



August 6, 2009

McCoy Corporation Announces Second Quarter 2009 Results

Edmonton, Alberta – McCoy Corporation (TSX: MCB) (“McCoy” or the “Corporation”) announced results for the three months ended June 30, 2009, a quarter in which McCoy continued to weather the slowdown in energy sector activity. The continued implementation of our global diversification strategy has proven beneficial as indicated by the increase in international sales. International sales in the second quarter of 2009 were 31% of total sales compared to 19% of total sales in the second quarter of 2008. Revenue for the company was \$23.3 million in the second quarter of 2009 in contrast to \$44.2 million in the second quarter of 2008. McCoy upheld gross profit at 39 percent of sales, equating to \$9.2 million for the quarter. McCoy had a consolidated net loss for the second quarter of \$1.5 million, compared to earnings of \$2.8 million in the second quarter of 2008. The second quarter loss was attributable in part to \$0.8 million of one-time costs associated with unusual items.

“As with many companies servicing the drilling industry, McCoy had to make adjustments to its operations to compensate for a reduction in demand for our products and services,” stated Jim Rakievich, McCoy’s President and CEO. “In the meantime, we continue to strengthen our balance sheet in terms of paying down debt and keeping credit lines available. We have also been successfully integrating the acquisition of RP Manufacturing and Calibration. Our moves towards international diversification and lean manufacturing are paying off in terms of keeping us well-positioned going forward.”

Prior to the end of the second quarter McCoy completed a full strategic review of the Trailer Manufacturing operations and made the decision to suspend production at its trailer plant in Edmonton, Alberta until further notice. Production of all new Scona and Peerless product brand orders will be performed in McCoy’s trailer plant in Penticton, British Columbia.

Financial Highlights

	Three months ended June 30			Six months ended June 30		
	2009	2008	Percent (decrease)	2009	2008	Percent (decrease)
Revenue	23,309	44,201	(47)	54,286	80,143	(32)
Net (loss) earnings	(1,479)	2,798	(153)	(1,148)	4,599	(125)
Basic and diluted (loss) earnings per share	(0.06)	0.11	(155)	(0.04)	0.17	(124)
EBITDAS ⁽¹⁾	(514)	5,663	(109)	1,659	9,703	(83)
EBITDAS ⁽¹⁾ per share	(.02)	0.20	(110)	0.06	0.35	(83)
Total Assets				89,943	116,376	(23)
Total Liabilities				24,205	37,395	(35)
Total Long-term Liabilities				8,961	13,241	(32)

(1) EBITDAS, a non-GAAP measurement, is defined by the Corporation as “Earnings before interest, taxes, depreciation, amortization and stock-based compensation”.

Decreased sales in the Energy Products & Services (“EP&S”) segment were partially offset by the inclusion of one quarter of operations from RP Manufacturing and Calibration, acquired by McCoy in February 2009. The softening of the drilling equipment market is primarily due to reduced natural gas drilling in both the U.S and the Western Canadian Sedimentary Basin (“WCSB”).

The reduction in conventional oil and gas drilling activity in the WCSB also translated to lower year-over-year revenues for the Trailer Manufacturing and Truck & Trailer Products & Services (“TTP&S”) segments.

A stabilizing factor for McCoy’s financial results has been the Real McCoy Service Centres, where sales come from clients’ maintenance budgets rather than capital equipment budgets. Typically a reduction in demand for new capital equipment tends to result in more maintenance spending on existing equipment to keep it operating longer.

Outlook

McCoy continues to have its eye on long-term growth and opportunities that will arise out of the current market. Fortunately, McCoy is well-positioned to seize opportunities because the Corporation has had the discipline to maintain gross profit margins and a strong balance sheet.

McCoy’s opportunities for growth include building its replacement parts and service business for worldwide drilling equipment to further penetrate the recurring revenue stream from maintaining older equipment. There are also opportunities to round out the drilling equipment product line as part of McCoy’s long-term strategy to become a major global supplier of drilling equipment. This will be done organically and by reasonably priced acquisitions where they make sense. Finally, McCoy will continue to aggressively grow international revenue by focusing business development efforts in regions of the world where capital equipment and maintenance spending remains relatively strong.

