

March 3, 2010

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

PRESS RELEASE

SHAWCOR LTD. ANNOUNCES FOURTH QUARTER AND FULL YEAR 2009 RESULTS

Financial Summary

(in thousands of Canadian dollars except per share amounts)	Fourth Quarter		Full Year	
	2009	2008 Restated (note 1)	2009	2008 Restated (note 1)
Operating Results				
Revenue	\$ 260,911	\$ 433,853	\$ 1,183,978	\$ 1,379,577
EBITDA (note 2)	53,730	98,591	253,799	262,158
Operating income from continuing operations	38,591	75,588	192,175	196,011
Income from continuing operations	31,553	56,014	131,106	134,722
Income (loss) from discontinued operations	(27)	609	344	11,011
Net income	31,526	56,623	131,450	145,733
Net income per share (Class A and B) – Basic				
Continuing operations	0.44	0.79	1.86	1.90
Discontinued operations	---	0.01	---	0.16
Total	0.44	0.80	1.86	2.06
Net income per share (Class A and B) - Diluted				
Continuing operations	0.43	0.78	1.85	1.88
Discontinued operations	---	0.01	---	0.15
Total	0.43	0.79	1.85	2.03
Cash Flow				
Cash provided by continuing operating activities	\$ 130,737	\$ 75,924	\$ 287,132	\$ 154,361
Additions to property, plant and equipment	8,432	27,800	34,358	89,799
Financial Position				
Working capital			\$ 307,567	\$ 229,169
Total assets			1,185,977	1,227,289
Shareholders' equity per share (Class A and B) (note 3)			\$ 11.21	\$ 10.40

Note 1: Prior year figures have been restated as a result of the adoption of recent accounting policy changes and reclassified to conform to current year presentation.

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	\$ 31,553	\$ 56,014	\$ 131,106	\$ 134,722
Add (deduct):				
Income taxes	6,276	17,484	56,397	55,878
Interest expense - net	762	2,154	4,672	5,659
Amortization of property, plant and equipment	14,044	22,090	57,244	63,997
Amortization of intangible assets	1,095	849	4,380	1,902
EBITDA	\$ 53,730	\$ 98,591	\$ 253,799	\$ 262,158

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.

FOURTH QUARTER AND FULL YEAR 2009 RESULTS

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)	December 31, 2009	September 30, 2009	December 31, 2008 Restated ^(a)
Revenue from continuing operations	\$260,911	\$302,812	\$433,853
Operating income from continuing operations	\$38,591	\$49,972	\$75,588
Operating margin	14.8%	16.5%	17.4%

(a) Restated as a result of the adoption of recent accounting policy changes.

Foreign Exchange Impact

The following table sets forth the impact on revenues, operating income from continuing operations and net income compared with the comparable prior year period as a result of foreign exchange fluctuations on the translation of foreign currency operations for the following periods:

	Year Ended	Three Months Ended
	December 31, 2009	December 31, 2009
Revenue	\$ 34,568	\$ (27,167)
Operating income from continuing operations	\$ 14,173	\$ (6,703)
Net income	\$ 10,213	\$ (5,940)

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

	Year Ended		Three Months Ended	
	December 31,		December 31,	
	2009	2008	2009	2008
U.S. Dollar	1.1450	1.0686	1.0544	1.2483
Euro	1.5958	1.5639	1.5569	1.6370
British Pounds	1.7763	1.9632	1.7154	1.9038

Fourth Quarter 2009 versus Fourth Quarter 2008

Consolidated revenue decreased by \$172.9 million or 40.0% in the fourth quarter of 2009 compared to the fourth quarter of 2008. The decrease was due primarily to a decline in revenue of \$166.0 million in the Pipeline and Pipe Services segment as a result of lower levels of drilling activity which impacted North American volumes for small diameter pipe coating and flexible composite pipe. Also contributing to the Pipeline and Pipe Services revenue decline was a reduction in pipe coating project activity in the Europe, Middle East, Africa and Russia (“EMAR”) region and the unfavourable impact of foreign exchange fluctuations.

During the fourth 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 \$27.2 million, \$6.7 million and \$5.9 million, respectively, compared to the fourth quarter of 2008.

Operating income from continuing operations decreased by \$37.0 million or 49.0% in the fourth quarter of 2009 compared to the fourth quarter of 2008. The decrease was primarily due to the decline in revenue across both of the Company’s operating segments as discussed above and the impact of the lower revenue on facility utilization and overhead absorption.

Net income decreased to \$31.5 million in 2009 compared to \$56.6 million 2008, a decrease of \$25.1 million or 44.3%. The decrease was primarily due to the decrease in operating income explained above.

