

May 7, 2010

SHAWCOR LTD.
(TSX: SCL.A, SCL.B)
PRESS RELEASE
SHAWCOR LTD. ANNOUNCES FIRST QUARTER 2010 RESULTS

Financial Summary

(in thousands of Canadian dollars except per share amounts)	Three Months Ended March 31,	
	2010	2009
Operating Results		
Revenue	\$ 224,572	\$ 307,464
EBITDA (note 1)	29,819	66,671
Operating income from continuing operations	16,464	50,434
Income from continuing operations	9,999	31,520
Income from discontinued operations	---	21
Net income	9,999	31,541
Net income per share (Class A and B) – Basic		
Continuing operations	0.14	0.45
Discontinued operations	---	---
Total	0.14	0.45
Net income per share (Class A and B) - Diluted		
Continuing operations	0.14	0.45
Discontinued operations	---	---
Total	0.14	0.45
Cash Flow		
Cash provided by continuing operating activities	\$ 26,570	\$ 38,745
Additions to property, plant and equipment	11,308	14,143
Financial Position		
Working capital	\$ 305,510	\$ 262,389
Total assets	1,172,855	1,221,270
Shareholders' equity per share (Class A and B) (note 2)	\$ 11.06	\$ 10.90

Note 1: 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	\$ 9,999	\$ 31,520
Add (deduct):		
Income taxes	5,523	17,251
Interest expense - net	942	1,663
Amortization of property, plant and equipment	12,260	15,142
Amortization of intangible assets	1,095	1,095
EBITDA	\$ 29,819	\$ 66,671

Note 2: 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.

SHAWCOR LTD.

FIRST QUARTER 2010 RESULTS

1. Core Business Segments

As at March 31, 2010, the Company operated its seven divisions through two reportable operating segments, Pipeline and Pipe Services and Petrochemical and Industrial:

Pipeline and Pipe Services

The Pipeline and Pipe Services segment is the largest segment of the Company and accounted for 86.6% of consolidated revenue for the three months ended March 31, 2010. This segment includes the Bredero Shaw, Canusa-CPS, Shaw Pipeline Services, Flexpipe Systems and Guardian divisions.

Petrochemical and Industrial

The Petrochemical and Industrial segment, which accounted for 13.4% of consolidated revenue for the three months ended March 31, 2010, includes the DSG-Canusa and ShawFlex divisions. Operations within this segment utilize polymer and adhesive technology that was developed for the Pipeline and Pipe Services segment and is now being applied to applications in Petrochemical and Industrial markets.

2. Financial Highlights

2.1 Selected First Quarter Financial Information

The following sets forth the Company's financial highlights for the three months ended March 31:

	2010	2009	Change (\$)
Revenue	\$ 224,572	\$ 307,464	\$ (82,892)
Cost of goods sold	138,414	183,949	(45,535)
Gross profit	86,158	123,515	(37,357)
Selling, general and administrative expense	55,135	55,865	(730)
Foreign exchange gains	(1,420)	(1,371)	(49)
Research and development expense	2,624	2,350	274
EBITDA ^(a)	29,819	66,671	(36,852)
Amortization of property, plant and equipment	12,260	15,142	(2,882)
Amortization of intangible assets	1,095	1,095	-
Operating income from continuing operations	16,464	50,434	(33,970)
Interest expense - net	942	1,663	(721)
Income taxes	5,523	17,251	(11,728)
Income from continuing operations	9,999	31,520	(21,521)
Income from discontinued operations	-	21	(21)
Net income	\$ 9,999	\$ 31,541	\$ (21,542)

(a) Earnings before interest, income taxes, depreciation and amortization ("EBITDA") is a non-GAAP measure and should not be considered as an alternative to net income or any other measure of performance under GAAP.

Revenue

Revenue decreased by \$82.9 million or 27.0% in the first quarter of 2010 compared to the first quarter of 2009, primarily as a result of reduced market activity in the Pipeline and Pipe Services segment and the unfavourable effect of foreign exchange fluctuations.

Operating income from continuing operations

Operating income from continuing operations decreased by \$34.0 million or 67.5% in the first quarter of 2010 compared to the first quarter of 2009, primarily due to the decrease in revenue explained above and the unfavourable effect of foreign exchange fluctuations.

Net income

Net income decreased to \$10.0 million in the first quarter of 2010 compared to \$31.5 million in the first quarter of 2009, a decrease of \$21.5 million or 68.2%. The decrease was primarily due to the decrease in operating income explained above, partially offset by lower interest expense and income taxes. Income taxes decreased mainly as a result of the decrease in operating income.

Sales Backlog

The Company's order backlog at March 31, 2010, representing customer orders expected to be completed within one year, totaled \$396.1 million compared to \$410.5 million at December 31, 2009, a decrease of \$14.4 million or 3.5%. The backlog does not include the US\$93.0 million Total Laggan project for which a letter of intent was received in April 2010. The inclusion of the Total Laggan project, coupled with continued strong bidding activity, provides the Company with confidence in the potential for growth in the backlog as the year progresses.

