00 to \$15.00	469,326	3.66	\$12.64	469,326	\$12.64
\$15.01 to \$20.00	1,593,100	6.11	\$16.45	911,988	\$16.78
\$20.01 to \$25.00	50,000	6.46	\$21.11	25,600	\$20.96
\$25.01 to \$30.00	706,720	7.79	\$27.66	206,360	\$26.83
\$30.01 to \$35.00	30,000	8.26	\$31.77	6,000	\$31.77
	<u>2,849,146</u>			<u>1,619,274</u>	

Options Outstanding				Options Exercisable	
Range of exercise prices	Outstanding at December 31, 2008	Weighted average remaining contractual life in years	Weighted average exercise price	Exercisable at December 31, 2008	Weighted average exercise price
\$10.00 to \$15.00	474,966	4.41	\$12.63	444,486	\$12.73
\$15.01 to \$20.00	1,181,100	5.41	\$16.84	791,304	\$16.77
\$20.01 to \$25.00	40,000	6.50	\$20.90	18,400	\$21.03
\$25.01 to \$30.00	744,400	8.54	\$27.62	69,560	\$25.02
\$30.01 to \$35.00	30,000	9.01	\$31.77	-	\$0.00
	<u>2,470,466</u>			<u>1,323,750</u>	

15. Financial instruments and financial risk management

a) Categories of Financial Assets and Financial Liabilities

Under GAAP, financial instruments are classified into one of the following categories: held-for-trading, held-to-maturity investments, loans and receivables, available-for-sale financial assets, derivatives and other financial liabilities. The Company has classified its financial instruments as follows:

	<u>September 30,</u> <u>2009</u>		<u>December 31,</u> <u>2008</u>
Financial assets:			
Held for trading, measured at fair value			
Cash	\$ 88,216	\$	78,932
Short-term investments	\$ 1,202	\$	-
Held to maturity, recorded at amortized cost			
Cash equivalents	\$ 35,155	\$	-
Loans and receivables, recorded at amortized cost			
Accounts receivable	\$ 235,140	\$	307,933
Taxes receivable	\$ 13,542	\$	9,261
Long-term notes receivable	\$ 4,068	\$	-
Available for sale, measured at fair value			
Long-term investments	\$ 24	\$	360
Derivatives, measured at fair value			
Derivative financial instruments	\$ 1,674	\$	523
Financial liabilities:			
Other liabilities, recorded at amortized cost			
Bank indebtedness	\$ -	\$	15,418
Accounts payable and accrued liabilities	\$ 151,303	\$	193,675
Taxes payable	\$ 65,827	\$	53,405
Current portion of long-term debt	\$ 27,015	\$	30,672
Long-term debt	\$ 26,666	\$	60,554
Derivatives, measured at fair value			
Derivative financial instruments	\$ 178	\$	2,049

Short-term investments have been classified as held for trading and carried at fair value, based on quoted market prices with changes in those fair values recognized in net income.

The Company has determined the estimated fair values of its financial instruments based on appropriate valuation methodologies; however, considerable judgment is required to develop these estimates. The fair values of the Company's financial instruments are not materially different from their carrying values.

b) Foreign Exchange Forward Contracts and Other Hedging Arrangements

The Company utilizes financial instruments to manage the risk associated with foreign exchange rates. The Company formally documents all relationships between hedging instruments and the hedge items, as well as its risk management objective and strategy for undertaking various hedge transactions.

The following table sets out the notional amounts outstanding under foreign exchange contracts, the average contractual exchange rates and the settlement of these contracts as of September 30, 2009:

		<u>September 30, 2009</u>
U.S. dollars sold for Canadian dollars		
Less than one year	US\$	12,000
Weighted-average rate		1.1748
U.S. dollars sold for Euros		
Less than one year	US\$	1,465
Weighted-average rate		1.3442
U.S. dollars sold for British Pounds		
Less than one year	US\$	5,000
Weighted-average rate		1.5509
Euros sold for U.S. dollars		
Less than one year	Euro	2,150
Weighted-average rate		1.4490
One year to two years	Euro	2,200
Weighted-average rate		1.4465
Euros sold for British Pounds		
Less than one year	Euro	508
Weighted-average rate		1.1760
Euros sold for Norwegian Kroners		
Less than one year	Euro	1,681
Weighted-average rate		8.7647

As of September 30, 2009, the Company had notional amounts of \$30.3 million of forward contracts outstanding (\$25.5 million as of December 31, 2008) with the fair value of the Company's net benefit from all foreign exchange forward contracts totaling \$1.5 million (\$1.5 million, net obligation, as of December 31, 2008).

c) Financial Risk Management

The Company's operations expose it to a variety of financial risks including: market risk (including foreign exchange and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial position and financial performance. Risk management is the responsibility of Company management. Material risks are monitored and are regularly reported to the Board of Directors.