Fourth Quarter 2009 versus Third Quarter 2009

Consolidated revenue decreased by \$41.9 million or 13.8% in the fourth quarter of 2009 compared to the third quarter of 2009. The decrease was due to declines in both the Pipeline and Pipe Services and the Petrochemical and Industrial segments of \$37.5 million and \$4.4 million, respectively. The decrease in Pipeline and Pipe Services was primarily due to the completion in the third quarter of several significant pipe coating projects for Trinidad and the U.S. Gulf of Mexico. Partially offsetting this decline was an increase in activity in the Company's facilities in Malaysia, Scotland and Norway relating to the Gumusut, Skarv, and various offshore concrete coating projects. The decrease in Petrochemical and Industrial was primarily due to large project sales in the third quarter of 2009 and continuing weakness in the segment's automotive and industrial markets.

During the fourth 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 \$3.9 million, \$633 thousand and \$624 thousand, respectively, compared to the third quarter of 2009.

Operating income from continuing operations and net income in the fourth quarter of 2009 decreased \$11.4 million or 22.8% and \$2.2 million or 6.6%, respectively, compared to the third quarter of 2009, primarily due to the decrease in consolidated revenue.

Full Year 2009 versus Full Year 2008

Consolidated revenue decreased to \$1.18 billion in 2009, a decrease of \$195.6 million or 14.2%. The decrease was due to lower revenues in both of the Company's operating segments, partially offset by the favorable impact of foreign exchange fluctuations as discussed below.

During 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 \$34.6 million, \$14.2 million and \$10.2 million, respectively, compared to 2008.

Operating income from continuing operations decreased by \$3.8 million in 2009 compared to 2008, while operating margin increased by 2.0 percentage points. The decrease in operating income was primarily due to the reduction in revenue explained above and the movement in foreign exchange losses (gains). The 2 percentage point improvement in operating income margin resulted from the Company's initiatives to improve operating efficiencies.

Net income decreased to \$131.4 million in 2009 compared to \$145.7 million in 2008, a decrease of \$14.3 million or 9.8%. The decrease was primarily due to the decrease in operating income explained above, and the change in income from discontinued operations relating to the lawsuit settlement recorded in 2008.

The Company's backlog as at December 31, 2009 was \$410.5 million compared to \$239.9 million as at September 30, 2009, an increase of \$170.6 million or 71.1%, indicating a gradual improvement in market outlook. The two largest projects included in the backlog, the PNG project and Epic project, are scheduled for production in the second half of 2010 with the result that the Company expects that both revenue and operating income should strengthen as the year progresses.

Pipeline and Pipe Services

	Three Months Ended		
	December 31, 2009	September 30, 2009	December 31, 2008^(a)
<i>(in thousands of Canadian dollars)</i>			
Revenue			
North America	\$ 85,357	\$ 109,688	\$ 183,408
Latin America	29,208	81,723	33,679
EMAR	49,829	29,777	111,329
Asia Pacific	71,364	52,074	73,352
Total revenue	\$ 235,758	\$ 273,262	\$ 401,768
Operating income from continuing operations	\$ 43,847	\$ 53,433	\$ 75,841
Operating margin	18.6%	19.6%	18.9%

(a) Restated as a result of the adoption of recent accounting policy changes.

Fourth Quarter 2009 versus Fourth Quarter 2008

In the Pipeline and Pipe Services segment, revenue in the fourth quarter of 2009 totaled \$235.8 million and was \$166.0 million or 41.3% lower than in the fourth quarter of 2008, primarily due to declines in the North America and EMAR regions of \$98.1 million and \$61.5 million, respectively.

The decrease in North America resulted from the significant decline in oil and gas drilling activity as a result of the global economic recession. Reduced drilling and well completions in Canada and the United States ("U.S.") negatively impacted volumes in several of the Company's key product markets including small diameter pipe coating, joint protection sleeves, spoolable composite pipe and drill pipe services.

The decrease in EMAR was primarily due to lower pipe coating volumes in Europe and the Middle East due to reduced project activity in the North Sea and the fourth quarter 2008 completion of two large projects in Ras Al Khaimah.

Operating income from continuing operations decreased by \$32.0 million or 42.2% in the fourth quarter of 2009 compared to the fourth quarter of 2008. The decrease was primarily due to the decline in revenue in North America and EMAR as discussed above.

Fourth Quarter 2009 versus Third Quarter 2009

In the Pipeline and Pipe Services segment, revenue in the fourth quarter of 2009 was 13.7% lower than in the third quarter of 2009 primarily due to declines in Latin America and North America of \$52.5 million and \$24.3 million, respectively, partially offset by increases in EMAR and Asia Pacific of \$20.0 million and \$19.3 million, respectively.

Revenue in Latin America decreased as a result of the completion of the Trinidad NEO and Tobago Pipeline projects in the third quarter of 2009.

