MAKING CONNECTION . . .
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McCoy’s products and services are used to make connections in the global oil and gas industry.

With sales delivered in 48 countries in the past year, McCoy is focused on building a fully interconnected drilling and completions product line that is delivered globally.
MCCOY’S BUSINESS SEGMENTS

ENERGY PRODUCTS & SERVICES

McCoy provides onshore and offshore oilfield tools and technology solutions. Cutting-edge energy products and services are created to withstand the challenges of the energy industry and help McCoy’s clients achieve success.

Product brands including WinCatt®; FARR®; CLINCHER®; HYTOPS; CHROMEMASTER; and GRITFACE®, are some of the most well-known and respected in the industry.

DRILLING & COMPLETIONS

McCoy provides high-performance equipment for workover and drilling applications. Products include hydraulic power tongs, dies and inserts, make/break torque equipment, and torque turn monitoring software.

COATINGS & HYDRAULICS

McCoy provides large-capacity plating, spray coating, plasma-transferred arc welding, and a full range of hydraulic manufacturing and repair services.

MOBILE SOLUTIONS

McCoy designs, manufactures and delivers custom trailers as well as vac and hydrovac equipment. At the forefront of Mobile Solutions is McCoy’s oilfield chassis, many of which are used in horizontal drilling and fracture stimulation of wells worldwide. McCoy also manufactures custom lowboys, flat decks and step decks, oilfield floats, and specialty trailers.

TRAILERS

McCoy’s trailer brands, Peerless and Scona, have a reputation for being durable and heavy-duty. McCoy has developed a wide selection of trailer products that give clients the combination of rugged trailer and custom chassis that best suit their needs.

VAC & HYDROVAC

McCoy produces powerful, user-friendly vacuum equipment, hydrovac units, combinations, trailer-mounted units, and custom equipment.
## MCCOY’S THREE-YEAR FINANCIAL SUMMARY

### Operations ($000)

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>109,727</td>
<td>81,771</td>
<td>143,496</td>
</tr>
<tr>
<td>EBITDAS (1)</td>
<td>12,710</td>
<td>2,538</td>
<td>16,151</td>
</tr>
<tr>
<td>Net earnings from continuing operations</td>
<td>4,417</td>
<td>(12,623)</td>
<td>(6,587)</td>
</tr>
<tr>
<td>Net earnings from discontinued operations</td>
<td>440</td>
<td>(540)</td>
<td>1,034</td>
</tr>
<tr>
<td>Net earnings</td>
<td>4,857</td>
<td>(13,163)</td>
<td>(5,553)</td>
</tr>
<tr>
<td>Cash flow from continuing operations</td>
<td>15,572</td>
<td>9,773</td>
<td>10,468</td>
</tr>
</tbody>
</table>

### Per Common Share ($)

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net earnings (loss)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>basic from continuing operations</td>
<td>0.17</td>
<td>(0.48)</td>
<td>(0.24)</td>
</tr>
<tr>
<td>basic from discontinued operations</td>
<td>0.01</td>
<td>(0.02)</td>
<td>0.04</td>
</tr>
<tr>
<td>basic</td>
<td>0.18</td>
<td>(0.50)</td>
<td>(0.20)</td>
</tr>
<tr>
<td>diluted from continuing operations</td>
<td>0.17</td>
<td>(0.48)</td>
<td>(0.24)</td>
</tr>
<tr>
<td>diluted from discontinued operations</td>
<td>0.01</td>
<td>(0.02)</td>
<td>0.04</td>
</tr>
<tr>
<td>diluted</td>
<td>0.18</td>
<td>(0.50)</td>
<td>(0.20)</td>
</tr>
<tr>
<td>EBITDAS (1)</td>
<td>0.48</td>
<td>0.10</td>
<td>0.58</td>
</tr>
<tr>
<td>Cash flow from continuing operations</td>
<td>0.59</td>
<td>0.37</td>
<td>0.38</td>
</tr>
<tr>
<td>Share price (year end)</td>
<td>3.70</td>
<td>1.44</td>
<td>1.35</td>
</tr>
</tbody>
</table>

### Balance Sheet ($000)

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2009</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>Working capital (current assets less current liabilities)</td>
<td>34,378</td>
<td>26,830</td>
<td>32,800</td>
</tr>
<tr>
<td>Bank indebtedness</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Long-term debt (including lease obligations)</td>
<td>6,399</td>
<td>7,017</td>
<td>11,156</td>
</tr>
<tr>
<td>Shareholders’ equity</td>
<td>56,823</td>
<td>52,382</td>
<td>68,151</td>
</tr>
<tr>
<td>Common shares outstanding (000)</td>
<td>26,476</td>
<td>26,476</td>
<td>26,476</td>
</tr>
</tbody>
</table>