Foreign exchange risk

The majority of the Company's business is transacted outside of Canada through subsidiaries operating in several countries. The net investments in these subsidiaries as well as their revenue, operating expenses and non-operating expenses are based in foreign currencies. As a result, the Company's consolidated revenue, expenses and financial position, may be impacted by fluctuations in foreign exchange rates as these foreign currency items are translated into Canadian dollars. As of September 30, 2009, fluctuations of +/- 5% in the Canadian dollar, relative to those foreign currencies, would impact the Company's consolidated revenue, operating income from continuing operations and income from continuing operations for the three months then ended by approximately \$13.1 million, \$3.9 million and \$2.7 million, respectively, prior to hedging

activities. In addition, such fluctuations would impact the Company's consolidated total assets, consolidated total liabilities and consolidated total shareholders' equity by \$52.9 million, \$19.9 million and \$33.0 million, respectively. The Company utilizes foreign exchange forward contracts to manage foreign exchange risk from its underlying customer contracts. The Company does not enter into foreign exchange contracts for speculative purposes.

The Company's Senior Notes and associated interest expense are denominated in U.S. dollars. Fluctuations in the exchange rate between the Canadian and U.S. dollar would impact the carrying value of the Senior Notes in terms of Canadian dollars as well as the amount of interest expense when translated into Canadian dollars. Effective July 3, 2003, the Company designated the Senior Notes as a hedge of a portion of its net investment in the Company's U.S. dollar based operations ("Net Investment"). On April 1, 2009, The Company de-designated USD\$25.0 million of the hedge against the Net Investment. As a result, on April 1, 2009 the remaining balance of the Senior Notes of USD\$50.0 million was hedged against the Net Investment. The de-designation gave rise to a \$2.1 million foreign exchange gain during the second quarter of 2009, which was recognized in the consolidated statement of income. Foreign exchange gains and losses from the hedged portion of the Senior Notes are not included in the consolidated statement of income, but are shown in accumulated other comprehensive income. As of September 30, 2009, fluctuations of +/- 5% in the Canadian dollar, relative to the U.S. dollar, would impact the Company's accumulated other comprehensive income by \$2.5 million for the three months then ended.

The objective of the Company's foreign exchange risk management activities is to minimize transaction exposures associated with the Company's foreign currency-denominated cash streams and the resulting variability of the Company's earnings. The Company utilizes foreign exchange forward contracts to manage this foreign exchange risk. The Company does not enter into foreign exchange contracts for speculative purposes. With the exception of the Company's U.S. dollar based operations, the Company does not hedge translation exposures.

Interest rate risk

The following table summarizes the Company's exposure to interest rate risk at September 30, 2009:

	<u>Floating rate</u>	<u>Fixed interest rate</u>		<u>Total</u>
		<u>Maturing in one year or less</u>	<u>Maturing after one year</u>	
Financial assets				
Cash and cash equivalents	\$ 123,371	\$ -	\$ -	\$ 123,371
Long-term notes receivable	4,068	-	-	4,068
Total	<u>\$ 127,439</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 127,439</u>
Financial liabilities				
Bank indebtedness	\$ -	\$ -	\$ -	\$ -
Current portion of long-term debt	-	27,015	-	27,015
Long-term debt	-	-	26,666	26,666
Total	<u>\$ -</u>	<u>\$ 27,015</u>	<u>\$ 26,666</u>	<u>\$ 53,681</u>
Weighted-average fixed rate of debt	<u>-</u>	<u>5.11%</u>	<u>5.11%</u>	

The Company's interest rate risk arises primarily from its floating rate bank indebtedness and long-term notes receivable and is not currently considered to be material.

Credit risk

Credit risk arises from cash and cash equivalents held with banks, forward foreign exchange contracts, as well as credit exposure of customers, including outstanding accounts receivable. The maximum credit risk is equal to the carrying value of the financial instruments.

