

August 2, 2012

McCOY CORPORATION ANNOUNCES SECOND QUARTER 2012 RESULTS

Edmonton, Alberta – **McCoy Corporation** (“McCoy” or “the Company”) (TSX:MCB), a supplier of innovative products and services for the global energy industry, today announced its operational and financial results for the second quarter of 2012.

“This quarter’s strong performance of McCoy’s EP&S segment was driven by healthy customer demand, particularly in the international markets,” said Jim Rakievich, President and CEO of McCoy. “Although our Mobile Solutions segment is facing a challenging market, we anticipate that the launch of two new EP&S products, the ramp-up of our new Rig Parts business, and sustained international drilling activity will generate solid results for the remainder of 2012.”

Operational Highlights

Since April 1, 2012, the Company has:

- Completed retrofitting part of its Edmonton plant, resulting in a state of the art, world class assembly and test facility that will produce the Torque Sub (weCATT) and WinCatt Torque Turn Management System;
- Commenced manufacturing of the weCATT, with expected delivery of 10 weCATT units in the third quarter of 2012;
- Progressed in the development of its new Iron Roughneck product, the weTORQ85. McCoy is ready to begin field-testing of the weTORQ85 and will commence manufacturing shortly thereafter;
- Prepared for the opening of a new technical service center in Houston, Texas, to better meet the equipment service needs of customers;
- Expanded the Broussard plant, which added 14,000 square feet of dedicated manufacturing space to the bucking unit product line to increase the number of units that can be produced;
- Secured manufacturing space for its new Rig Parts business line;
- Expanded the Drilling and Completions (“D&C”) head office and center for continued innovation in Houston, Texas; and
- Prepared for the implementation of a new Enterprise Resource Planning (ERP) system to integrate D&C operations.

Financial Highlights

Revenue for the second quarter of 2012 increased 6 percent to \$41.1 million compared to \$38.8 million for the second quarter of 2011. Strong backlog and high customer demand contributed to an increase in EP&S revenues of \$6.3 million, which was offset by a decline in Mobile Solutions revenue of \$4.0 million due to a reduction in market demand as pressure pumping customers decrease capital budgets.

Gross profit for the second quarter of 2012 was \$11.0 million, which is consistent with the comparative period in 2011. The decline in profitability was due to our Mobile Solutions segment being impacted primarily by unfavourable product mix and reduced margins on our sub-contractor revenue stream due to sub-contractor start-up issues. McCoy doesn’t anticipate profitability in future quarters to be impacted to the extent that occurred during the three months ended June 30, 2012.

EBITDAS¹ decreased 25 per cent to \$4.6 million (\$0.17 per share), for the second quarter of 2012 when compared to 2011. Net earnings for the same period were \$2.1 million (\$0.08 per share), a 35 percent decrease when compared to the second quarter of 2011. Lower profitability of Mobile Solutions in combination with higher general and administration expense resulted in the decline. McCoy continues to make investments in people and infrastructure to support long-term growth which will yield long-term

returns for stakeholders. As a percentage of revenue, general and administration expense is consistent for the six months ending June 30, 2012 as compared to 2011. McCoy plans to make additional investments to execute its strategy, with an anticipated increase in general and administration expense at the same percentage of revenue in the near term. Once the strategy begins to generate returns, general and administration expense is expected to stabilize, and as a percentage of revenue, decline to more historical levels.

As at June 30, 2012, McCoy had working capital of \$42.8 million, including \$17.6 million in cash and cash equivalents.

Selected Quarterly Information

(\$000 except per share amounts and percentages)	June 30, 2012	June 30, 2011	% Change
Total revenue	41,108	38,834	6
Gross profit	10,958	11,022	(1)
Energy Products and Services	9,311	7,150	30
Mobile Solutions	1,647	3,872	(57)
Gross profit as % of revenue	27%	28%	(4)
Energy Products and Services	35%	35%	-
Mobile Solutions	11%	21%	(48)
Net earnings	2,127	3,284	(35)
Net earnings per share – basic and diluted	0.08	0.12	(33)
EBITDAS ¹	4,572	6,105	(25)
EBITDAS ¹ per share – basic and diluted	0.17	0.23	(26)
Total assets	109,359	91,116	20
Non-current liabilities	6,974	8,293	(16)
Total liabilities	36,637	28,309	29

¹EBITDAS and net cash are non-GAAP measurements. EBITDAS is defined as "earnings from continuing operations before impairment losses, interest, taxes, amortization and share-based compensation." EBITDAS is not considered an alternative to net earnings in measuring McCoy's performance. Net cash is defined as "cash on hand less the sum of current portion of borrowings, current portion of finance lease liabilities, borrowings and finance lease liabilities." EBITDAS and net cash do not have a standardized meaning and are therefore not likely to be comparable with similar measures used by other issuers. However, McCoy calculates EBITDAS and net cash consistently from period to period.

Conference Call Information

McCoy will host a conference call and webcast at 9:00 a.m. Mountain Time (11:00 a.m. Eastern Time) on August 2, 2012. Management participants will include Jim Rakievich, President and CEO; Milica Stolic, Chief Financial Officer & Corporate Secretary; and James Nowotny, Senior Vice President Drilling & Completions.

Participants calling from Canada or the United States should call toll-free: 1-866-253-4938. Callers from other locations may access the call at: 1-416-849-6209. Those who prefer to join by webcast can do so at the following link: http://www.snwebcastcenter.com/event/?event_id=2911.

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 101967. The transcript of the conference call will be archived on the conference calls page of McCoy's website.

About McCoy

McCoy provides innovative products and services to the global energy industry. McCoy's two segments, Energy Products & Services and Mobile Solutions, operate internationally through direct sales and distributors with its operations based out of Western Canada and the U.S. Gulf Coast. McCoy's corporate office is located in Edmonton, Alberta, Canada with offices in Alberta, British Columbia, Louisiana, and Texas.

Forward-Looking Information

This News Release contains 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. More particularly and without limitation, this News Release contains forward-looking statements and information concerning McCoy's future financial performance. The forward-looking statements and information are based on certain key expectations and assumptions made by McCoy, including expectations and assumptions concerning fluctuations in the level of oil and gas industry capital expenditures, McCoy's ability to integrate acquired businesses and complete strategic acquisitions of additional businesses and other factors that affect demand for McCoy's products. Although McCoy believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because McCoy can give no assurance that they will prove to be correct. 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. These risks and uncertainties, include, but are not limited to, fluctuations in oil and gas prices, fluctuations in the level of oil and gas industry capital expenditures and other factors that affect demand for McCoy's products, industry competition, the need to effectively integrate acquired businesses, uncertainties as to McCoy's ability to implement its business strategy effectively in Canada and the United States, labour, equipment and material costs, access to capital markets, interest and McCoy's ability to attract and retain key personnel. Additional information on these and other factors is available in continuous disclosure materials filed by McCoy with Canadian securities regulators. Readers are cautioned not to place undue reliance on this forward-looking information, 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.

For further information, please contact:

Mr. Jim Rakievich
McCoy Corporation
President and Chief Executive Officer

Phone: (780) 453-8451

E-mail: info@mccoyglobal.com

Website: www.mccoyglobal.com