For 2009, the global financial crisis and the economic slowdown worldwide have created a large degree of uncertainty. Management anticipates a reduction in demand for its manufactured products and is not confident in a recovery before the year end. Management is also mindful of recent commodity price volatility and the impact it is having on customer spending. As a result of the continued downturn in demand for all of McCoy’s manufactured products, management has implemented significant cost cutting measures in all McCoy business segments as well as the Corporation’s head office in order to align overheads with lower revenues and earnings.

The Corporation’s continued implementation of “lean manufacturing” processes was a major success factor in 2008 and will continue to be so in 2009 and beyond as this implementation is expected to continue to show positive results. The Corporation is committed to continuously improving efficiencies and moving closer to a goal of having its operations become centres of excellence for manufacturing and being the low cost provider while maintaining high quality standards. The Corporation has established a lean consortium group representative of all of McCoy’s business segments. The Corporation believes its experience with lean implementations will be an advantage in any manufacturing businesses that McCoy may acquire.

The Corporation will continue to integrate its drilling equipment operations of Farr, Superior, PDT and RP in order to gain cost efficiencies, speed up product development and take full advantage of the sales and marketing group.

Growth in the Trailer Manufacturing segment will be pursued through market expansion into the United States and overseas and diversification of the product offering into less cyclical markets using McCoy’s internal engineering expertise. The ongoing development of two new trailer models for the wind energy market is an example of this strategy. The consolidation of production facilities into the Penticton plant will provide efficiencies and reduce operating costs in the near term.

McCoy continues to work towards commerciality of wind energy turbine transport equipment product lines which will reduce dependency on the WCSB and diversify sales into a market with strong growth potential. The first prototype turbine Blade Trailer was completed in the second quarter of 2009 and will be field tested in the third quarter of 2009. The second wind energy turbine transporter is a Jeep-Schnabel-Dolly trailer combination, with the prototype anticipated to be ready by the end of the third quarter.

In summary, it is expected that the credit crisis and low natural gas prices will continue to negatively impact McCoy's 2009 results. The Corporation will continue to monitor the markets in which it operates and will continue to take decisive action to mitigate any reduction in revenue. The Corporation reiterates that 2009 is anticipated to be a challenging year.

Conference Call

McCoy will host a conference call and webcast to discuss its second quarter results at 9 a.m. Mountain Time (11 a.m. Eastern) on August 6, 2009.

Management participants will be:

- Jim Rakievich, President and Chief Executive Officer;
- Milica Stolic, Chief Financial Officer; and
- Ted Redmond, Executive Vice President, Energy Products & Services.

Participants calling from Canada or the United States may call toll-free: 1-866-253-4938. Callers from other locations may access the call at: 1-416-849-6209. For those who prefer to join by webcast, a link will be displayed on the home page of McCoy's website at www.mccoycorporation.ca.

If you are unable to participate during the live conference call, the call will also be available for replay via telephone for seven days after the conference call by calling 1-866-245-6755 or 1-416-915-1035. The replay passcode number is 747927. The transcript of the conference call will be archived on the investor page of McCoy's website.

About McCoy Corporation

Established in 1914, McCoy Corporation provides advanced products and services for the global energy industry. McCoy Corporation is comprised of three main operating segments: Energy Products & Services, Trailer Manufacturing and Truck & Trailer Products & Services.

Forward-Looking Information

This news release and the website referenced therein may contain forward-looking statements and forward-looking information within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "objective", "ongoing", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause McCoy's actual results and experience to differ materially from the anticipated results or expectations expressed. Readers are cautioned not to place undue reliance on forward-looking information that may be contained herein, which is given as of the date it is expressed in this news release or otherwise, and to not use future-oriented information or financial outlooks for anything other than their intended purpose. McCoy undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

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