The decline in North America was primarily due to a reduction in the land-based pipeline inspection market on lower pipeline construction activity coupled with the third quarter 2009 completion of several pipe coating projects in the U.S. Gulf of Mexico.

The increase in EMAR and Asia Pacific was primarily due to an increase in activity in the Company's facilities in Malaysia, Scotland and Norway relating to the Gumusut, Skarv and various offshore concrete coating projects.

Operating income from continuing operations decreased by \$9.6 million or 17.9% in the fourth quarter of 2009 compared to the third quarter of 2009. The decrease was primarily due to the decline in revenue as discussed above. Overall operating income margins decreased from 19.6% in the third quarter of 2009 to 18.6% in the fourth quarter of 2009 as lower revenue significantly impacted utilization and fixed cost overhead absorption.

Full Year 2009 versus Full Year 2008

Revenue in 2009 was \$1.07 billion, a decrease of \$167.0 million or 13.5% compared to 2008. The decrease was due to lower revenues in EMAR and North America of \$155.5 million and \$152.5 million, respectively, partially offset by an increase in Latin America and Asia Pacific of \$115.2 million and \$25.8 million, respectively.

The decrease in North America resulted from the significant decline in oil and gas drilling activity as a result of the global economic recession. Reduced drilling and well completions in Canada and the U.S. negatively impacted volumes in several of the Company's key product markets including small diameter pipe coating, joint protection sleeves, spoolable composite pipe and drill pipe services.

The decrease in EMAR was mainly due to lower pipe coating volumes in Europe and the Middle East. The record activity levels for insulation coating at the Company's facility in Orkanger, Norway in 2008 were not repeated in 2009 due to reduced project activity in the North Sea and the 2008 completion of the Pluto project. Elsewhere in the region, concrete coating volumes for offshore pipelines also declined on reduced project activity in the North Sea and offshore Middle East.

The increase in Latin America was due to the \$81 million Trinidad North East Offshore and Tobago Pipeline projects in 2009 and strong growth in Mexico on increased pipeline investment by Pemex, the national oil company of Mexico.

The increase in Asia Pacific was primarily due to a higher level of pipe coating activity at the region's plants in Indonesia and Malaysia as a result of continuing growth in oil and gas demand within Asia coupled with growth in investment by energy producing companies to develop new oil and gas resources in the region.

Operating income from continuing operations in 2009 was \$212.8 million compared to \$195.0 in 2008, an increase of \$17.8 million or 9.1%, while operating margin improved by 4.1 percentage points. The increase was primarily due to the favourable effect of foreign exchange fluctuations, the Company's strengthened competitive position and improved operating efficiencies.

Petrochemical and Industrial

	Three Months Ended		
	December 31, 2009	September 30, 2009	December 31, 2008
<i>(in thousands of Canadian dollars)</i>			
Revenue			
North America	\$ 12,775	\$ 17,931	\$ 20,249
EMAR	12,378	11,619	11,836
Total revenue	\$ 25,153	\$ 29,550	\$ 32,085
Operating income from continuing operations	\$ 436	\$ 2,092	\$ 2,528
Operating margin	1.7%	7.1%	7.9%

Fourth Quarter 2009 versus Fourth Quarter 2008

In the Petrochemical and Industrial segment, revenue in the fourth quarter of 2009 totaled \$25.2 million compared to \$32.1 million in the fourth quarter of 2008, a decrease of \$6.9 million or 21.6%. The decrease was primarily due to a decline in North America of \$7.5 million, partially offset by an increase in EMAR of \$542 thousand.

Revenue in North America decreased primarily due to a weaker market for wire and cable associated with decline in industrial capital investment in the fourth quarter of 2009 compared with the fourth quarter of 2008.

Operating income from continuing operations decreased by \$2.1 million or 82.8% in the fourth quarter of 2009 compared to the fourth quarter of 2008. The decrease was primarily due to the decline in revenue in North America as discussed above and one-time costs of approximately \$1.5 million related to the restructuring of operations in EMAR including the closure of a facility in Poland.

Fourth Quarter 2009 versus Third Quarter 2009

In the Petrochemical and Industrial segment, revenue in the fourth quarter of 2009 was 14.9% lower than in the third quarter of 2009 primarily due to a decrease in North America of \$5.2 million.

The decrease in North America was mainly due to large project sales in the third quarter of 2009 not repeated to the same extent in the fourth quarter of 2009 and continuing weakness in the segments automotive and industrial markets.

Operating income from continuing operations decreased by \$1.7 million or 79.2% in the fourth quarter of 2009 compared to the third quarter of 2009. The decrease was primarily due to a decline in revenue as discussed above. Overall operating income margins decreased from 7.1% in the third quarter of 2009 to 1.7% in the fourth quarter of 2009 as lower revenue significantly impacted utilization and fixed cost overhead absorption.