2.2 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:

	Q1 2010		Q1 2010
	vs.		vs.
	Q4 2009	Q1 2009	Q1 2009
Revenue	\$ (4,508)	\$	(26,448)
Operating income from continuing operations	\$ (706)	\$	(5,334)
Net income	\$ (692)	\$	(3,547)

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:

	Three Months Ended		
	March 31,	December 31,	March 31,
	2010	2009	2009
U.S. Dollar	1.0438	1.0544	1.2410
Euro	1.4469	1.5569	1.6472
British Pounds	1.6339	1.7154	1.7832

3. Results from Operations

3.1 Consolidated Information

Revenue

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

	Three Months Ended			Change (\$)	
	March 31, 2010	December 31, 2009	March 31, 2009	Q1 2010 vs. Q4 2009	Q1 2010 vs. Q1 2009
Pipeline and Pipe Services	\$ 194,579	\$ 235,759	\$ 279,942	\$ (41,180)	\$ (85,363)
Petrochemical and Industrial	29,993	25,152	27,522	4,841	2,471
Consolidated	<u>\$ 224,572</u>	<u>\$ 260,911</u>	<u>\$ 307,464</u>	<u>\$ (36,339)</u>	<u>\$ (82,892)</u>

First Quarter 2010 versus Fourth Quarter 2009

Consolidated revenue was \$224.6 million in the first quarter of 2010 compared to \$260.9 million in the fourth quarter of 2009, a decrease of \$36.3 million or 13.9%, with a decrease in the Pipeline and Pipe Services segment combining with the unfavourable impact of foreign exchange fluctuations as noted in section 2.2 – Foreign Exchange Impact.

The decrease in the Pipeline and Pipe Services segment was due to lower revenue in Latin America, EMAR and Asia Pacific of \$20.5 million, \$17.6 million and \$10.4 million, respectively, partially offset by an increase in North America of \$7.3 million. See section 3.2 – Segment Information for additional information with respect to the change in revenue in the Pipeline and Pipe Services segment.

The increase in the Petrochemical and Industrial segment was due to an increase in North America and EMAR of \$3.6 million and \$1.2 million, respectively. See section 3.2 – Segment Information for additional information with respect to the change in revenue in the Petrochemical and Industrial segment.

First Quarter 2010 versus First Quarter 2009

Consolidated revenue decreased by \$82.9 million or 27.0% in the first quarter of 2010 compared to the first quarter of 2009. The decrease was due to a decrease in the Pipeline and Pipe Services segment and the unfavourable impact of foreign exchange fluctuations as noted in section 2.2 – Foreign Exchange Impact, partially offset by an increase in the Petrochemical and Industrial segment.

The decrease in the Pipeline and Pipe Services segment was due to lower revenue in EMAR, North America and Latin America of \$40.9 million, \$32.0 million and \$13.6 million, respectively, partially offset by an increase in Asia Pacific of \$1.1 million. See section 3.2 – Segment Information for additional information with respect to the change in revenue in Pipeline and Pipe Services.

The increase in the Petrochemical and Industrial segment was due to an increase in EMAR and North America of \$1.7 million and \$800 thousand, respectively. See section 3.2 – Segment Information for additional information with respect to the change in revenue in Petrochemical and Industrial.

Operating income from continuing operations

The following table sets forth operating income from continuing operations (“operating income”) and operating margin for the following periods:

	Three Months Ended			Change	
	March 31, 2010	December 31, 2009	March 31, 2009	Q1 2010 vs. Q4 2009	Q1 2010 vs. Q1 2009
Operating income	\$ 16,464	\$ 38,591	\$ 50,434	\$ (22,127)	\$ (33,970)
Operating margin ^(a)	7.3%	14.8%	16.4%	(7.5 points)	(9.1 points)

(a) Operating margin is defined as operating income from continuing operations divided by revenue.

First Quarter 2010 versus Fourth Quarter 2009

Operating income decreased by \$22.1 million in the first quarter of 2010 compared to the fourth quarter of 2009 and operating margin decreased by 7.5 percentage points over the same period. The decrease in operating income was primarily due to the reduction in revenue explained above. The reduction in operating margin was a result of the under absorption of fixed manufacturing overhead included in cost of goods sold and selling, general and administrative expenses that was associated with the 13.9% year over year revenue decline.

First Quarter 2010 versus First Quarter 2009

Operating income decreased by \$34.0 million in the first quarter of 2010 compared to the first quarter of 2009 and operating margin decreased by 9.1 percentage points over the same period. The decrease in operating income was mainly due to the reduction in revenue explained above. The reduction in operating margin was a result of the under absorption of fixed manufacturing overhead included in cost of goods sold and selling, general and administrative expenses that was associated with the 27.0% year over year revenue decline.

Interest expense – net

The following table sets forth the components of interest expense - net for the following periods:

	Three Months Ended			Change	
	March 31, 2010	December 31, 2009	March 31, 2009	Q1 2010 vs. Q4 2009	Q1 2010 vs. Q1 2009
Interest income on short-term deposits	\$ (227)	\$ (409)	\$ (235)	\$ 182	\$ 8
Interest expense on bank indebtedness	444	437	571	7	(127)
Interest expense on long-term debt	725	734	1,327	(9)	(602)
Interest expense - net	\$ 942	\$ 762	\$ 1,663	\$ 180	\$ (721)

First Quarter 2010 versus Fourth Quarter 2009

Interest expense – net was \$942 thousand in the first quarter of 2010 compared to \$762 thousand in the fourth quarter of 2009, a marginal increase of \$180 thousand. The increase was mainly due to lower interest income earned on short-term deposits.

