

May 26, 2008

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

PRESS RELEASE

SHAWCOR LTD. TO ACQUIRE FLEXPipe SYSTEMS INC.

SHAWCOR LTD. (TSX: SCL.A, SCL.B) (ShawCor) and FLEXPipe SYSTEMS INC. (Flexpipe) today jointly announced that they have entered into a definitive arrangement agreement whereby ShawCor will acquire all of the outstanding shares of Flexpipe for a total consideration of approximately \$130 million. Flexpipe is a leading manufacturer of spoolable composite line pipe which is used by oil and gas producers in applications that benefit from the product's ease and speed of installation and its pressure and corrosion resistance capabilities.

The transaction will be effected by means of a court approved plan of arrangement. Under the terms of the arrangement, shareholders of Flexpipe will receive a cash payment of \$7.75 per share of Flexpipe. Holders of options or warrants to acquire shares of Flexpipe which are not exercised prior to the effective date of the plan of arrangement will receive a cash payment equal to the difference between \$7.75 and the exercise price of the option or warrant.

The board of directors of Flexpipe has considered the plan of arrangement and has determined that it is in the best interests of Flexpipe and its securityholders. Completion of the plan of arrangement is subject to regulatory approval, court approval, approval of the securityholders of Flexpipe and to other customary conditions. Flexpipe securityholders will be asked to approve the transaction at a special meeting of securityholders to be scheduled in June 2008. The transaction will require the affirmative approval by holders of two-thirds of the Flexpipe shares, options and warrants, voting together as a single class, that vote in person or by proxy at such meeting. Flexpipe is expected to mail a management proxy circular to its securityholders in early June in respect of the meeting. This circular will contain important information regarding this proposed transaction.

Flexpipe engaged Tristone Capital Inc. (Tristone) as its financial advisor to assist in the sale process. Tristone has provided an opinion to the board of directors of Flexpipe that the consideration offered to securityholders of Flexpipe under this proposed transaction is fair, from a financial point of view, to the Flexpipe securityholders. A copy of the opinion will be included in the management proxy circular to be mailed to the shareholders of Flexpipe.

Mr. Bill Buckley, President and CEO of ShawCor stated that: "The management and employees of Flexpipe have done a great job establishing a leadership position in the Canadian market for flexible composite pipe for oil and gas gathering systems, water injection lines and other applications. The combination with ShawCor will accelerate Flexpipe's recent entry into the United States and into other selected international markets. ShawCor will also provide support and resources for Flexpipe's product development and growth programs. In addition, through the combination, Flexpipe will achieve several cost efficiencies in material procurement and international expansion. Flexpipe's product advantages, which include corrosion resistance, ease of installation, durability, operational and cost effectiveness, provide ShawCor with an attractive new product line to address a growing opportunity that is emerging within the pipeline industry."

Mr. Regan Davis, President and CEO of Flexpipe stated that: “The Flexpipe team is enthusiastic about becoming part of the ShawCor family. We recognize that this transaction will provide exciting opportunities for Flexpipe employees as the company’s growth continues within ShawCor. Our combination with ShawCor will provide Flexpipe with the critical infrastructure and support necessary to expand the sale of our products internationally, which will allow Flexpipe to continue providing valuable products and services to our customers on a new global scale.”

Subject to receipt of all required approvals, the transaction is expected to be completed within the next two months.

ShawCor Ltd. is an energy service company specializing in products and services for the pipeline and pipe services and the petrochemical and industrial segments of the oil and gas industry. The company operates through six divisions with over sixty manufacturing and service facilities located around the world.

Flexpipe Systems Inc. is a Calgary-based, privately-owned company that manufactures and sells a proprietary non-metallic, corrosion-resistant pipeline product marketed primarily to oil and natural gas producers in Canada and the United States.

This news release contains forward-looking information within the meaning of applicable securities laws. Words such as “may”, “will”, “should”, “anticipate”, “plan”, “expect”, “believe”, “predict”, “estimate” or similar terminology are used to identify forward-looking information. This forward-looking information is based on assumptions, estimates and analysis made in the light of the company’s experience and its perception of trends, current conditions and expected developments, as well as other factors that are believed by the company to be reasonable and relevant in the circumstances. Forward-looking information involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to be materially different from those predicted, expressed or implied by the forward-looking information. The risks and uncertainties include, among other things, changes in global economic activity and changes in energy supply and demand which impact on the level of drilling activity and pipeline construction; political, economic and other risks arising from international operations; compliance with environmental, trade and other laws; liability claims; fluctuations in foreign exchange rates and fluctuations in raw material prices, as well as other risks and uncertainties that are more fully described in the ShawCor Annual Information Form, annual and quarterly reports and in other reports and filings made with securities regulatory authorities and available at www.sedar.com.

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