



August 3, 2006

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

Press Release

SHAWCOR LTD. AND GARNEAU INC. ANNOUNCE DELAY IN CLOSING OF PLAN OF ARRANGEMENT.

SHAWCOR LTD. (TSX: SCL.A, SCL.B) and GARNEAU INC. (TSX: GAR) have been advised that the Competition Bureau is continuing its comprehensive review of the proposed acquisition of Garneau Inc. by ShawCor Ltd. As a result, closing will not occur by August 8, 2006. There is no assurance that this acquisition will ultimately receive the necessary clearance to proceed.

Caution on Forward Looking Statements

This news release contains certain “forward looking statements” which are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the forward looking statements. Reference should be made to the Annual Information Form for the year ended December 31, 2005 of each of ShawCor Ltd. and Garneau Inc. for a discussion of the risks and uncertainties impacting on ShawCor Ltd. and Garneau Inc., respectively, which Annual Information Forms are available at www.sedar.com.

ShawCor Ltd. is a growth-oriented, global energy services company that operates through six divisions which focus on technology-based products and services for the pipeline and pipe services and the petrochemical and industrial markets with manufacturing and service facilities located in over twenty countries around the world.

Garneau Inc.’s primary business is the application of high performance protective coatings and linings for oil and gas pipeline protection. Additionally, Garneau Inc. designs and fabricates oilfield equipment for both domestic and international markets. During more than 30 years of operating experience, Garneau Inc. has developed significant expertise and innovative technology, and has maintained a long-term focus on continuously improving the pipe coating process with cost-effective, quality coatings. A talented and effective management team provides the vision and experience for long-term profitable growth and increasing shareholder value. The company’s Website can be accessed at: <http://www.garneau-inc.com>.

For further information please contact:

ShawCor Ltd.
Gary Love
Vice President & Chief Financial Officer
Telephone: 416-744-5818
E-mail: glove@shawcor.com

Garneau Inc.
Frank Deys
Chief Financial Officer
Telephone: 780-955-2396
E-mail: frankd@garneau-inc.com