February 27, 2004

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

PRESS RELEASE

Financial Summary

(In thousands of Canadian dollars except per share amounts)	Three Months Ended Dec. 31 **2003**	2002	Twelve Months Ended Dec. 31 **2003**	2002
Operating Results				
Revenue	$ **194,954**	$ 233,245	$ **824,397**	$ 698,982
EBITDA (note 1)	**27,887**	22,421	**113,709**	69,806
Income from operations	**11,716**	5,232	**48,219**	22,707
Provision for asset impairment	**-**	(17,000)	**-**	(17,000)
Net income	**5,036**	(10,216)	**24,351**	1,134
Net income per share (Class A and B)				
Basic	**0.07**	(0.17)	**0.35**	0.02
Diluted	**0.07**	(0.16)	**0.34**	0.02
Cash Flow				
Cash from operating activities	**19,151**	(49,645)	**150,754**	(2,813)
Additions to capital assets	**6,683**	8,832	**16,657**	31,594
Acquisitions	**-**	221,025	**-**	221,025
Financial Position				
Working capital			**152,420**	(79,611)
Total assets			**825,617**	985,900
Shareholders' equity per share (Class A and B)			$ **7.25**	$ 7.24

Note 1: EBITDA is a non-GAAP measure calculated by adding back to net income, interest, taxes, depreciation/amortization, and provision for asset impairment.

Consolidated revenue for the quarter was $195.0 million, an increase of 9% over the third quarter of 2003. The decrease in revenues compared to the fourth quarter of 2002 reflects the weakening of the U.S. dollar versus the Canadian dollar that occurred throughout the year, together with lower activity at Bredero Shaw due to the timing of large pipecoating projects. Income from operations for the quarter was more than double the same quarter of 2002 and significantly increased over the third quarter of 2003.

Consolidated revenue for the year of $824.4 million compares to $699.0 million in 2002. EBITDA for the year of $113.7 million increased 63% over the prior year figure while net income of $24.4 million ($0.34 per share) compares to $1.1 million ($0.02 per share) in 2002. Figures for the current year include 100% of the revenue, expenses, earnings, cash flow, assets and liabilities of Bredero Shaw. In 2002, Bredero Shaw's figures are included at 50% until the end of the third quarter and at 100% thereafter, corresponding to ShawCor's proportional ownership.

For the quarter, Bredero Shaw revenues were 18% higher than the previous quarter, reflecting increased activity levels in North America and the North Sea and continuing strong revenues from the Far East division. While down seasonally from third quarter levels, Shaw Pipeline Services and Canusa – CPS revenues continued with very strong results.

In the exploration and production segment, sales for the quarter increased 15% from the third quarter as much improved rig counts and associated drilling activity in North America continue to improve business conditions at both OMSCO and Guardian.

In the petrochemical and industrial segment, revenues for the fourth quarter were in line with the previous quarter. Both ShawFlex and DSG-Canusa continue to experience soft market conditions, however, general business activity appears to be slowly improving. DSG-Canusa received certain product approvals at one of the "big three" auto makers in North America in the quarter, a key step in growing this important North American market.

On October 10, the Company announced the completion of a public offering of 6.3 million Class A Subordinated Voting Shares, at a price of $14.30 per share, for gross proceeds of $90.1 million. The proceeds from the offering were used to repay bank indebtedness.

In December, the Company signed pipecoating contracts with a value of approximately U.S.$235 million for the coating of the Langeled Transportation System and the Ormen Lange Field Project, designed to produce and ship Norwegian gas to the U.K. Coating is expected to commence in mid-2004, subject to receiving final approvals from the Norwegian Parliament related to the pipeline. In addition, bid submissions on several other significant projects in West Africa, Asia and the Middle East are outstanding, suggesting that the second half of 2004 should see improvement in pipecoating activity.

MANAGEMENT DISCUSSION AND ANALYSIS

The following is management's interim discussion and analysis of operations and financial position and should be read in conjunction with the Consolidated Financial Statements and Management's Discussion and Analysis included in the Company's 2002 Annual Report.