Full Year 2009 versus Full Year 2008

Revenue was \$111.1 million in 2009, a decrease of \$28.6 million or 20.4% compared to 2008. The decrease was primarily due to lower revenues in North America and EMAR of \$15.1 million and \$13.5 million, respectively.

The decrease in North America resulted from a significant decrease in 2009 in the number of industrial building permits issued in Canada with a resulting impact on the demand for wire and cable, lower wire and cable prices as a result of reductions in the price of copper in 2009 compared to 2008, and the impact of the global economic recession in 2009, particularly on demand for heat shrink tube products in the industrial and automotive industries. The decrease in EMAR was primarily due to a decline in demand in the automotive and electrical markets in Europe as a result of the global economic recession in 2009 and tighter capital markets.

Operating income from continuing operations in 2009 was \$5.1 million compared to \$19.1 million in 2008, a decrease of \$14.0 million or 73.5%, while operating margin decreased by 9.1 percentage points. The decrease was primarily due to the lower revenues discussed above, the impact of lower business activity on factory utilization and one-time costs of approximately \$3.0 million related to the restructuring of operations in EMAR including the closure of a facility in Poland.

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.

Fourth Quarter 2009 versus Fourth Quarter 2008

Financial and corporate costs for the fourth quarter of 2009, before net foreign exchange losses of \$1.3 million, totaled \$4.4 million a decrease of \$4.3 million from the \$8.7 million in the fourth quarter of 2008, before net foreign exchange gains of \$5.9 million. The decrease was primarily due to lower professional fees and lower management incentive compensation costs reflecting lower profits of the Company in 2009 compared to 2008 and the impact of a \$1.3 million write-down of the Company's investment in Garneau Inc. in the fourth quarter of 2008, which was not repeated in the fourth quarter of 2009.

Fourth Quarter 2009 versus Third Quarter 2009

Financial and corporate costs increased by \$1.2 million in the fourth quarter of 2009 compared to the third quarter of 2009, primarily as a result of a lower allocation of corporate R&D expense to operating divisions due to increased corporate R&D activity.

Full Year 2009 versus Full Year of 2008

Financial and corporate expense, before foreign exchange gains and losses, decreased by \$4.4 million or 16.6% in 2009 compared to 2008. The decrease was primarily due to the reversal of a provision related to resolved workers compensation claims, lower professional fees in 2009 compared to 2008, a higher allocation of corporate costs to R&D expense reported in the Pipeline and Pipe Services segment due to increased R&D activity and lower management incentive compensation costs reflecting the lower profits of the Company in 2009 compared to 2008.

Interest Expense - net

Fourth Quarter 2009 versus Fourth Quarter 2008

Interest expense-net was \$762 thousand in the fourth quarter of 2009 compared to \$2.2 million in the fourth quarter of 2008, a decrease of \$1.4 million or 64.6%. The decrease was primarily due to lower interest expense on bank indebtedness and long-term debt in 2009 compared to 2008 mainly as a result of the repayment of Senior Notes in the second quarter of 2009.

Fourth Quarter 2009 versus Third Quarter 2009

Interest expense-net was \$762 thousand in the fourth quarter of 2009 compared to \$675 thousand in the third quarter of 2009, a marginal increase of \$87 thousand, due to lower interest rates on invested cash balances.

Full Year 2009 versus Full Year 2008

Interest expense - net decreased by \$987 thousand in 2009 compared to 2008. The decrease was primarily due to lower interest expense on bank indebtedness and long-term debt. The decrease in interest expense on bank indebtedness was mainly due to lower debt levels in 2009 compared to 2008. The decrease in interest expense on long-term debt was due to lower debt levels in 2009 compared to 2008 as a result of the repayment of Senior Notes made in the second quarter of 2009.

Income Taxes

Income tax expense relating to continuing operations in the fourth quarter of 2009 totaled \$6.3 million (16.6% of income from continuing operations before non-controlling interest and income taxes) compared to \$17.5 million (23.8% of income from continuing operations before non-controlling interest and income taxes) in the fourth quarter of 2008 and \$15.6 million (31.7% of income from continuing operations before non-controlling interest and income taxes) in the third quarter of 2009. The effective tax rate for the fourth quarter of 2009 was considerably lower than the Company's expected tax rate of 31.0%, mainly as a result of a larger proportion of the Company's income having been generated in lower-tax foreign jurisdictions, primarily in the Asia Pacific region and a \$1.5 million benefit from the utilization of tax losses not previously recognized.

The Company recorded income tax expense of \$56.4 million (30.1% of income from continuing operations before income taxes and non-controlling interest) in 2009, compared to tax expense of \$55.9 million (29.4% of income from continuing operations before income taxes and non-controlling interest). The effective tax rate in 2009 was largely in line with the rate in the prior year and was lower than the Company's expected effective tax rate of 31.0%. The reduction from the expected rate resulted primarily from income generated in lower-taxed foreign jurisdictions.