(1) EBITDAS is a non-GAAP measurement defined as “earnings from continuing operations before other non-recurring items, interest, taxes, depreciation, amortization and stock-based compensation.”
LETTER FROM MCCOY’S PRESIDENT & CEO

At McCoy we take great pride in the vital products and services we provide to help energy industry clients make connections of pipes and equipment. These connections are critical to supplying energy, whether it is connecting a trailer used to haul fracturing fluid or connecting pieces of pipe utilized in drilling and completing wells.

The products and services we provide are helping our clients succeed. McCoy is also succeeding by focusing on quality, durability and longevity in what we do.

Strategies for Growth

Over recent years, the leadership team at McCoy has identified a specific focus for making strategic growth decisions. The three areas we will continue to focus on are as follows:

- **Building global reach** – Selling our products and services around the world will provide greater stability and greater market penetration.
- **Building the drilling and completions product line** – Selling a full-line of drilling and completions equipment means we can be a one-stop shop for our clients.
- **Maintaining and enhancing financial strength** – A focus on balance sheet strength and strong margins means we can reward shareholders while keeping options open for growth.

Each of these three strategies is discussed in more detail on the subsequent pages of this report.

Moving from Challenges to Opportunities

As anticipated, 2010 was a bridge year for McCoy in terms of transitioning from a difficult market, when the worldwide economy slowed down in 2009, back to a more normal economy. Throughout the year we showed ever-improving financial results due to our focus on more efficient operations, higher margin businesses and global sales.

We ended the year in a strong position, both from a financial and strategic point of view. Our balance sheet has been the strongest it has been in the Corporation’s history. Our EBITDAS climbed to a healthy $0.48 per share for 2010. We focused our team on building our business directly related to the global oil and gas industry. Related to this core business focus, we made a strategic move to divest of McCoy’s Parts and Service division.

This transaction was designed to create more long-term value for our shareholders by focusing on global expansion of McCoy’s most profitable lines of business.

In addition to divesting McCoy Parts and Service, subsequent to year end, McCoy purchased a new office and distribution warehouse in Houston, Texas. This facility will be the hub of our international sales and marketing group as well as contain a design engineering team. McCoy will provide calibration services to our Houston-based customers as well as begin to provide parts and consumables for the region.

Once again, these changes are designed so McCoy can continue to focus on its core businesses.

Revenue generated outside of Canada continued to increase throughout 2010. Most of our major customers are global players and we need to be where they need us. Many of these customers are making investments in growth areas such as Latin America. Ensuring McCoy is able to support the needs of our customers in these markets will be a major focus in 2011 and beyond.

Our long-term relationships with customers are something we take pride in. We prefer to see customers more as partners rather than as entities who simply buy a piece of equipment. These relationships help us understand the technical challenges our customers face every day and provide us with the knowledge to design new and improved products. Our ultimate goal is to be a full-cycle provider of new capital equipment, after-sales service and the supplier of replacement parts for lifecycle maintenance.

Looking to 2011, we are confident that markets have recovered and we are starting to experience the level of activity that was taking place prior to the financial crisis in late 2008 and throughout 2009. In addition to the recovery of current markets, we believe there are interesting and exciting opportunities to
execute McCoy’s growth strategy both organically as well as through potential strategic acquisitions. We certainly have the balance sheet room and strategic focus to move forward.

From a risk perspective, the recent unrest in the Middle East and North Africa may introduce some disruption to McCoy’s sales. This is a strong market for us and we are monitoring the events closely.

I feel fortunate to have recently added some exceptionally experienced and accomplished individuals to McCoy’s leadership team. I am pleased to welcome Chris Seaver, the former CEO of Hydril Company, to McCoy’s board. I am also pleased to welcome Ron Roling as our new Vice President, Sales and Marketing for Drilling & Completions. Mr. Roling is drawing on his tremendous experience to head our new Houston, Texas facility.

Of course, the long-term leaders and staff of McCoy cannot be overlooked for the important role they are playing in building this company and capitalizing on our strategic focus. I thank each of these individuals for their hard work and I look forward to future prosperity for McCoy’s team, McCoy’s clients and McCoy’s shareholders.