Revenue and Income from Operations

ShawCor classifies its revenue and income from operations in three segments of the industry: Pipeline, Exploration and Production and Petrochemical and Industrial.

Approximately 65% of the Company's revenues and operations are transacted in U.S. dollars. As a result of the further weakening of the U.S. dollar, compared to the Canadian dollar, the Company's fourth quarter revenues, expenses, earnings and cash flows were approximately 17% lower, in terms of Canadian dollars, than they would have been had the exchange rate between the U.S. and Canadian dollars been at the same level as in the fourth quarter of 2002. This adversely impacted the quarter's consolidated revenues by $25 million and net income by $4 million when compared to the fourth quarter of 2002. The continuing weakness of the U.S. dollar highlights the importance of the Company's ongoing cost reduction and productivity improvement program.

In the pipeline segment, revenue for the quarter of $146.9 million compared to $194.6 million in the corresponding quarter of the prior year, with the decrease due, in addition to the foreign exchange impact of the lower U.S. dollar, to project timing in the Europe and Africa region of Bredero Shaw, together with the adverse impact on operations of the ongoing political unrest in Nigeria. Canusa – CPS experienced a strong fourth quarter although revenues were below the record third quarter 2003 levels. Shaw Pipeline Services continued at close to capacity levels in the quarter. Income from operations for the pipeline segment was $13.1 million for the quarter compared to $11.0 million in the fourth quarter of last year, the result of higher margins on Far Eastern project work and improved cost performance at the Company's deep-water plant in Mobile, Alabama, partially offset by lower sales volumes in Bredero Shaw's other regions and costs associated with the shut-down of the Welland, Ontario pipecoating operation following the closure of the adjacent pipe mill.

In the exploration and production segment, revenue for the quarter of $23.7 million compares to $12.0 million in the fourth quarter of the prior year. Revenue at OMSCO increased nearly 150% over the same quarter of last year while revenue at Guardian increased nearly 78%, both due to increased business levels resulting from improving levels of drilling activity. As a result of the higher sales volumes, income from operations for the segment was $1.1 million in the quarter compared to a loss from operations of $5.7 million in the same quarter of last year.

In the petrochemical and industrial segment, revenue for the quarter of $24.8 million decreased slightly from fourth quarter 2002 and third quarter 2003 levels. Business levels at ShawFlex continue to reflect the very soft North American wire and cable markets, while DSG-Canusa revenue remained stable despite continuing poor economic conditions in Europe and North America and the adverse impact of the weaker U.S. dollar. The segment realized a loss from operations in the quarter of $923 thousand compared to income from operations of $2.1 million in the corresponding quarter of the prior year. The loss results from charges that were recorded at DSG-Canusa's European operation for costs associated with restructuring the division's sales and marketing organization. This restructuring will refocus the division's sales and marketing efforts while reducing costs.

Cash Flow

Cash flow generated from operating activities in the quarter was $19.2 million compared to cash flow used in operations of $49.6 million in the corresponding quarter of 2002. On a full year basis, cash flow from operations was $150.8 million compared to cash used in operations of $2.8 million in 2002. The improvement in cash flow was due primarily to continued emphasis on working capital management together with higher profitability and, for the full year figures, the increased investment in Bredero Shaw. Reductions in net working capital during the year generated $72.7 million of cash flow while in 2002, increases in net working capital used $30.8 million of cash.

Finance

Financial and corporate costs include corporate office costs not charged to the operating divisions plus other non-operating items. Corporate costs for the quarter increased over both the third quarter of 2003 and the fourth quarter of 2002 as certain activities previously performed at Bredero Shaw were consolidated into the corporate office. Financial and corporate costs for the quarter are net of foreign exchange gains on the translation of the Company's foreign cash balances of $343 thousand (fourth quarter 2002 - $244 thousand). Non-operating items in the fourth quarter include provisions for the settlement of some claims related to the start up of the Mobile, Alabama facility, partially offset by gains on the sale of common shares of Compagnie Generale de Geophysique (CGG). The shares in CGG were acquired in September 2000 as consideration for the operating assets of Mark Products.