First Quarter 2010 versus First Quarter 2009

Interest expense – net decreased by \$721 thousand in the first quarter of 2010 compared to the first quarter of 2009, primarily due to lower interest expense on long-term debt and bank indebtedness. The decrease in interest expense on long-term debt was due to lower debt levels in the first quarter of 2010 compared to the first quarter of 2009 as a result of the repayment of Senior Notes made in the second quarter of 2009. See section 4.4 – Credit Facilities for additional information with respect to the debt repayment.

Income taxes*First Quarter 2010 versus Fourth Quarter 2009*

The Company recorded income tax expense of \$5.5 million (35.5% of income from continuing operations before income taxes) in the first quarter of 2010, compared to tax expense of \$6.3 million (16.6% of income from continuing operations before income taxes) in the fourth quarter of 2009. The effective tax rate in the first quarter of 2010 was higher than the Company's expected effective tax rate of 31.0%, primarily due to losses generated in lower-taxed foreign jurisdictions in the first quarter of 2010, mainly in the EMAR region and an increase of \$776 thousand to the Company's income tax reserve relating to potential tax liabilities associated with certain foreign jurisdictions.

First Quarter 2010 versus First Quarter 2009

Income tax expense relating to continuing operations in the first quarter of 2010 totaled \$5.5 million (35.5% of income from continuing operations before income taxes), compared to tax expense of \$17.3 million (35.4% of income from continuing operations before income taxes) in the first quarter of 2009. The effective tax rate in the first quarter of 2010 was largely in line with the rate in the first quarter of 2009 and was lower than the Company's expected effective tax rate of 31.0%. The increase from the expected rate resulted primarily from losses generated in lower-taxed foreign jurisdictions mainly in the EMAR region and an increase of \$776 thousand to the Company's income tax reserve relating to potential tax liabilities associated with certain foreign jurisdictions.

Discontinued operations

Income from discontinued operations was \$nil in the first quarter of 2010 compared to a loss of \$27 thousand in the fourth quarter of 2009 and income of \$21 thousand in the first quarter of 2009.

3.2 Segment Information**3.2.1 Pipeline and Pipe Services segment**

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

	Three Months Ended			Change	
	March 31,	December 31,	March 31,	Q1 2010	Q1 2010
	2010	2009	2009	vs.	vs.
				Q4 2009	Q1 2009
Revenue					
North America	\$ 92,181	\$ 84,846	\$ 124,162	\$ 7,335	\$ (31,981)
Latin America	8,736	29,209	22,325	(20,473)	(13,589)
EMAR	32,739	50,340	73,608	(17,601)	(40,869)
Asia Pacific	60,923	71,364	59,847	(10,441)	1,076
Total revenue	\$ 194,579	\$ 235,759	\$ 279,942	\$ (41,180)	\$ (85,363)
Operating income	\$ 19,965	\$ 43,847	\$ 56,646	\$ (23,882)	\$ (36,681)
Operating margin	10.3%	18.6%	20.2%	(8.3 points)	(9.9 points)

First Quarter 2010 versus Fourth Quarter 2009

Revenue in the first quarter of 2010 was \$194.6 million compared to \$235.8 million in the fourth quarter of 2009, a decrease of \$41.2 million or 17.5%. The decrease was due to lower revenue in Latin America, EMAR and Asia Pacific of \$20.5 million, \$17.6 million and \$10.4 million, respectively, partially offset by an increase in North America of \$7.3 million.

The decrease in Latin America was mainly due to the completion of the Trinidad North East Offshore and Tobago Pipelines project in the fourth quarter of 2009 and lower project activity in Brazil and Mexico.

The decrease in EMAR was primarily due to lower pipe coating volumes in Europe and the Middle East as a result of the completion of the Skarv project in the fourth quarter of 2009 and the delay of the start up of the Block 31 and Block 18 Angola projects to the second quarter of 2010.

The decrease in Asia Pacific was mainly a result of the completion of the \$30.0 million SSB Gumusut project in the fourth quarter of 2009.

The increase in North America was primarily due to an increase in demand for small diameter production in Canada in the first quarter of 2010 compared to the fourth quarter of 2009 and the commencement of production of the TCPL Cushing Extension project in the first quarter of 2010.

Operating income in the first quarter of 2010 was \$20.0 million compared to \$43.8 million in the fourth quarter of 2009, a decrease of \$23.9 million or 54.6%. The decrease was primarily due to the lower revenue explained above and the unfavourable effect of foreign exchange fluctuations. The reduction in operating margin was a result of the under absorption of fixed manufacturing overhead included in cost of goods sold and selling, general and administrative expenses that was associated with the 17.5% revenue decline discussed above.