Cash Flow*Cash provided by continuing operating activities*

Cash provided by continuing operating activities in the fourth quarter of 2009 totaled \$130.7 million, compared to \$75.9 million in the fourth quarter of 2008 and \$59.6 million in the third 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 \$96.0

million, with reduced accounts receivable, inventory and increased deferred revenue, partially offset by lower accounts payable.

On a full year basis, cash provided by continuing operating activities totaled \$287.1 million, an increase of \$132.8 million or 86.0% versus 2008, primarily due to the movement in non-cash working capital and foreign exchange of \$170.4 million, partially offset by a decrease in the movement of non-cash items. Non-cash working capital benefited from reduced accounts receivable and inventories and higher deferred revenues, partially offset by lower accounts payable. Non-cash items decreased mainly due to changes in future income taxes combined with a decrease in amortization of property, plant and equipment and impairment charges recorded in 2008 for asset retirement obligations and available-for-sale financial assets.

Cash used in continuing investing activities

Cash used in continuing investing activities in the fourth quarter of 2009 totaled \$7.7 million, compared to \$5.6 million in the third quarter of 2009 and \$29.1 million in the fourth quarter of 2008, and was comprised of capital expenditures on property, plant and equipment of \$8.4 million partially offset by proceeds on disposal of property, plant and equipment of \$562 thousand.

On a full year basis, cash used in continuing investing activities totaled \$37.7 million, a decrease of \$172.1 million or 82.0% versus 2008, as a result of a decrease in capital expenditures and the 2008 acquisition of Flexpipe.

Cash used in continuing financing activities

Cash used in continuing financing activities in the fourth quarter of 2009 totaled \$4.6 million, compared to \$4.7 million in the third quarter of 2009 and \$49.5 million in the fourth quarter of 2008, and mainly consisted of dividends paid to shareholders of \$4.9 million.

On a full year basis, cash used in continuing financing activities increased by \$48.9 or 159.2% in 2009 compared to 2008, primarily due to the repayment on the Senior Notes in the second quarter of 2009, a decrease in bank indebtedness and the \$18.0 million special dividend paid during the year.

Other Comprehensive Loss

Other comprehensive loss in the quarter totaled \$6.3 million and was comprised primarily 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 December 31, 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 \$84.2 million during the quarter to \$79.6 million, reflecting lower accounts receivables and inventory levels and an increase in deferred revenue.

Outlook

The primary driver of demand for the Company's products and services in the Pipeline and Pipe Services segment is the level of energy industry investment in pipeline infrastructure for hydrocarbon development and transportation around the globe. This investment, in turn, is driven by global levels of economic activity and the resulting growth in hydrocarbon demand, the need to replace the supply of hydrocarbons as a result of resource depletion and the financial position of the major energy companies. The relationship between global hydrocarbon demand and supply and the level of energy industry investment in infrastructure tends to be cyclical.

In 2009, the global economic recession resulted in reduced energy demand and tighter capital markets. Total world liquid fuel consumption decreased by 1.9% in 2009 compared to 2008, the first year over year decline in 25 years. Lower energy demand and reduced capital available for investment resulted in pipeline project delays and cancellations in Europe, and the Middle East and a 42% decline in well completions in North America, with a resulting impact on small diameter pipe coating orders. However as a result of strong project activity in Asia Pacific and the Trinidad project, coupled with the implementation of various cost savings initiatives, the Company was able to continue to produce strong financial results.

A gradual improvement in market outlook is indicated by the Company's order backlog, representing customer orders expected to be completed within one year that totaled \$410.5 million at December 31, 2009, an improvement from \$239.9 million at the end of the third quarter of 2009. The two largest projects included in the backlog, the PNG project and Epic project, are scheduled for production in the second half of 2010 with the result that the Company expects that both revenue and operating income should strengthen as the year progresses.

While global economic activity appears to have stabilized, overall market demand for ShawCor's products and services is not likely to return to pre-recession levels until after 2010, an expectation reinforced by the fact that the order backlog, while improved, remains 10% below the level of \$456 million at the beginning of 2009.

The Petrochemical and Industrial segment's markets should show some improvement from 2009 with the Company's new facility in China providing access to the growing market for automotive and electrical products in China as well as a low cost source for product that can be exported to North America and Western Europe. In the Pipeline and Pipe Services segment, market activity is expected to vary significantly from region to region as noted below:

North America

The number of drilling rigs active in North America did improve during the second half of 2009 but active rig counts remain 27% below the peak levels of 2007. If current drilling levels continue in 2010 then ShawCor expects that the Company's businesses that are related to well completions, primarily small diameter pipe coating, flexible composite pipe, and pipe joint protection, will see a modest improvement in volumes over 2009 levels. ShawCor businesses that are related to transmission pipeline construction, primarily large diameter pipe coating, will continue to be driven by project activity. In this area the volume expectations are largely consistent with the prior year.