The Company has designated the full amount of the U.S.$ 75 million Senior Notes as a hedge of a portion of the net investment in Bredero Shaw's U.S. dollar based operations. Foreign exchange gains and losses stemming from the translation of this debt are included in the cumulative translation account contained in the shareholders' equity section of the balance sheet and are not recognized in the income statement. Such gains or losses partially offset losses or gains on the translation of Bredero Shaw's U.S. dollar based net assets.

Net interest expense in the quarter totaled $1.6 million compared to $2.6 million in the fourth quarter of 2002. The decrease is attributable to lower levels of indebtedness as a result of cash generated from operations aided by of the public offering of Class A Subordinated Voting Shares in October. For the full year, net interest expense was $7.3 million in 2003 compared to $5.2 million in 2002 with the increase due to higher debt levels in the year as a result of the acquisition of the additional interest in Bredero Shaw at the beginning of the fourth quarter of 2002.

On October 10, the Company completed a public offering of 6.3 million Class A Subordinated Voting Shares, at a price of $14.30 per share, for gross proceeds of $90.1 million. The proceeds were used to repay bank indebtedness under the Company's Unsecured Bank Credit Facility, to position ShawCor to meet the expected capital requirements of major pipeline projects and to pursue strategic acquisitions and other growth opportunities.

At December 31, 2003, the Company recorded a working capital ratio of 2.00 to 1 compared to 1.87 to 1 at September 30, 2003 and 0.82 to 1 at last year-end. Net working capital increased $14.5 million during the quarter to $152.4 million, a combination of the repayment of short-term bank debt from the proceeds of the share issue together with cash generated through operations. At December 31, 2003, cash and cash equivalents, net of bank debt, totaled $80.3 million compared to $46.9 million at September 30 and negative $205.4 million at December 31, 2002.

The U.S. dollar weakened nearly 6% against the Canadian dollar during the quarter, resulting in a $4.3 million decrease in the Company's cumulative translation account (CTA). This represents a decrease in the Canadian dollar value of the U.S. dollar denominated net assets of the Company's self-sustaining foreign subsidiaries. For the full year, the CTA decreased $58.6 million from the beginning of the year reflecting the weakening of the U.S. dollar, in terms of Canadian dollars, that has occurred during the period.

Outlook

In December, the Company announced the signing of contracts for coating of the Langeled Transportation System and the Ormen Lange Field Project. These contracts have a total value of approximately U.S.$235 million and pipecoating will commence in mid-2004. The contracts are contingent on certain approvals of the Norwegian Parliament pertaining to the pipeline. This project, together with several others currently in the bid phase, should result in increased coating activity in the second half of the year. Business activity is expected to improve steadily throughout the year in the Company's other segments as increasing economic activity translates into improved business conditions in the petrochemical and industrial segment, and as the exploration and production segment benefits from increased drilling activity.

The combined impact of increased revenues based upon rising energy investment, lower operating costs through the implementation of the Company's Profit/Returns Improvement Program and completion of the initiatives aimed at strengthening the Company's balance sheet are expected to position ShawCor to achieve continued growth in profitability and shareholder returns in the years ahead.

This document contains forward-looking statements, which are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in such statements.