First Quarter 2010 versus First Quarter 2009

Revenue in the Pipeline and Pipe Services segment decreased by \$85.4 million or 30.5% in the first quarter of 2010 compared to the first quarter of 2009. The decrease was due to lower revenue in EMAR, North America and Latin America of \$40.9 million, \$32.0 million and \$13.6 million, respectively, partially offset by an increase in Asia Pacific of \$1.1 million.

The decrease in EMAR was mainly due to lower pipe coating volumes in Europe and the Middle East as a result of a reduction in large project activity in the first quarter of 2010 compared to the first quarter of 2009 and as a result of a delay in the start-up of the particularly large Block 31 and Block 18 Angola projects to the second quarter of 2010.

The decrease in North America was primarily due to reduced drilling and well completions in Canada and the U.S., which negatively impacted volumes in several of the Company's key product markets including small diameter pipe coating, spoolable composite pipe and drill pipe services.

The decrease in Latin America was primarily due to strong growth in Mexico in the first quarter of 2009 as a result of increased pipeline investment by Pemex, the national oil company of Mexico, not repeated to the same extent in the first quarter of 2010 and large project activity in Brazil in the first quarter of 2009 not repeated to the same extent in the first quarter of 2010.

Operating income in the first quarter of 2010 decreased by \$36.7 million or 64.8% compared to \$56.6 million in the first quarter of 2009, primarily due to the lower revenue explained above and the unfavourable effect of foreign exchange fluctuations. The reduction in operating margin was a result of the under absorption of fixed manufacturing overhead included in cost of goods sold and selling, general and administrative expenses that was associated with the 30.5% revenue decline discussed above.

3.2.2 Petrochemical and Industrial segment

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

	Three Months Ended			Change	
	March 31, 2010	December 31, 2009	March 31, 2009	Q1 2010 vs. Q4 2009	Q1 2010 vs. Q1 2009
Revenue					
North America	\$ 16,407	\$ 12,775	\$ 15,593	\$ 3,632	\$ 814
EMAR	13,586	12,378	11,928	1,208	1,658
Total revenue	\$ 29,993	\$ 25,153	\$ 27,521	\$ 4,840	\$ 2,472
Operating income	\$ 2,921	\$ 436	\$ 325	\$ 2,485	\$ 2,596
Operating margin	9.7%	1.7%	1.2%	8.0 points	8.5 points

First Quarter 2010 versus Fourth Quarter 2009

In the Petrochemical and Industrial segment, revenue in the first quarter of 2010 totaled \$30.0 million compared to \$25.2 million in the fourth quarter of 2009, an increase of \$4.8 million or 19.0%. The increase was due to an increase in revenue in North America and EMAR of \$3.6 million and \$1.2 million, respectively.

The increase in North America and EMAR was mainly due to improved demand in the first quarter of 2010 in the wire and cable and automotive and communication markets.

Operating income in the first quarter of 2010 was \$2.9 million compared to \$436 thousand in the fourth quarter of 2009, an increase of \$2.5 million or 573.4%. The increase was primarily due to the increase in revenue explained above with the operating margin improving by 8.0 points on significantly better facility utilization and fixed cost absorption.

First Quarter 2010 versus First Quarter 2009

Revenue in the Petrochemical and Industrial segment increased by \$2.5 million or 9.1% in the first quarter of 2010 compared to the first quarter of 2009. The increase was due to an increase in revenue in EMAR and North America.

The increase in EMAR and North America was primarily due to improved demand in the first quarter of 2010 in the wire and cable and automotive and communication markets.

Operating income in the first quarter of 2010 increased by \$2.6 million or 800.0% compared to \$325 thousand in the first quarter of 2009, primarily due to the increase in revenue explained above with the operating margin improving by 8.5 points on significantly better facility utilization and fixed cost absorption.

3.2.3 Financial and Corporate

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

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

	Three Months Ended			Change	
	March 31, 2010	December 31, 2009	March 31, 2009	Q1 2010 vs. Q4 2009	Q1 2010 vs. Q1 2009
Financial and Corporate Expense	\$ 7,841	\$ 4,407	\$ 7,908	\$ 3,434	\$ (67)

First Quarter 2010 versus Fourth Quarter 2009

Financial and corporate costs, before net foreign exchange gains of \$1.4 million, increased by \$3.4 million in the first quarter of 2010 compared to the fourth quarter of 2009. The increase was primarily due to a downward adjustment to an accrual related to the management compensation program in the fourth quarter of 2009, the commencement of a new long term management compensation program in the first quarter of 2010 and an increase in professional fees in the first quarter of 2010 compared to the fourth quarter of 2009.

First Quarter 2010 versus First Quarter 2009

Financial and corporate costs for the first quarter of 2010 totaled \$7.8 million, before net foreign exchange gains of \$1.4 million, a marginal decrease compared to \$7.9 million, before net foreign exchange gains of \$1.4 million in the first quarter of 2009.

