

March 15, 2013

McCOY CORPORATION ANNOUNCES FOURTH QUARTER AND ANNUAL RESULTS FOR 2012

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 three months and year ended December 31, 2012.

“McCoy achieved record revenue in 2012, driven by the Energy Products and Services (EP&S) segment, which experienced 37% revenue growth over 2011,” said Jim Rakievich, President and CEO of McCoy. “In 2012, McCoy demonstrated its ability to develop and bring innovative drilling and completions products to market by successfully commercializing the weCATT torque sub, and prepared for future growth by improving manufacturing efficiencies and strengthening our executive team to execute on our international growth strategy.”

Operational Highlights

Since January 1, 2012, the Corporation has:

- Achieved record overall annual revenue of \$179.4 million and a 37% increase in revenue in the EP&S segment for the year compared to 2011;
- Reported net earnings of \$11.8 million in 2012, or \$0.44 per share, a 1% decrease from 2011;
- Achieved record EBITDAS⁽¹⁾ of \$22.9 million in 2012, a 6% increase from 2011;
- Secured \$53 million in new credit facilities to assist McCoy with achieving its 5 year growth strategy;
- Commercialized the weCATT torque sub, the first new product under the “we” product line and is receiving very positive customer feedback;
- Progressed in the development of products in its “we” product line, including an iron roughneck (weTORQ85), an electric bucking unit (weBUCK), a hydraulic catwalk (weMOVE35) and a casing running tool (weRUN350);
- Announced the next project in its “we” development pipeline, the weHOLD, a casing handling tool system with flush mount spider, conventional spider and elevator configurations;
- Added manufacturing capacity by retrofitting a part of its Edmonton, Alberta plant for weCATT and WinCatt manufacture, added 14,000 square feet of manufacturing space at its bucking unit plant in Broussard, Louisiana, and completed the relocation of Rig Parts manufacturing to a new dedicated facility in Lafayette, Louisiana; and
- Strengthened its executive team by appointing Mr. Jim Nowotny as Senior Vice President, Drilling and Completions; Mr. Kenny Watt as Vice President, Global Services, Drilling and Completions; Mr. Peter Watson as Vice President, Legal and Corporate Secretary; and Mr. John Irwin as a Director.

Quarterly Financial Highlights

Revenue for the three months ended December 31, 2012 was \$44.3 million, an increase of \$0.1 million from the comparative quarter in 2011. Strong backlog and increased manufacturing throughput contributed to EP&S revenue growth, offset by declines in the Mobile Solutions segment.

Gross profit for the three months ended December 31, 2012 was \$11.3 million, a decrease of \$0.3 million from the comparative quarter in 2011. A slight decline in EP&S gross profit percentage results from lower productivity in the month of December as customer demand began to moderate. Mobile Solutions realized a 3% decrease in the gross profit percentage from the comparative quarter in 2011; however, the gross profit percentage increased by 4% in comparison to the three months ended September 30, 2012 as the Company realized the impact of certain cost cutting measures.

EBITDA for the three months ended December 31, 2012 was \$6.1 million, an increase of \$0.7 million from the comparative quarter in 2011. EP&S EBITDA increased by \$2.2 million which was offset by a \$1.2 million decline in Mobile Solutions and an increase in Corporate costs of \$0.3 million from the comparative quarter.

Selected Quarterly Information

(\$000 except per share amounts and percentages)	2012	2011	% Change
Revenue	44,321	44,251	0
Gross profit	11,270	11,523	(2)
Energy Products and Services	9,253	8,004	16
Mobile Solutions	2,017	3,519	(43)
Gross profit as % of revenue	25%	26%	(1)
Energy Products and Services	31%	33%	(2)
Mobile Solutions	14%	17%	(3)
Net earnings	3,255	3,809	(15)
Net earnings per common share – basic	0.12	0.14	(14)
Net earnings per common share –diluted	0.12	0.14	(14)
EBITDAS ¹	6,274	5,598	12
EBITDAS ¹ per common share – basic	0.24	0.21	14
EBITDAS ¹ per common share – diluted	0.23	0.21	10
Total assets	117,683	107,441	10
Non-current liabilities	11,067	7,363	50
Total liabilities	40,187	37,072	8

¹EBITDAS is as an additional GAAP measurement. 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. EBITDAS does not have a standardized meaning and is therefore not likely to be comparable with similar measures used by other issuers. However, McCoy calculates EBITDAS consistently from period to period.

Annual Financial Highlights

Record revenue for the year ended December 31, 2012 was \$179.4 million, an increase of \$25.6 million, or 17%, from 2011. Revenue growth continues to be driven by strong backlog and customer demand in the EP&S segment.

Gross profit for the year ended December 31, 2012 was \$47.5 million, an increase of \$5.2 million, or 12%, from 2011. The increase in gross profit is a result of increased EP&S segment revenue, offset by a decline in revenue and gross margin in the Mobile Solutions segment. Mobile Solutions continues to experience a decline in profitability from lower market fundamentals, including a shift towards lower margin products. However, backlog levels appear to have ended their decline and there are positive market indicators suggesting a recovery in the custom chassis market during the latter part of 2013.

Net earnings for the year were \$11.8 million (\$0.44 per basic share), a 1% decrease when compared with 2011.

Record EBITDAS¹ for the year ended December 31, 2012 was \$22.9 million, an increase of \$1.3 million, or 6%, from \$21.6 million in 2011.

Strong results in the EP&S segment were offset by declining profitability in the Mobile Solutions segment and an increase in corporate costs. McCoy continues to invest in infrastructure, new product development, strategic hires and sales and marketing to support its long-term growth initiatives. The most significant of these investments are being made in the EP&S segment, where efforts were undertaken to increase manufacturing capacity, improve manufacturing processes and realize efficiencies to improve throughput and customer responsiveness. McCoy expects the full impact of increasing manufacturing capacity will be realized in 2013.

As the Company executes on its growth strategy to expand and market its products internationally, sales and marketing and general and administrative expenses are expected to increase in the near term. Once a global management team and international infrastructure are put into place, McCoy anticipates these costs will stabilize and, as a percentage of revenue, decline to historic levels.

Selected Annual Information

(\$000 except per share amounts and percentages)	2012	2011	% Change
Total revenue	179,372	153,797	17
Gross profit	47,454	42,277	12
Energy Products and Services	39,870	28,962	38
Mobile Solutions	7,584	13,315	(43)
Gross profit as % of revenue	26%	27%	(1)
Energy Products and Services	34%	34%	-
Mobile Solutions	12%	19%	(7)
Net earnings	11,772	11,924	(1)
Net earnings per common share – basic	0.44	0.45	(2)
Net earnings per common share –diluted	0.44	0.44	-
EBITDAS ¹	22,868	21,575	6
EBITDAS ¹ per common share – basic	0.86	0.81	6
EBITDAS ¹ per common share – diluted	0.85	0.80	6

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 March 15, 2013. Management participants will include Jim Rakievich, President and CEO; Jacob Coonan, Interim CFO; Jim Nowotny, Senior Vice President Drilling and Completions; and Peter Watson, Vice President, Legal and Corporate Secretary.

Participants calling from Canada or the United States should call toll-free at: 1-888-231-8191. Callers from other locations may call in at: 1-647-427-7450. A live audio webcast of the conference call will be available at the following link: <http://www.newswire.ca/en/webcast/detail/1120699/1222027>.

The conference call will be archived for replay until Friday, March 22, 2013 at midnight. To access the archived conference call, dial 1-855-859-2056 or 1-416-849-0833 and enter the replay passcode 16908152. 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.

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