Sincerely,

Jim Rakievich
President and Chief Executive Officer
March 2011
McCoy has been building its business outside of North America. There are two reasons for this to continue:

For stability.

Back in 2009, both Canada and the United States reported a 42 percent drop in active rig count compared to the year prior. Outside of Canada and the United States, this drop was only 8 percent.

For market penetration.

McCoy’s largest customers are operating all over the world. Customers like BJ Services, Odfjell Well Services, Transocean, Weatherford, National Oilwell Varco demand products and services wherever oil and gas can be found – and McCoy wants to be the go-to provider.

McCoy delivered products to 48 countries in 2010. The company operates internationally through direct sales and distributors with operations based out of the Western Canadian Sedimentary Basin and the U.S. Gulf Coast.

McCoy is progressing towards its goal of having 45 percent of sales go to countries outside of Canada and the United States.
McCoy’s leadership team has identified a big-picture opportunity in building out the drilling and completions product line. There are two reasons to keep up this focus:

For the size of the market. McCoy estimates that between $3 billion and $6 billion is spent annually on oilfield drilling and completions tools and equipment around the world. Due to the high stakes involved in using this equipment, clients are focused on quality, which is where McCoy excels.

For cross-selling. Clients who buy hydraulic tongs also often need handling tools. Clients who buy our equipment, also buy replacement parts and after sales service. McCoy can make the most of its business by developing or acquiring a full drilling and completions equipment package that can be sold to its global customers.

Drilling/Workover Equipment
Market: $3-6 billion annually

- Tubular Running Equipment
- Handling Tools
- Pipe Handling
- Power Systems
- Drilling Equipment Parts

**Legend**
- existing products/products under development
- under development
- high priority products to develop or acquire

McCoy sees opportunities for growth when it comes to adding those products shown in orange, both organically and through strategic acquisitions.
McCoy’s shareholders and other stakeholders have benefited from McCoy’s commitment to maintaining and enhancing financial strength. This focus on balance sheet strength and building high margin business will continue:

For the ability to grow.
By having cash-on-hand and a strong financial position, McCoy can access funds when it is most desirable to acquire or develop additional means for cash flow generation.

For stability.
The industries served by McCoy have a tendency to cycle up and down in terms of activity levels, spending and investor interest over time. A focus on solid margins means that McCoy will be a robust business during the downs as well as the ups.

*EBITDAS and net debt are non-GAAP measurements. EBITDAS is defined as “earnings from continuing operations before 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 LEADERSHIP TEAM

McCoy has an exceptionally experienced and talented leadership team. This team is focused on making the best strategic decisions for McCoy while also getting the most from the Corporation’s much larger team of sales people, engineers, managers, trades people and administrators.
The Energy Products & Services (EP&S) segment is engaged in the manufacture of drilling and completions equipment, service and replacement parts for the global oil and gas industry, as well as a range of coatings and hydraulic manufacturing and repair services. The EP&S segment includes two divisions: Drilling & Completions and Coatings & Hydraulics.

McCoy’s offering includes a wide variety of onshore and offshore oilfield tool and technological solutions. A partial product listing and gallery is included on the following pages. Details of how the segment performed in 2010 can be found in McCoy’s 2010 MD&A and consolidated financial statements.

McCoy Coatings & Hydraulics
This division offers products and services to the oil and gas industry, as well as to the industrial and natural resource sectors by providing large-capacity plating, spray coating, plasma transferred arc welding services, and hydraulic services. Through the Inotec and Inotec Wear Solutions (IWS) brands, the division develops innovative wear coating applications for downhole tools, oil sands equipment and other industrial equipment. This division also provides hydraulic repair and scheduled maintenance on hydraulic cylinders designed for the world’s largest mining shovels and large haul trucks. The balance of this division’s revenue is generated by chroming, honing, and shot peening services. Approximately half of the revenue from this division comes from products and services provided for the Alberta oil sands and the other half from the conventional downhole tool market.
McCoy Drilling & Completions

This division designs, manufactures, services, and distributes drilling and completion equipment for the global energy industry including power tongs, torque turn monitoring software, bucking units, consumable replacement parts for rig equipment, make/break machines, pipe handling, rig equipment service and other drilling and completions equipment.

Product brands including WinCatt®; FARR®; CLINCHER®; HYTOPS; CHROMEMASTER; and GRITFACE®, are some of the most well-known and respected in the industry.

Drilling & Completions Growth Strategy.

Central to McCoy’s overall corporate growth is a strategy to develop or acquire a full drilling and completions equipment line that can be sold to McCoy’s global customers.

