

November 4, 2010

## McCOY REPORTS INCREASING REVENUES, EARNINGS AND NET CASH POSITION FOR Q3 2010

Edmonton – **McCoy Corporation** (“McCoy” or “the Corporation”) (TSX:MCB) today announced results for the three months ended September 30, 2010. McCoy’s improved efficiencies and the increasing global sales of McCoy’s products are resulting in higher profitability. The Corporation’s complete Financial Statements and Management’s Discussion and Analysis have been filed with regulators and are available on McCoy’s website at [www.mccoysglobal.com](http://www.mccoysglobal.com) and at [www.sedar.com](http://www.sedar.com).

Highlights of McCoy’s third quarter of 2010 include the following:

- Reported revenue of \$33.2 million, an increase of 46 percent compared to revenues of \$22.8 million for Q3 2009.
- Reported net earnings of \$2.0 million compared to a loss of \$0.8 million in Q3 2009.
- Reported a net cash position of \$5.3 million at September 30, 2010, compared to a net debt of \$1.1 million at the previous quarter.
- Hired Mr. Ron Roling as Vice President, Sales and Marketing for the Drilling & Completions division, to be located in a new office in Houston, Texas.

A summary of McCoy’s quarterly financial results is shown in the following table:

(\$000 except per share amounts)	Q3 2010	Q2 2010	Q3 2009
Total revenue	33,235	30,369	22,780
Net earnings (loss)	1,953	1,115	(779)
Net earnings (loss) per share – basic and diluted (\$/share)	0.07	0.04	(0.03)
EBITDAS <sup>(1)</sup>	4,372	2,969	620
EBITDAS <sup>(1)</sup> per share – basic and diluted (\$/share)	0.17	0.11	0.02
Cash flow from operating activities	7,109	2,226	2,589
Cash flow from operating activities per share – basic and diluted (\$/share)	0.27	0.08	0.10
Cash flow from operating activities before non-cash working capital items	3,253	2,347	505
Cash on hand at period end	11,920	5,752	3,098
Net cash position (net debt) <sup>(1)</sup> at period end	5,303	(1,095)	(4,728)
Share outstanding – basic, at period end (000)	26,476	26,476	26,476

<sup>(1)</sup> EBITDAS and net debt are non-GAAP measurements. EBITDAS is defined as “earnings before extraordinary and other non-recurring items, interest, taxes, depreciation and amortization and stock-based compensation.” EBITDAS is not considered an alternative to net earnings in measuring McCoy’s performance. Net cash (debt) is defined as “cash on hand less the sum of current portion of long-term debt, current portion of obligations under capital lease, long-term debt and obligations under capital lease.” EBITDAS and net cash (debt) do not have a standardized meaning and is therefore not likely to be comparable with similar measures used by other issuers. However, McCoy calculates EBITDAS and net debt consistently from period to period.

McCoy's global scope was accentuated by sales delivered to 34 countries during the three month period. International sales outside of Canada and the United States climbed by 50% to \$8.9 million in the third quarter of 2010, from \$5.9 million in the same quarter of 2009.

McCoy reported EBITDAS of \$4.4 million or \$0.17 per share and net earnings of \$2.0 million or \$0.07 per share. As a testament to improved efficiencies, both EBITDAS and net earnings for the third quarter of 2010 were higher than they were two years prior in third quarter 2008 when overall revenues were approximately 40 percent higher.

Jim Rakievich, McCoy's President and CEO commented, "Thanks to the hard work of the McCoy team, we have emerged from a challenging period with a very strong balance sheet and recovering earnings."

"At a strategic level we continue to build a comprehensive line of drilling and completions equipment while increasing our sales outside North America. Our balance sheet positions us well to be able to invest in this growth strategy."