The objective of managing counter party credit risk is to prevent losses in financial assets. The Company is subject to considerable concentration of credit risk since the majority of its customers operate within the global energy industry and are therefore affected to a large extent by the same macroeconomic conditions and risks. The Company manages this credit risk by assessing the credit quality of all counter parties, taking into account their financial position, past experience and other factors. Management also establishes and regularly reviews credit limits of counter parties and monitors utilization of those credit limits on an ongoing basis.

The carrying value of accounts receivable are reduced through the use of an allowance for doubtful accounts and the amount of the loss is recognized in the income statement with a charge to selling, general and administrative expenses. When a receivable balance is considered to be uncollectible, it is written off against the allowance for doubtful accounts. Subsequent recoveries of amounts previously written off are credited against selling, general and administrative expenses. As at September 30, 2009, \$11.6 million, or 5.1% of trade accounts receivable, were more than 90 days overdue, which is consistent with prior period aging analysis.

The following is an analysis of the change in the allowance for doubtful accounts for the nine months ended September 30, 2009 and 2008:

	Nine Months Ended September 30,	
	2009	2008
Balance, beginning of period	\$ 6,237	\$ 4,165
Bad debt expense	2,599	(1,015)
Write-offs of bad debts	(1,203)	(3)
Recovery of previously written-off amounts	(413)	-
Impact of change in foreign exchange rates	(131)	345
Balance, end of period	\$ 7,089	\$ 3,492

Liquidity Risk

The Company's objective in managing liquidity risk is to maintain sufficient, readily available cash reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and cash equivalents and through the availability of funding from committed credit facilities.

As of September 30, 2009, the Company has cash and cash equivalents totaling \$123.4 million (\$78.9 million as of December 31, 2008) and has unutilized lines of credit available to use of \$186.0 million (\$198.0 million as of December 31, 2008). The following are the contractual maturities of the Company's financial liabilities as of September 30, 2009:

	Less than 1 Year	1 - 2 Years	3 - 4 Years	Thereafter	Total
Accounts payable and accrued liabilities	\$127,790	\$5,149	\$377	297	\$133,613
Asset retirement obligations	16,457	944	1,263	6,701	25,365
Bank indebtedness	-	-	-	-	-
Long-term debt	27,015	26,666	-	-	53,681
Obligations under capital leases	111	580	226	18	935
Interest on obligations under capital leases	13	66	37	7	123
Interest on financial instruments	2,408	1,032	-	-	3,440
Derivative financial instruments	139	39	-	-	178
Total	\$173,933	\$34,476	\$1,903	\$7,023	\$217,335

16. Capital management

The Company defines capital that it manages as the aggregate of its shareholders' equity and interest bearing debt. The Company's objectives when managing capital are to ensure that the Company will continue to operate as a going concern and continue to provide products and services to its customers, preserve its ability to finance expansion opportunities as they arise, and provide returns to its shareholders.

As of September 30, 2009, total managed capital was \$822.6 million (\$839.2 million as of December 31, 2008), comprised of shareholders equity of \$768.9 million (\$732.5 million as of December 31, 2008), long-term debt of \$26.7 million (\$60.6 million as of December 31, 2008), current portion of long-term debt of \$27.0 million (\$30.7 million as of December 31, 2008) and bank indebtedness of \$nil (\$15.4 million as of December 31, 2008).

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions, the risk characteristics of the underlying assets and business investment opportunities. To maintain or adjust the capital structure, the Company may attempt to issue or re-acquire shares, acquire or dispose of assets, or adjust the amount of cash, cash equivalents, bank indebtedness or long-term debt balances. The Company's capital is not subject to any capital requirements imposed by any regulators; however, it is limited by the terms of its credit facility and long-term debt agreements. Specifically, the Company is required to maintain a Fixed Charge Coverage Ratio (Earnings Before Interest, Taxes, Depreciation and Amortization ["EBITDA"] divided by interest expense) of more than 2.5 to 1 and a debt to total capitalization ratio of less than 0.45 to 1. The Company's capital structure at September 30, 2009 was within the parameters established by these agreements.