4. Liquidity and Capitalization

The following table sets forth the Company's cash flows by activity and cash balance for the following periods:

	Three Months Ended		
	March 31, 2010	December 31, 2009	March 31, 2009
Income from continuing operations	\$ 9,999	\$ 31,553	\$ 31,520
Non-cash items	13,552	5,749	20,346
Settlement of asset retirement obligations	(297)	937	(1,947)
Change in employee future benefits	786	(3,544)	1,085
Change in non-cash working capital and foreign exchange	2,530	96,042	(12,259)
Cash provided by continuing operating activities	26,570	130,737	38,745
Cash used in continuing investing activities	(11,442)	(7,745)	(14,045)
Cash used in continuing financing activities	(4,435)	(4,581)	(18,718)
Foreign exchange on foreign cash and cash equivalents	(4,666)	(2,579)	521
Net cash provided by (used in) continuing operations	6,027	115,832	6,503
Net cash provided by (used in) discontinued operations	(2)	10,785	(112)
Net increase (decrease) in cash and cash equivalents	6,025	126,617	6,391
Cash and cash equivalents at beginning of year	249,988	123,371	78,932
Cash and cash equivalents at end of period	\$ 256,013	\$ 249,988	\$ 85,323

4.1 Cash provided by continuing operating activities

Cash provided by continuing operating activities in the first quarter of 2010 totaled \$26.6 million, compared to \$130.7 million in the fourth quarter of 2009, a decrease of \$104.1 million or 79.6%. The decrease was primarily due to a decrease in income from continuing operations and the movement in non-cash working capital and foreign exchange. Income from continuing operations decreased mainly due to the decline in revenue as discussed in section 3.1 – Consolidated Information.

Cash provided by continuing operating activities in the first quarter of 2010 decreased by \$12.1 million or 31.2% compared to the first quarter of 2009. The decrease was primarily due to a decrease in income from continuing operations and non-cash items, partially offset by the movement in non-cash working capital and foreign exchange. Income from continuing operations decreased mainly due to the decline in revenue as discussed in section 3.1 – Consolidated Information. Non-cash items decreased mainly as a result of changes in future income taxes combined with a decrease in amortization of property, plant and equipment.

During the quarter, non-cash working capital and foreign exchange increased primarily as a result of reduced accounts receivable and inventories, partially offset by lower accounts payable and deferred revenue.

4.2 Cash used in continuing investing activities

Cash used in continuing investing activities totaled \$11.4 million in the first quarter of 2010 compared to \$7.7 million in the fourth quarter of 2009 and \$14.0 million in the first quarter of 2009 and was mainly comprised of capital expenditures on property, plant and equipment of \$11.3 million including expenditures on a concrete mobile coating plant in Russia.

4.3 Cash used in continuing financing activities

Cash used in continuing financing activities totaled \$4.4 million in the first quarter of 2010 compared to \$4.6 million in the fourth quarter of 2009 and \$18.7 million in the first quarter of 2009 and mainly consisted of dividends paid to shareholders of \$4.9 million.

4.4 Credit facilities

The following table presents the Company's total credit facilities as at:

	<u>March 31, 2010</u>	<u>December 31, 2009</u>
Total available credit facilities	\$ 245,376	\$ 251,856
Standby letters of credit for performance, bid and surety bonds	<u>55,808</u>	<u>61,835</u>
Unutilized credit facilities	<u>\$ 189,568</u>	<u>\$ 190,021</u>

Senior Notes

On June 27, 2003, the Company entered into an agreement for the issue and sale, at par, on a private placement basis to institutional investors, US\$75.0 million of Senior Notes due June 30, 2011. Under the terms of the agreement, the Company is required to repay the Senior Notes in three equal installments of US\$25.0 million on June 30, 2009, 2010 and 2011. On June 30, 2009, the Company made the 2009 Repayment of US\$25.0 million (\$28.7 million at the then current exchange rate). As at March 31, 2010, \$51.0 million was outstanding under the Senior Notes, of which \$25.6 million has been classified as current portion of long-term debt.

Debt Covenants

Under the terms of the Company's credit facilities and long-term debt agreements, the Company must maintain the following:

- Fixed Charge Coverage Ratio of more than 2.5 to 1; and
- Debt to total capitalization ratio of less than 0.45 to 1.

The Company was in compliance with the debt covenants detailed above as at March 31, 2010. These debt covenants are non-GAAP measures and should not be considered as an alternative to net income or any other measure of performance under GAAP.

4.5 Future uses of liquidity

Commitments and Contingencies

As part of the Company's normal operations, it often enters into contracts, such as leases and purchase contracts, which obligate the Company to make disbursements in the future. The contractual cash obligations for leases and purchase commitments as at March 31, 2010 remain substantially unchanged from the amount disclosed as at December 31, 2009 in the Company's 2008 Annual Report.

The Company expects to have sufficient financial capacity to meet all contractual obligations as and when they become due.

Litigation Matters

In the ordinary course of business activities, the Company may be contingently liable for litigation and claims with customers, suppliers and other third parties. Management believes that adequate provisions have been recorded in the accounts where required. Although it is not possible to estimate the extent of potential costs and losses, if any, management believes, but can provide no assurance, that the ultimate resolution of such contingencies would not have a material adverse effect on the consolidated financial position of the Company.

4.6 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.