Latin America and Caribbean

In 2009 revenue was supported by the US\$81.3 million Trinidad North East Offshore and Tobago Pipeline projects which are now complete. The decline in revenue from the completion of these projects may be partially offset by expected increases in activity in South America.

EMAR

Project activity in EMAR was greatly affected by the economic recession in 2009 with a number of projects delayed or cancelled. Thus the potential exists for a modest upturn in project activity in the second half of 2010 if customer investment decisions lead to new project commencement. Of strategic importance is the Company's new pipe coating venture in Russia that will start operations in 2010 and provide concrete weight pipe coatings for offshore pipelines in the Russian Arctic. This joint venture will contribute modest revenues in 2010 but could provide growth opportunities in the longer term as Northern Russian gas and oil fields are developed.

Asia Pacific

In contrast to other global regions, the level of project activity in Asia Pacific is expected to increase significantly commencing in the second half of 2010. The Company has been awarded two large pipe coating contracts that will start production in mid-2010, the US\$185.0 million PNG LNG project and the US\$42.0 million Epic Energy QSN3 project in Eastern Australia. Other markets in South East Asia, where the Company has maintained a significant market share are also expected to be strong in 2010. Beyond 2010, the Company expects that increasing energy demand in the region will necessitate increasing investment in pipeline infrastructure as new sources of oil and gas are developed and connected to growing markets in India, China and South East Asia. There

are a large number of potential LNG projects being evaluated to develop natural gas resources from offshore fields in the North West of Australia, from coal seam resources in Eastern Australia, and from other gas fields in the region, that are expected to sustain a high level of demand for new pipeline infrastructure over an extended timeframe.

During 2009, the Company's financial position continued to strengthen with the result that it has the financial capacity to fund significant growth opportunities through geographic expansion into emerging markets, new product introductions, and through the acquisition of companies that complement current business activities and/or that provide new product and service offerings within the Company's core pipeline focus. Execution of these growth initiatives should provide the potential for continued growth for the Company in the years ahead.

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 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 respect of, among other things, the impact of global economic activity on the demand for the Company's products as well as the prices of commodities used by the Company, the impact of changing energy demand, supply and prices, the impact of changes in competitive conditions in the markets in which the Company participates, the impact of changing laws for environmental compliance on the Company's capital and operating costs, the Company's relationships with its employees, the continued establishment of international operations, the effect of continued development in emerging economies, as well as the Company's plans as they relate to research and development activities and the maintenance of its current dividend policies.

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: changes in global economic activity and changes in energy supply and demand which impact on the level of drilling activity and pipeline construction; exposure to product and other liability claims; compliance with environmental, trade and other laws; political, economic and other risks arising from the Company's international operations; fluctuations in foreign exchange rates, as well as other risks and uncertainties, as more fully described herein under the heading "Risks and uncertainties".

These statements of forward-looking information are based on assumptions, estimates and analysis made by management in light of its experience and perception of trends, current conditions and expected developments as well as other factors believed to be reasonable and relevant in the circumstances. These assumptions include assumptions in respect of the potential for improvement in demand for the Company's products and services as a result of continued global economic recovery, the potential for increased investment in global energy infrastructure as a result of stabilization of capital markets, the Company's ability to execute projects under contract, the continued supply of and stable pricing for commodities used by the Company, and the availability of personnel resources sufficient for the Company to operate its businesses. 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. ShawCor Ltd. 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.

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 March 4, 2010 at 10:00 am ET to discuss the Company's fourth quarter and full year 2009 financial results. Please visit our website at www.shawcor.com for future details.

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SHAWCOR LTD.
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
(in thousands of Canadian dollars except per share data)

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2009	2008 ^(a)	2009	2008 ^(a)
Revenue	\$ 260,911	\$ 433,853	\$ 1,183,978	\$ 1,379,577
Cost of goods sold	154,183	269,236	695,521	892,937
Gross profit	106,728	164,617	488,457	486,640
Selling, general and administrative expenses	48,611	69,194	219,901	224,789
Amortization of property, plant and equipment	14,044	22,090	57,244	63,997
Amortization of intangible assets	1,095	849	4,380	1,902
Foreign exchange losses (gains)	1,284	(5,894)	3,790	(8,180)
Research and development expenses	3,103	2,790	10,967	8,121
Operating income from continuing operations	38,591	75,588	192,175	196,011
Interest income (expense) on short-term deposits	409	(391)	916	1,895
Interest expense on bank indebtedness	(437)	(353)	(1,780)	(2,518)
Interest expense on long-term debt	(734)	(1,410)	(3,808)	(5,036)
Income before income taxes and non-controlling interest	37,829	73,434	187,503	190,352
Income taxes	6,276	17,484	56,397	55,878
Income before non-controlling interest	31,553	55,950	131,106	134,474
Non-controlling interest	-	64	-	248
Income from continuing operations	31,553	56,014	131,106	134,722
Income (loss) from discontinued operations	(27)	609	344	11,011
Net income	\$ 31,526	\$ 56,623	\$ 131,450	\$ 145,733
Earnings per share				
Basic				
Continuing operations	\$ 0.44	\$ 0.79	\$ 1.86	\$ 1.90
Discontinued operations	-	0.01	-	0.16
Total	\$ 0.44	\$ 0.80	\$ 1.86	\$ 2.06
Diluted				
Continuing operations	\$ 0.43	\$ 0.78	\$ 1.85	\$ 1.88
Discontinued operations	-	0.01	-	0.15
Total	\$ 0.43	\$ 0.79	\$ 1.85	\$ 2.03