### Sales by Operating Segment

(\$000 except percentages)	Energy Products & Services	Mobile Solutions	Inter-Segment Eliminations	Total
Q3 2010 sales	21,939	14,887	(3,591)	33,235
Q3 2009 sales	15,966	8,329	(1,515)	22,780
Three months percentage increase – 2010 vs 2009	37%	79%		46%
Nine months 2010 sales	59,509	38,872	(10,030)	88,351
Nine months 2009 sales	55,259	27,595	(5,788)	77,066
Nine months percentage increase – 2010 vs 2009	8%	41%		15%

Revenue for the Energy Products & Services ("EP&S") segment increased by 37% or \$5.9 million to \$21.9 million in 2010 from sales of \$16.0 million in the third quarter of 2009 due to increased spending in global drilling equipment and down-hole tool markets in these comparative quarters. This is consistent with the increase in the worldwide rig count from Q3 of 2009.

While rig counts have increased substantially over the last year they remain well below 2008 peak levels; however, McCoy is seeing both quoting and order activities continue to increase, particularly for custom trailer chassis. Capital goods orders for drilling and completions equipment typically lag the immediate increase in drilling rig activity. EP&S has experienced a backlog build up and the revenue pipeline for drilling and completions equipment has recovered, but not to 2008 levels. The volatility in North American natural gas prices is creating uncertainty as to North American gas drilling levels for the remainder of 2010.

The Mobile Solutions segment experienced an increase in revenue of \$6.6 million, from \$8.3 million in the third quarter of 2009 to \$14.9 million for the same period in 2010. The increase was primarily due to the continued recovery in oil and gas activity in the Western Canadian Sedimentary Basin (WCSB), from which the majority of revenue for the Mobile Solutions segment is derived. Management is taking a conservative view on long-term capital equipment spending by these regional customers.

McCoy Trailers has been successful in generating revenue above forecast and has more than doubled the revenues for the same period in 2009. Gross margins have improved through efficiencies gained during the market downturn.

The sales backlog for McCoy Trailers has strengthened and continues to grow primarily in the custom drilling, well stimulation and servicing trailer market, both domestically and internationally. This strength is a result of the demand for more pressure pumping capacity to support horizontal drilling and multi-stage fracturing. McCoy is the market leader for these custom chassis products in Canada.

## **Outlook**

McCoy is in a position to be more proactive than 12 months ago, during the height of the economic downturn, when the Corporation was more focused on improving efficiencies and preserving the balance sheet rather than growth opportunities.

McCoy continues to drive its commitment toward geographic revenue diversification. Market opportunities exist throughout the world and it is in the best interest of McCoy and our customers to increase our participation in the global energy industry. International marketing channels include direct sales and distributors. Regions like Latin America are positioning to invest heavily in oil and gas development over the next 10 to 15 years. McCoy is working to position itself to participate in these long-term growth areas.

McCoy is moving forward with a stronger commitment than ever to increase product development and innovation activities. There are many opportunities to help customers become safer, more efficient and more profitable with new tools and equipment. This commitment includes increasing McCoy's engineering resources in 2010 and beyond.

Acquiring some of the product technologies for our drilling and completions equipment markets is also on the radar. Although product development and geographic expansion is key to our future growth, there are, and will continue to be, strategic acquisition opportunities that could benefit McCoy. McCoy has a strong balance sheet and is in position to react to acquisition growth opportunities.

Overall, 2010 to-date has met McCoy's expectations as a "bridge year" as the energy industry transitions from a recession type market to a more normal market. Provided that commodity prices for oil and natural gas hold up or improve, McCoy would expect to see continued strengthening of financial results in 2011. McCoy entered 2010 with a strong balance sheet and cost-reduced operations. Near-term market visibility leads the Corporation to anticipate exiting this year in an even stronger position.

## **Conference Call**

McCoy will host a conference call and webcast at 9:00 a.m. Mountain Time (11:00 a.m. Eastern Time) on November 4, 2010. Management participants will be:

- Jim Rakievich, President and CEO;
- Milica Stolic, Chief Financial Officer & Corporate Secretary; and
- DeAnn McNally, Manager Corporate Affairs

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=1263](http://www.snwebcastcenter.com/event/?event_id=1263).

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 937603. The transcript of the conference call will be archived on the investor 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 the Western Canadian Sedimentary Basin and the US 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 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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