4.7 Outstanding share capital

As at April 27, 2010, the Company had 57,496,079 Class A shares outstanding and 13,059,973 Class B shares outstanding. In addition, as at April 27, 2010, the Company had stock options, employee share units and deferred share units outstanding to purchase up to 2,968,096 Class A shares.

5. Critical Accounting Estimates and Accounting Policy Developments

5.1 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 2009 Annual Report.

5.2 Upcoming accounting changes

International Financial Reporting Standards ("IFRS")

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

The Company commenced the transition process to IFRS during 2008 and had developed a project plan in this regard. A project team has been assembled led by senior finance management. The project team includes individuals from throughout the Company and is being advised by the Company's external auditors.

The project plan consists of the following five main phases:

1. Diagnostic;
2. Design and planning;
3. Solution development,
4. Implementation; and
5. Post-implementation review.

The Company completed the first two phases in 2008 and the third phase in 2009. Refer to the Company's 2009 Annual Report for further information with respect to the completion of the first three phases.

The Company initiated the implementation phase of the project in the first quarter of 2010. The following table sets forth the key activities included in the implementation phase of the project plan and the status for each activity as at March 31, 2010:

Activity	Status
Business Processes	<ul style="list-style-type: none"> • The assessment of the impact of transition to IFRS on business activities such as hedging, debt covenants, performance measures and compensation arrangements is currently underway and is expected to be completed during the third quarter of 2010.
Information Technology ("IT")	<ul style="list-style-type: none"> • The identification of additional IT requirements has been completed. • The accounting system has been updated and provided with the capability to generate 2010 IFRS financial information parallel to GAAP financial information. Further updates will be implemented to include new modules that will capture all new accounting and disclosure requirements under IFRS. Testing is expected to be completed by the third quarter of 2010. • The Company will continue to assess on an ongoing basis the need for further modifications to the system to ensure an efficient transition to IFRS.
Disclosure Controls and Internal Controls over Financial Reporting	<ul style="list-style-type: none"> • The assessment of the material impacts of IFRS standards on entity level, IT, disclosure and business process controls is expected to be completed during the second quarter of 2010. • The design and the evaluation of the effectiveness of the controls is expected to be completed during the third quarter of 2010 in order to prepare for certification under IFRS in 2011.
Accounting Policies	<ul style="list-style-type: none"> • Detailed analysis with respect to accounting policy choices has been substantially completed. • The form financial statements and notes to consolidated financial statements have been completed and are to be reviewed by the Audit Committee in the second quarter of 2010. • IFRS 1 transitional accounting policy choices have been selected and the opening Balance Sheet as at January 1, 2010 is being prepared for audit later in 2010.
Communication and Training	<ul style="list-style-type: none"> • The Company has engaged the external auditors as advisors to provide educational resources and to advise and assist with the transition to IFRS. • Several training sessions on the adoption and implementation of IFRS will be offered to accounting staff throughout 2010. • Divisional controllers have been provided with detailed instructions with respect to accounting policy decisions and implementation as well as opening balance sheet instructions in the first quarter of 2010.

Activity	Status
	<ul style="list-style-type: none"> • Members of the management staff have attended various professional development seminars, courses and webcasts related to the transition to IFRS. • The Audit Committee receives regular quarterly updates with respect to the key milestones met in the IFRS transition project plan. • The Company's senior executive management team receives monthly presentations and project status updates from the project team.

6. General Outlook

The significant reduction in revenue experienced by the Company in the first quarter of 2010 compared with the prior year was a direct result of the impact of lower pipeline project activity on several of the business units in the Pipeline and Pipe Services segment. However, in the second half of 2010, the Company will commence production on the previously announced US\$185.0 million Papua New Guinea LNG project and the US\$42.0 million Epic Energy QSN3 project in Eastern Australia. These projects are expected to result in a strengthening of revenue and operating income once production commences in the second half of 2010.

Also contributing to an improved outlook for late 2010 and beyond has been the receipt of a letter of intent relating to the US\$93.0 million Total Laggan project. This project is expected to have a significant impact on facility utilization and revenue commencing in the fourth quarter of 2010. Also expected to favourably impact revenue will be the start up of production in June 2010 at the Company's new joint venture in Russia that will provide concrete weight pipe coatings for the offshore pipelines in the Russian Arctic.

The Petrochemical and Industrial segment's markets have shown the initial indications of improvement in the first quarter of 2010 with revenue increasing modestly over the prior year. The potential exists for further improvement as the year progresses if industrial and automotive markets in North America and Europe continue to strengthen.

The Company's order backlog at March 31, 2010, representing customer orders expected to be completed within one year, totaled \$396.1 million compared to \$410.5 million at December 31, 2009, a decrease of \$14.4 million or 3.5%. The backlog does not include the US\$93.0 million Total Laggan project for which a letter of intent was received in April. The inclusion of the Total Laggan project, coupled with continued strong bidding activity, provides the Company with confidence in the potential for growth in the backlog as the year progresses.

7. 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 is included in the annual MD&A contained in the Company's 2009 Annual Report.

8. Environmental matters

While environmental related liabilities are considered immaterial to the Company's financial results, they are important to the Company from a social responsibility standpoint. Refer to the Company's 2009 Annual Report for additional information with respect to the Company's environmental matters.