(a) Prior year figures have been restated as a result of the adoption of recent accounting policy changes and reclassified to conform to current year presentation.

SEGMENTED INFORMATION

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2009	2008(a)	2009	2008(a)
Revenue				
Pipeline and Pipe Services	\$ 235,758	\$ 401,768	\$ 1,072,858	\$ 1,239,893
Petrochemical and Industrial	25,153	32,085	111,120	139,684
	\$ 260,911	\$ 433,853	\$ 1,183,978	\$ 1,379,577
Income (loss) from operations				
Pipeline and Pipe Services	\$ 43,847	\$ 75,841	\$ 212,779	\$ 194,974
Petrochemical and Industrial	436	2,528	5,062	19,089
Financial and Corporate	(5,692)	(2,781)	(25,666)	(18,052)
	\$ 38,591	\$ 75,588	\$ 192,175	\$ 196,011

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SHAWCOR LTD.
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
(in thousands of Canadian dollars)

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2009	2008 ^(a)	2009	2008 ^(a)
Operating activities:				
Income from continuing operations	\$ 31,553	\$ 56,014	\$ 131,106	\$ 134,722
Items not requiring an outlay of cash:				
Amortization of property, plant and equipment	14,044	22,090	57,244	63,997
Amortization of intangible assets	1,095	849	4,380	1,902
Amortization of transaction costs	111	110	444	440
Amortization of long-term prepaid expenses	92	211	1,173	930
Asset retirement obligation expense	(6,886)	(1,199)	(4,852)	703
Stock-based compensation	771	830	3,165	3,359
Future income taxes	(3,482)	11,368	(3,809)	11,777
Gain on disposal of property, plant and equipment	4	46	1,365	404
Impairment of asset retirement obligation asset	-	7,770	-	7,770
Impairment of intangible assets	-	600	-	600
Impairment of goodwill	-	352	-	352
Impairment of available-for-sale financial assets	-	1,318	336	2,816
Non-controlling interest in earnings of subsidiaries	-	(248)	-	(248)
Gain on disposal of subsidiary	-	(680)	-	(864)
Settlement of asset retirement obligations	937	(233)	(1,307)	(891)
Change in employee future benefits	(3,544)	(3,889)	(457)	(1,400)
Change in non-cash working capital and foreign exchange	96,042	(19,385)	98,344	(72,008)
Cash provided by continuing operating activities	<u>130,737</u>	<u>75,924</u>	<u>287,132</u>	<u>154,361</u>
Investing activities:				
Purchases of property, plant and equipment	(8,432)	(27,800)	(34,358)	(89,799)
Proceeds on disposal of property, plant and equipment	562	13	606	46
Acquisition of subsidiaries	-	(1,347)	-	(125,723)
Increase in long-term notes receivable	125	-	(3,943)	-
Proceeds on disposal of subsidiaries	-	84	-	5,719
Cash used in continuing investing activities	<u>(7,745)</u>	<u>(29,050)</u>	<u>(37,695)</u>	<u>(209,757)</u>
Financing activities:				
Increase (decrease) in bank indebtedness	-	(42,654)	(15,418)	10,311
Increase(decrease) in capital leases	(107)	830	(107)	830
Repayment of long-term debt	-	-	(28,705)	-
Issue of shares	378	24	1,679	1,763
Purchase of shares for cancellation	-	(3,226)	-	(26,022)
Dividends paid to shareholders	(4,852)	(4,512)	(37,057)	(17,597)
Cash used in continuing financing activities	<u>(4,581)</u>	<u>(49,538)</u>	<u>(79,608)</u>	<u>(30,715)</u>
Foreign exchange on foreign cash and cash equivalents	<u>(2,579)</u>	19,752	<u>(10,974)</u>	25,776
Net cash provided by (used in) continuing operations	<u>115,832</u>	17,088	<u>158,855</u>	(60,335)
Net cash provided by (used in) discontinued operations	<u>10,785</u>	(2,048)	<u>12,201</u>	(35,750)
Cash and cash equivalents at beginning of period	<u>123,371</u>	63,892	<u>78,932</u>	175,017
Cash and cash equivalents at end of period	<u>\$ 249,988</u>	<u>\$ 78,932</u>	<u>\$ 249,988</u>	<u>\$ 78,932</u>