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

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended December 31		Twelve Months Ended December 31	
	2003	2002	**2003**	2002
Revenue	**$ 194,954**	$ 233,245	**$ 824,397**	$ 698,982
Operating expenses	**165,917**	209,902	**706,571**	627,407
Depreciation	**15,300**	16,937	**62,359**	43,910
Research and development	**2,021**	1,174	**7,248**	4,958
	183,238	228,013	**776,178**	676,275
Income from operations	**11,716**	5,232	**48,219**	22,707
Provision for asset impairment	**-**	(17,000)	**-**	(17,000)
Other income (expense) (note 5)	**(976)**	(1,722)	**(2,939)**	(1,391)
Income before income taxes and non-controlling interest	**10,740**	(13,490)	**45,280**	4,316
Income taxes	**5,983**	(3,931)	**19,666**	2,573
Income before non-controlling interest	**4,757**	(9,559)	**25,614**	1,743
Non-controlling interest	**279**	(657)	**(1,263)**	(609)
Net income	**$ 5,036**	$ (10,216)	**$ 24,351**	$ 1,134
Earnings per share Class A and B - Basic	**$ 0.07**	$ (0.17)	**$ 0.35**	$ 0.02
Earnings per share Class A and B - Diluted	**$ 0.07**	$ (0.16)	**$ 0.34**	$ 0.02

SEGMENTED INFORMATION

	Three Months 2003	Three Months 2002	Twelve Months 2003	Twelve Months 2002
Revenue				
Pipeline	**$ 146,891**	$ 194,576	**$ 636,836**	$ 519,687
Exploration and Production	**23,658**	11,988	**82,918**	66,188
Petrochemical and Industrial	**24,793**	26,769	**106,509**	114,529
Intersegment Eliminations	**(388)**	(88)	**(1,866)**	(1,422)
	$ 194,954	$ 233,245	**$ 824,397**	$ 698,982
Income (loss) from operations				
Pipeline	**$ 13,095**	$ 10,953	**$ 37,442**	$ 31,642
Exploration and Production	**1,139**	(5,645)	**7,543**	(10,784)
Petrochemical and Industrial	**(923)**	2,083	**5,681**	11,981
Financial and Corporate	**(1,595)**	(2,159)	**(2,447)**	(10,132)
	$ 11,716	$ 5,232	**$ 48,219**	$ 22,707

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

CONSOLIDATED STATEMENTS OF CASH FLOW

	Three Months Ended December 31		Twelve Months Ended December 31	
	2003	2002	**2003**	2002
Operating activities:				
Net Income	**$ 5,036**	$ (10,216)	**$ 24,351**	$ 1,134
Items not requiring an outlay of cash:				
Depreciation	**15,300**	16,937	**62,359**	43,910
Future income taxes	**(479)**	(12,136)	**(11,573)**	(17,838)
Non-controlling interest	**(279)**	657	**1,263**	609
Equity in earnings of associated company	**2,499**	3,044	**1,622**	155
Change in non-cash working capital and other	**(2,926)**	(47,931)	**72,732**	(30,783)
Cash provided by (used in) operating activities	**19,151**	(49,645)	**150,754**	(2,813)
Investing activities:				
Additions to capital assets	**(6,683)**	(8,832)	**(16,657)**	(31,594)
Proceeds on disposal of capital assets	**1,315**	8,700	**7,542**	9,263
Proceeds on disposal of investment in shares	**7,342**	-	**9,086**	-
Acquisition, net of cash acquired	**-**	14,420	**-**	(69,198)
Cash provided by (used in) investing activities	**1,974**	14,288	**(29)**	(91,529)
Financing activities:				
Increase (decrease) in bank indebtedness	**(8,713)**	44,635	**(231,298)**	71,891
Repayment of long-term debt	**(70,657)**	(869)	**(78,658)**	(1,949)
Increase in long-term debt	**-**	-	**168,427**	-
Repayment of note payable	**-**	-	**(35,041)**	-
Issue of shares	**85,906**	1	**85,906**	2
Dividends paid to minority shareholder	**(4)**	(160)	**(45)**	(166)
Dividends paid to shareholders	**(2,978)**	(2,720)	**(5,701)**	(5,127)
Cash provided by (used in) financing activities	**3,554**	40,887	**(96,410)**	64,651
Net increase (decrease) in cash position during the period	**24,679**	5,530	**54,315**	(29,691)
Cash position at beginning of period	**55,581**	20,415	**25,945**	55,636
Cash position at end of period	**$ 80,260**	$ 25,945	**$ 80,260**	$ 25,945