As at March 31, 2010, the accruals on the unaudited consolidated balance sheet related to environmental matters and included as asset retirement obligations were \$15.6 million. The Company believes the accrual to be sufficient to satisfy and reasonably estimate environmental liabilities related to known environmental matters.

9. Summary of Quarterly Results

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

(in thousands of Canadian dollars except per share amounts)	First	Second	Third	Fourth	Full Year
Revenue					
2010	\$ 224,572	\$ -	\$ -	\$ -	\$ -
2009	307,464	312,791	302,812	260,911	1,183,978
2008 ^(a)	293,357	295,118	357,249	433,853	1,379,577
Operating income from continuing operations					
2010	16,464	-	-	-	-
2009	50,434	53,178	49,972	38,591	192,175
2008 ^(a)	40,919	27,189	52,315	75,588	196,011
Income from continuing operations					
2010	9,999	-	-	-	-
2009	31,520	34,343	33,690	31,553	131,106
2008 ^(a)	26,952	17,825	33,962	56,013	134,752
Income (loss) from discontinued operations					
2010	-	-	-	-	-
2009	21	293	57	(27)	344
2008 ^(a)	(69)	10,553	(82)	609	11,011
Net income					
2010	9,999	-	-	-	-
2009	31,541	34,636	33,747	31,526	131,450
2008 ^(a)	26,852	28,378	33,880	56,623	145,733
Operating income from continuing operations per share (Classes A and B)					
Basic					
2010	0.23	-	-	-	-
2009	0.72	0.76	0.71	0.54	2.73
2008 ^(a)	0.57	0.38	0.74	1.07	2.76
Diluted					
2010	0.23	-	-	-	-

(in thousands of Canadian dollars except per share amounts)	First	Second	Third	Fourth	Full Year
2009	0.72	0.76	0.70	0.53	2.71
2008 ^(a)	0.57	0.38	0.73	1.07	2.74
Income from continuing operations per share (Classes A and B)					
Basic					
2010	0.14	-	-	-	-
2009	0.45	0.49	0.48	0.44	1.86
2008 ^(a)	0.38	0.25	0.48	0.79	1.90
Diluted					
2010	0.14	-	-	-	-
2009	0.45	0.49	0.48	0.43	1.85
2008 ^(a)	0.37	0.25	0.47	0.78	1.88
Income (loss) from discontinued operations per share (Classes A and B)					
Basic					
2010	0.00	-	-	-	-
2009	0.00	0.00	0.00	0.00	0.00
2008 ^(a)	0.00	0.15	0.00	0.01	0.16
Diluted					
2010	0.00	-	-	-	-
2009	0.00	0.00	0.00	0.00	0.00
2008 ^(a)	0.00	0.15	0.00	0.01	0.15
Net income per share (Classes A and B)					
Basic					
2010	0.14	-	-	-	-
2009	0.45	0.49	0.48	0.44	1.86
2008 ^(a)	0.38	0.40	0.48	0.80	2.06
Diluted					
2010	0.14	-	-	-	-
2009	0.45	0.49	0.48	0.43	1.85
2008 ^(a)	0.37	0.40	0.47	0.79	2.03

(a) 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.

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 86.0% 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.

10. 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 May 10, 2010 at 10:00 am EDT to discuss the Company's first quarter 2010 financial results. Please visit our website at www.shawcor.com for further details.

For further information, please contact:

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SHAWCOR LTD.**CONSOLIDATED BALANCE SHEETS (UNAUDITED)**

As at

(in thousands of Canadian dollars)	March 31, 2010	December 31, 2009
Assets		
Current assets		
Cash and cash equivalents	\$ 256,013	\$ 249,988
Accounts receivable	181,689	191,821
Taxes receivable	15,115	14,055
Inventories	106,364	109,379
Prepaid expenses	13,198	14,392
Derivative financial instruments.....	2,433	1,782
Current future income taxes.....	4,697	4,668
	<u>579,509</u>	<u>586,085</u>
Property, plant and equipment, net	266,584	270,219
Goodwill.....	209,346	214,449
Intangible assets.....	61,689	62,784
Future income taxes	39,714	36,249
Derivative financial instruments.....	10	39
Other assets.....	16,003	16,152
	<u>\$ 1,172,855</u>	<u>\$ 1,185,977</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities.....	\$ 130,208	\$ 133,275
Taxes payable	43,877	42,971
Derivative financial instruments.....	127	510
Deferred revenue	73,834	75,100
Current portion of long-term debt.....	25,560	26,235
Current obligations under capital lease.....	339	371
Current liabilities of discontinued operation.....	54	56
	<u>273,999</u>	<u>278,518</u>
Long-term debt	25,487	26,052
Obligations under capital lease.....	405	492
Future income taxes	78,881	76,552
Other non-current liabilities.....	14,412	13,941
	<u>393,184</u>	<u>395,555</u>
Shareholders' Equity		
Capital stock	204,853	204,151
Contributed surplus	17,742	17,277
Retained earnings	700,944	695,800
Accumulated other comprehensive loss	(143,868)	(126,806)
	<u>779,671</u>	<u>790,422</u>
	<u>\$ 1,172,855</u>	<u>\$ 1,185,977</u>