McCoy Energy Products & Services – Sample of Existing Products

The EP&S segment offers a wide range of products and services including those shown below and on the following pages.

TONGS

- Leading worldwide manufacturer of tubular make-up power tongs, for both land and offshore rig applications
BUCKING AND MAKE/BREAK UNITS

- Second-largest global supplier of make/break machines used for assembling downhole tool strings and testing pipe connections

RIG PARTS

- Consumable replacement parts used in rig equipment

DIES AND INSERTS

- Consumable replacement dies and inserts used in rig equipment
- Innovative wear and corrosion-resistant coatings for drilling tools
TORQUE TURN

- Computerized torque-turn monitoring software
McCoy’s mobile chassis are used for horizontal drilling and fracture stimulation worldwide.

MCCOY MOBILE SOLUTIONS

Mobile Solutions is involved in the manufacture and sale of custom heavy-duty trailers largely used in the oil and gas industry for multi-stage fracturing, as well as the manufacture of vac and hydrovac equipment through two divisions: McCoy Trailers and McCoy Vac & Hydrovac. Until December 2010, this segment included the McCoy Parts & Service division, which was divested by McCoy to enhance McCoy’s focus on products and services for the global energy industry.

McCoy Trailers is focused on serving oil and gas clients operating in the Western Canadian Sedimentary Basin (WCSB), as well as the United States, and also includes product offerings in wind energy and infrastructure markets. Mobile Solutions also sells products internationally into such areas as Australia, the United Kingdom and the Middle East.

Details of how the segment performed in 2010 can be found in McCoy’s MD&A and consolidated financial statements available on SEDAR at www.sedar.com or McCoy’s website.

McCoy Vac & Hydrovac

This division manufactures and supplies regional, national and international clients, mainly in the oil and gas, heavy equipment and environmental industries, as well as municipal clients, with vac and hydrovac systems. This specialty equipment is used for the safe and efficient handling of waste fluids, as well as non-destructive excavating.

Vacuum trucks are used for transporting dangerous goods, fluids, wastes and solids, cleaning up spills, cleaning out tanks and disposal of septic material. Hydrovac systems use water, pressure, and vacuum to expose underground structures and perform non-destructive excavation.
McCoy Trailers

This division designs and manufactures heavy-duty custom trailers through two different brands: Peerless and Scona. The trailers are used for both on- and off-road use and serve the oil and gas, wind, mining, and construction industries.

The Scona brand includes heavy-duty lowbed trailers, oilfield floats, and custom trailers. The Peerless brand includes customized chassis and heavy-haul trailers using high-strength steels ideal for heavy axle loading and rugged operating conditions. In 2009, the Corporation’s two trailer manufacturing plants consolidated into the Penticton, BC facility.

Custom Trailers for Well Fracturing and Horizontal Drilling

Designed specifically for well stimulation and intervention, McCoy’s leading-edge well stimulation trailers are changing the industry.

The oil and gas industry trend towards longer horizontal wells and more multi-stage frac jobs means greater horsepower required for conducting oilfield operations. In general terms, this translates into greater demand for McCoy’s custom chassis.

A 50,000 horsepower increase in fracturing capacity typically results in an order for 25 custom chassis from McCoy. With a run rate in late 2010 of up to three chassis per day, McCoy is building a backlog of demand that will ensure strong results for the foreseeable future.

McCoy Trailers’ line of custom-designed well stimulation trailers is regarded throughout the industry as the premier mobile solution designed specifically for this unique equipment. Extremely rugged, these trailers are used in the harshest conditions in North America, Australia, Russia, the United Kingdom, North Africa, and the Middle East.

With an adaptive, responsive, and innovative engineering department and a strong customer focus, McCoy Trailers produces class-leading lightweight designs that evolve with the industry’s ever-changing requirements. Fully customizable, these trailers are built to meet the unique needs of each customer.

McCoy builds and delivers innovative trailers for frac and fluid pumpers, coiled tubing, cementing, nitrogen, and all other stimulation. Capacities range from 20-ton single-axle manifold trailers and 60-ton tridem and quad-axle coiled tubing trailers to 80-ton-plus, 24-wheel reel trailers.
GOVERNANCE

The business and affairs of McCoy are governed by its Board of Directors and are done so in accordance with the Corporation’s Statement of Corporate Governance Practices found in the Information Circular at www.sedar.com. The primary responsibility of the Board is to foster the long term success of the Corporation and this is done by proxy through the President and Chief Executive Officer, who is charged with the day to day management of the Corporation.