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SHAWCOR LTD.
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
(in thousands of Canadian dollars)

CONSOLIDATED BALANCE SHEETS

	<u>December 31,</u> <u>2009</u>	<u>December 31,</u> <u>2008^(a)</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 249,988	\$ 78,932
Accounts receivable	191,821	307,933
Taxes receivable	14,055	9,261
Inventories	109,379	152,284
Prepaid expenses	14,392	14,635
Derivative financial instruments	1,782	523
Current future income taxes	4,668	3,322
Current assets of discontinued operation	-	12,256
	<u>586,085</u>	<u>579,146</u>
Property, plant and equipment, net	270,219	307,735
Goodwill	214,449	229,059
Intangible assets	62,784	67,152
Future income taxes	36,249	31,173
Derivative financial instruments	39	-
Other assets	16,152	13,024
	<u>\$ 1,185,977</u>	<u>\$ 1,227,289</u>
Liabilities		
Current liabilities		
Bank indebtedness	\$ -	\$ 15,418
Accounts payable and accrued liabilities	133,275	192,705
Taxes payable	42,971	53,405
Derivative financial instruments	510	2,049
Deferred revenues	75,100	54,692
Current portion of long-term debt	26,235	30,672
Current obligations under capital lease	371	581
Current liabilities of discontinued operation	56	455
	<u>278,518</u>	<u>349,977</u>
Long-term debt	26,052	60,554
Obligations under capital lease	492	389
Future income taxes	76,552	73,939
Other non-current liabilities	13,941	9,978
	<u>395,555</u>	<u>494,837</u>
Shareholders' Equity		
Capital stock	204,151	202,073
Contributed surplus	17,277	14,512
Retained earnings	695,800	601,407
Accumulated other comprehensive loss	(126,806)	(85,540)
	<u>790,422</u>	<u>732,452</u>
	<u>\$ 1,185,977</u>	<u>\$ 1,227,289</u>

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SHAWCOR LTD.
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
(in thousands of Canadian dollars)

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2009	2008 ^(a)	2009	2008 ^(a)
Balance at beginning of period	\$ 669,126	\$ 547,145	\$ 601,407	\$ 492,903
Transitional adjustment	-	4,668	-	2,872
Adjusted balance at beginning of period	<u>669,126</u>	<u>551,813</u>	<u>601,407</u>	<u>495,775</u>
Net income	<u>31,526</u>	<u>56,623</u>	<u>131,450</u>	<u>145,733</u>
	<u>700,652</u>	<u>608,436</u>	<u>732,857</u>	<u>641,508</u>
Excess of purchase price paid over stated value of shares	-	(2,517)	-	(22,504)
Dividends declared	<u>(4,852)</u>	<u>(4,512)</u>	<u>(37,057)</u>	<u>(17,597)</u>
Balance at end of period	<u>\$ 695,800</u>	<u>\$ 601,407</u>	<u>\$ 695,800</u>	<u>\$ 601,407</u>

(a) Prior year figures have been restated as a result of the adoption of recent accounting policy changes and reclassified to conform to current year presentation.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2009	2008 ^(a)	2009	2008 ^(a)
Net income	\$ 31,526	\$ 56,623	\$ 131,450	\$ 145,733
Other comprehensive income (loss), net of income taxes:				
Unrealized gain (loss) on translating financial statements of self-sustaining foreign operations	(7,775)	38,195	(49,149)	55,627
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	1,480	(14,085)	8,428	(18,060)
Income tax benefit (expense)	(34)	2,401	(1,223)	3,079
Unrealized foreign currency translation gain, net of hedging activities	<u>(6,329)</u>	<u>26,511</u>	<u>(41,266)</u>	<u>40,646</u>
Unrealized loss on available-for-sale financial assets arising during the period	-	(359)	(336)	(2,229)
Unrealized loss on available-for-sale financial assets transferred to net income in the current period	-	1,318	336	2,816
Income tax expense transferred to net income in the period	-	-	-	253
Change in unrealized loss on available-for-sale financial assets	<u>-</u>	<u>959</u>	<u>-</u>	<u>840</u>
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>(996)</u>
	<u>(6,329)</u>	<u>27,470</u>	<u>(41,266)</u>	<u>40,490</u>
Comprehensive income	<u>\$ 25,197</u>	<u>\$ 84,093</u>	<u>\$ 90,184</u>	<u>\$ 186,223</u>

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