SHAWCOR LTD.**CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)**

Three Months Ended March 31,

(in thousands of Canadian dollars, except per share amounts)	2010	2009
Revenue.....	\$ 224,572	\$ 307,464
Cost of goods sold	138,414	183,949
Gross profit	<u>86,158</u>	<u>123,515</u>
Selling, general and administrative expenses	55,135	55,865
Amortization of property, plant and equipment	12,260	15,142
Amortization of intangible assets.....	1,095	1,095
Foreign exchange gains	(1,420)	(1,371)
Research and development expenses	2,624	2,350
Operating income from continuing operations	<u>16,464</u>	<u>50,434</u>
Interest income on short term deposits	227	235
Interest expense on bank indebtedness	(444)	(571)
Interest expense on long-term debt.....	<u>(725)</u>	<u>(1,327)</u>
Income before income taxes	15,522	48,771
Income taxes	5,523	17,521
Income from continuing operations.....	<u>9,999</u>	<u>31,520</u>
Income from discontinued operation.....	-	21
Net income for the year	<u>\$ 9,999</u>	<u>\$ 31,541</u>
Earnings per shares		
Basic		
Continuing operations	\$ 0.14	\$ 0.45
Discontinued operations	-	-
Total	<u>\$ 0.14</u>	<u>\$ 0.45</u>
Diluted		
Continuing operations	\$ 0.14	\$ 0.45
Discontinued operations	-	-
Total	<u>\$ 0.14</u>	<u>\$ 0.45</u>

SHAWCOR LTD.**CONSOLIDATED STATEMENTS OF RETAINED EARNINGS (UNAUDITED)**

(in thousands of Canadian dollars)	Three Months Ended March 31,	
	2010	2009
Balance, at beginning of period.....	\$ 695,800	\$ 601,407
Net income for the period	9,999	31,541
	<u>705,799</u>	<u>632,948</u>
Dividends declared.....	(4,855)	(4,500)
Balance, at end of year of period	<u>\$ 700,944</u>	<u>\$ 628,448</u>

SHAWCOR LTD.**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)**

(in thousands of Canadian dollars)	Three Months Ended March 31,	
	2010	2009
Net income for the period.....	\$ 9,999	\$ 31,541
Other comprehensive income (loss), net of income taxes:		
Unrealized gain (loss) on translating financial statements of self-sustaining foreign operations	(18,181)	7,886
Gain (loss) on hedges of unrealized foreign currency translation	1,350	(727)
Income tax benefit (expense).....	(231)	124
Unrealized foreign currency translation gain (loss), net of hedging activities.....	<u>(17,062)</u>	<u>7,283</u>
Unrealized loss on available-for-sale financial asset arising in the period	-	(336)
Unrealized loss on available-for-sale financial asset transferred to net income in the current period	-	336
Change in unrealized loss on available-for-sale financial asset	-	-
Other comprehensive income (loss) for the period.....	<u>(17,062)</u>	<u>7,283</u>
Comprehensive income (loss) for the period.....	<u>\$ (7,063)</u>	<u>\$ 38,824</u>

SHAWCOR LTD.**CONSOLIDATED STATEMENTS OF CASH FLOW (UNAUDITED)**

Three Months Ended March 31

(in thousands of Canadian dollars)	2010	2009
Operating activities		
Income from continuing operations	\$ 9,999	\$ 31,520
Add (deduct) items not affecting cash:		
Amortization of property, plant and equipment	12,260	15,142
Amortization of intangible assets	1,095	1,095
Amortization of transaction costs	111	110
Amortization of long-term prepaid expenses.....	87	320
Asset retirement obligations expense.....	363	1,788
Stock-based compensation	982	848
Future income taxes	(1,165)	563
Gain (loss) on disposal of property, plant and equipment	(181)	144
Impairment of available-for-sale financial asset	-	336
Settlement of asset retirement obligations.....	(297)	(1,947)
Change in employee future benefits	786	1,085
Change in non-cash working capital and foreign exchange	2,530	(12,259)
Cash provided by continuing operating activities	<u>26,570</u>	<u>38,745</u>
Investing activities		
Purchases of property, plant and equipment	(11,308)	(14,143)
Proceeds on disposal of property, plant and equipment	-	98
Increase in long-term notes receivable.....	(134)	-
Cash used in continuing investing activities	<u>(11,442)</u>	<u>(14,045)</u>
Financing activities		
Decrease in bank indebtedness	-	(14,427)
Increase (decrease) in capital leases.....	(119)	29
Issue of shares.....	539	-
Dividends paid to shareholders	(4,855)	(4,500)
Cash used in continuing financing activities	<u>(4,435)</u>	<u>(18,718)</u>
Foreign exchange on foreign cash and cash equivalents	(4,666)	521
Net cash provided by continuing operations	6,027	6,503
Net cash used in discontinued operation.....	(2)	(112)
Cash and cash equivalents, at beginning of period.....	249,988	78,932
Cash and cash equivalents, at end of period.....	<u>\$ 256,013</u>	<u>\$ 85,323</u>