The directors are elected by the shareholders at each annual general meeting. As of March 2011, McCoy has eight directors, of which five are considered to be independent directors. The Board has three standing committees – the Audit Committee, the Compensation Committee and the Governance Committee.

In performing its function, the Board considers the legitimate interest which shareholders and other stakeholders have in the Corporation by supervising the conduct of its business. The Board, through the President and Chief Executive Officer, will set standards of conduct for the Corporation and ensure the safety of its operations.

McCoy is committed to performing its business activities and operations with integrity and due regard to the public interest and the interest of its shareholders. For the company to meet these standards, the company expects all employees, contractors, directors and officers to make a conscientious effort to maintain a high standard of business ethics and social awareness while conducting their corporate and operating activities.

The Board has adopted a Business Code of Conduct (the “Code”) for the directors, officers, and employees of McCoy, its divisions and wholly owned subsidiaries. The Code, which can be found on McCoy’s website at www.mccoyglobal.com, formally sets out standards for behaviour and practice and requires all directors, officers, and employees to review and confirm, in writing, compliance with the code annually. The Code is reviewed and revised periodically to ensure currency and inclusiveness.

HEALTH, SAFETY AND THE ENVIRONMENT

McCoy is committed to protecting its workers, equipment, the public and the environment from harm.

The implementation, enforcement and maintenance of McCoy’s Health and Safety program is the responsibility of everyone in the company – executive, management, supervisors and employees.

McCoy’s management recognizes that an effective Health and Safety program has a positive impact on long-term business results. Accordingly, management supports the training, equipment and procedures needed to ensure the health and safety of all employees at McCoy worksites.

All employees have the responsibility for ensuring relevant legislation, policies, procedures, guidelines and safe work practices are understood and followed and to bring forward any improvements they have to the Health and Safety program.

The company is committed to honor, through compliance, all relevant external regulations regarding the environment and health and safety in addition to meeting internal standards.

All McCoy Business units, regardless of location, are audited annually to the Alberta COR (Certificate of Recognition) program standards. McCoy strives to exceed the COR and Occupational Health and Safety Act standards. McCoy’s commitment has drastically reduced the workers lost time claim rates at all business units as illustrated in the graph below.

Total Number of Lost Time Claims for All Business Units of McCoy

![Graph showing the decrease in lost time claims from 2006 to 2010.](image-url)
CORPORATE INFORMATION

Auditors
PricewaterhouseCoopers LLP
Edmonton, Alberta

Bankers
The Bank of Nova Scotia
Edmonton, Alberta

Corporate Counsel
Davis LLP
Calgary, Alberta

Transfer Agent and Registrar
Valiant Trust Company
Edmonton, Alberta

Stock Exchange
The Toronto Stock Exchange
Trading Symbol – MCB

Share Information
Outstanding Shares as at December 31, 2010:
26,475,912

Forward Looking Statements
The Annual Summary 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”, “should”, “believe”, “plans”, “intends” and similar expressions are intended to identify forward-looking information or statements. More particularly and without limitation, the Annual Summary contains forward-looking statements and information concerning McCoy’s acquisition strategy, future development and growth prospects, ability to meet current and future obligations, currency, exchange and interest rates and the Corporation’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 business 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 currency exchange rates, technological developments, political and economic conditions and McCoy’s ability to attract and retain key personnel. Additional information on these and other factors is available in the 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 the Annual Summary or otherwise, and not to 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.

Contact
www.mccoyglobal.com
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T 780.453.8451

Board of Directors
Kerry Brown, CA – Chairperson
Frank Burdzy, MBA
Terry Chalupa
T.D. (Terry) Freeman, CA
John Howard, CA
Carmen Loberg
Jim Rakievich, ICD.D
Chris Seaver, MBA

Executive
Jim Rakievich
President & Chief Executive Officer

Milica Stolic
Chief Financial Officer & Corporate Secretary

Tom Watts
Vice President, Human Resources

Energy Products & Services
David Buck
Senior Vice President, Drilling & Completions

Ron Roling
Vice President, Sales & Marketing, Drilling & Completions

Dan Bangert
Vice President, Technology, Engineering and Quality, Drilling & Completions

Armando Cruz
Vice President, Advanced Manufacturing, Drilling & Completions

Mobile Solutions
Andy McEachern
Vice President, Trailers

Annual General Meeting
4:00 pm MT, May 19, 2011
The Sutton Place Hotel, Vintage Room,
10235 – 101 Street, Edmonton, Alberta