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

CONSOLIDATED BALANCE SHEETS

	Dec. 31 2003	Dec. 31 2002
Assets		
Current assets		
Cash and cash equivalents	**$ 80,260**	$ 25,945
Accounts receivable and prepaid expenses	**160,091**	242,495
Inventories	**63,912**	90,345
Future income taxes	**348**	4,280
	304,611	363,065
Capital assets, net of accumulated depreciation	**305,753**	394,780
Goodwill	**185,965**	212,094
Investment in associated company	**4,017**	6,709
Other assets (note 6)	**25,271**	9,252
	$ 825,617	$ 985,900
Liabilities		
Current liabilities		
Bank indebtedness	**$ -**	$ 231,298
Accounts payable and accrued liabilities	**152,191**	165,350
Notes Payable	**-**	39,698
Current portion of long-term debt (note 2)	**-**	6,330
	152,191	442,676
Long-term debt (note 2)	**97,095**	6,739
Future income taxes	**28,818**	35,986
Non-controlling interest	**3,843**	3,293
	281,947	488,694
Shareholders' Equity		
Capital stock	**206,511**	120,501
Contributed surplus	**3,027**	2,667
Retained earnings	**396,037**	377,387
Cumulative translation account	**(61,905)**	(3,349)
	543,670	497,206
	$ 825,617	$ 985,900

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

CONSOLIDATED STATEMENTS OF RETAINED EARNINGS

	Three Months Ended December 31		Twelve Months Ended December 31	
	2003	2002	**2003**	2002
Balance at beginning of period	**$ 393,979**	$ 390,323	**$ 377,387**	$ 381,380
Net income	**5,036**	(10,216)	**24,351**	1,134
	399,015	380,107	**401,738**	382,514
Dividends paid	**2,978**	2,720	**5,701**	5,127
Balance at end of period	**$ 396,037**	$ 377,387	**$ 396,037**	$ 377,387

Notes to the Consolidated Financial Statements (Unaudited)

1. Accounting policies

These unaudited interim financial statements are based upon accounting principles consistent with those used and described in the most recent annual financial statements and should be read in conjunction with the annual consolidated financial statements.

2. Long-Term Debt

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 5.11% Senior Notes due June 30, 2011. Interest is payable quarterly and fixed repayment amounts of US$25.0 million are due on June 30, 2009, 2010 and 2011. The notes are unsecured and rank pari passu with the bank credit facility and all other present and future unsecured indebtedness and trade obligations of the company.

On June 27, 2003, the company also entered into an agreement with a group of six North American Banks for a 3-Year Unsecured Committed Bank Credit Facility to a maximum of $US 190.0 million. Various interest options are available to the company under this credit facility.

Both of these facilities were funded on July 3, 2003 and the proceeds used to repay existing short-term debt.

a) The company had long-term debt consisting of the following:

(in thousands of Canadian dollars)	**Dec. 31, 2003**	Dec. 31, 2002
5.11% Senior Notes due on June 30, 2009, 2010 and 2011 (US$75.0 million)	**$ 97,095**	$ -
Committed bank credit facility due June 27, 2006	**-**	-
Other loans payable bearing interest at rates between 7.5% and 11.6% per annum, re-paid July 3, 2003 (Nil, 2002 NK 41.5 million)	**-**	9,267
Non-interest bearing obligation, due December 31, 2003 (Nil, 2002 – Euro 2.3 million)	**-**	3,802
	97,095	13,069
Less current portion	**-**	6,330
	$ 97,095	$ 6,739

2. Long-Term Debt (continued)

b) Long-term debt repayments during each of the next five years at current rates of exchange are as follows:

	(in thousands of Canadian dollars)
2004	**$ -**
2005	**-**
2006	-
2007	**-**
2008	**-**
Thereafter	**97,095**
	$ 97,095

c) The current bank indebtedness is unsecured and is at current market rates ranging from 2.5% to 8.0% depending on the currency of the debt. As at December 31, 2003 the company unused operating lines of credit of $214.2 million net of $56.7 million for various types of standby letters of credit for performance and bid bonds.