17. Segmented information

The Company classifies its operations into two general segments of the global energy industry: Pipeline and Pipe Services and Petrochemical and Industrial. Revenue and income (loss) from operations for the three and nine months ended September 30, 2009 and 2008, and goodwill and total assets as of those dates by segment are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008 Restated - note 1	2009	2008 Restated - note 1
Revenue				
Pipeline and Pipe Services	\$ 273,262	\$ 323,347	\$ 837,101	\$ 838,125
Petrochemical and Industrial	29,916	34,246	89,334	108,968
Intersegment Eliminations	(366)	(344)	(3,368)	(1,369)
	<u>\$ 302,812</u>	<u>\$ 357,249</u>	<u>\$ 923,067</u>	<u>\$ 945,724</u>
Income (loss) from operations				
Pipeline and Pipe Services	\$ 53,433	\$ 52,971	\$ 168,932	\$ 119,339
Petrochemical and Industrial	2,092	5,170	4,625	16,561
Financial and Corporate	(5,553)	(5,826)	(19,973)	(15,477)
	<u>\$ 49,972</u>	<u>\$ 52,315</u>	<u>\$ 153,584</u>	<u>\$ 120,423</u>
Goodwill				
Pipeline and Pipe Services			\$ 199,553	\$ 194,039
Petrochemical and Industrial			18,759	18,032
			<u>\$ 218,312</u>	<u>\$ 212,071</u>
Total assets				
Pipeline and Pipe Services			\$ 1,335,312	\$ 1,237,465
Petrochemical and Industrial			75,848	81,907
Financial and Corporate			858,835	881,982
Elimination			(1,133,368)	(1,069,813)
			<u>\$ 1,136,627</u>	<u>\$ 1,131,541</u>

18. Joint venture operations

The Company's joint venture operations have been accounted for through proportionate consolidation with the Company's share of each joint venture's assets, liabilities, revenue, expenses, net income and cash flows consolidated based on the Company's ownership position. The figures related to these joint ventures included in the Company's consolidated financial statements are summarized as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008 Restated - note 1	2009	2008 Restated - note 1
Revenue	\$ 13,160	\$ 44,728	\$ 47,737	\$ 82,693
Operating and other expenses	12,403	30,738	38,522	62,077
Net income before income taxes	757	13,990	9,215	20,616
Provision for taxes	390	4,172	2,161	5,393
Net income	\$ 367	\$ 9,818	\$ 7,054	\$ 15,223
Cash provided by (used in):				
Operating activities	\$ (1,821)	\$ 6,297	\$ 12,676	\$ 11,701
Investing activities	\$ (528)	\$ (486)	\$ (2,360)	\$ (4,285)
Financing activities	\$ 701	\$ (4,448)	\$ (7,778)	\$ (7,320)
Current assets			\$ 30,056	\$ 40,310
Property, plant and equipment, net			\$ 13,131	\$ 14,133
Goodwill			\$ 4,900	\$ 4,681
Current liabilities			\$ 15,479	\$ 25,327
Long-term Liabilities			\$ 1,290	\$ 571

19. Earnings per share

The weighted average number of common shares for the purpose of the earnings per share calculations was as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2009	2008 Restated - note 1	2009	2008 Restated - note 1
Basic				
Class A	57,403,761	57,834,682	57,379,823	57,943,554
Class B	13,060,209	13,077,909	13,060,209	13,077,909
Total	70,463,970	70,912,591	70,440,032	71,021,463
Dilutive effect of stock options				
Class A	593,600	701,861	343,848	728,059
Class B	-	-	-	-
Total	593,600	701,861	343,848	728,059
Diluted				
Class A	57,997,361	58,536,543	57,723,671	58,671,613
Class B	13,060,209	13,077,909	13,060,209	13,077,909
Total	71,057,570	71,614,452	70,783,880	71,749,522

20. Recent accounting pronouncements

On February 13, 2008, The Accounting Standards Board (“AcSB”) confirmed that the use of International Financial Reporting Standards (“IFRS”) will be required in Canada for publicly accountable profit-oriented enterprises for fiscal years beginning on or after January 1, 2011 and the Company will be required to report using IFRS beginning on this date. The Company has begun the process of evaluating the effect of and the planning for the transition to IFRS. The impact of the ultimate adoption of IFRS on the Company has not yet been finalized.

In January 2009, the AcSB issued the following new Handbook sections: 1582 – Business Combinations, 1601 – Consolidations, and 1602 – Non-Controlling Interests. These standards are effective January 1, 2011. The Company has not yet determined the impact of the adoption of these standards on its consolidated financial statements.

21. Comparative figures

Comparative figures have been reclassified from statements previously stated to conform to the presentation of the current year consolidated financial statements, and to show the effects of retrospective application of a new accounting policy (see note 1).