3. Stock-based compensation

The Company's 1989 employee market growth stock option plan (the "1989 Plan") meets the definition of stock appreciation rights that call for settlement by issuance of equity instruments and the Company measures compensation cost for awards granted under this plan based on the fair value of the award on the date of the grant. The compensation cost relating to the 1989 Plan recognized in the accounts for the year ended December 31, 2003 is $464 thousand.

The Company's other stock option plans are not "direct awards" plans, and the company has elected to disclose the effect of attributing a compensation cost to the awards granted after January 1, 2002 on pro-forma basis only. Had the company elected to recognize the cost of its stock-based compensation based on the estimated fair value of the stock options granted to date, the company's results would have been as follows:

(in thousands of Canadian dollars except per share amounts) **Pro forma results**		**Three Months Ended Dec. 31**			**Twelve Months Ended Dec. 31**	
		2003	2002		**2003**	2002
Net income as reported	$	**5,036**	(10,216)	$	**24,351**	1,134
Less Stock based compensation awards cost		**(383)**	(186)		**(1,472)**	(729)
Pro forma net income	$	**4,653**	(10,402)	$	**22,879**	405
Pro forma per share data (Class A and B)						
Basic	$	**0.06**	(0.17)	$	**0.33**	0.01
Diluted	$	**0.06**	(0.16)	$	**0.32**	0.01

The fair value of each stock option is estimated on the date of grant using the Black-Scholes pricing model with the following assumptions: weighted average fair value of all options granted $4.85, expected life of options from 3.25 years to 8.25 years, expected stock price volatility ranges from 16% to 38%, expected dividend yield 0.4%, and risk free interest rate ranging from 3.0% to 5.8% over the life of the options.

4. Foreign exchange gains and losses

Included in income from operations for the twelve months ended December 31, 2003 are foreign exchange gains and losses, primarily on the translation of foreign currency loans, totaling $13.5 million gain (2002 - $46 thousand gain).

The Company designated, effective July 3, 2003, US$25.0 million of it's Bank Credit Facility and the 5.11% Senior Notes as a hedge of a portion of its net investment in Bredero Shaw's US dollar based operations. Gains and losses from the translation of this debt are not included in the income statement, but are shown in the cumulative translation account**.**

5. Other income (expense)

	Three Months Ended Dec. 31		Twelve Months Ended Dec. 31	
(in thousands of Canadian dollars)	**2003**	2002	**2003**	2002
Share of earnings of associated company	$ **592**	$ 909	$ **4,394**	$ 3,798
Interest on short-term deposits	**664**	220	**1,086**	1,118
Interest on bank indebtedness	**(505)**	(2,599)	**(4,443)**	(5,798)
Interest on long-term debt	**(1,727)**	(252)	**(3,976)**	(509)
	$ **(976)**	$ (1,722)	$ **(2,939)**	$ (1,391)

6. Other assets

(in thousands of Canadian dollars)	Dec. 31, 2003	Dec. 31, 2002
Long-term investment	**$ 2,018**	$ 7,100
Deferred financing costs	**3,298**	-
Deferred project costs	**11,618**	2,152
Future income taxes	**8,337**	-
Total	**$ 25,271**	$ 9,252

Other assets include a long-term investment in publicly traded securities with a market value of $4.8 million at December 31, 2003. In 2002, a charge to earnings was recorded to recognize a significant decline in the estimated fair market value of the long-term investment. Deferred financing costs are amortized over the terms of the long-term debt.

7. Comparative figures

Effective October 1, 2002, the company acquired the remaining 50% of the Bredero Shaw from the Halliburton Company therefore comparative income and cash flow figures represent only 50% of Bredero Shaw's results of operations for the first nine months of 2002.