CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

September 30, 2015

(unaudited)

Condensed Consolidated Statements of Financial Position

(Stated in thousands of Canadian dollars)
(unaudited)

As at	Note	September 30, 2015	December 31, 2014
		$	$
Assets			
Current assets			
Cash and cash equivalents		**26,917**	29,876
Trade and other receivables		**13,505**	22,703
Inventories		**46,940**	41,430
Income tax recoverable		**2,725**	-
Other current assets		**3,292**	3,012
		93,379	97,021
Property, plant and equipment		**15,582**	16,738
Intangible assets	5	**12,379**	14,443
Deferred tax assets		**2,233**	2,297
Other assets		**1,442**	1,442
Total assets		**125,015**	131,941
Liabilities			
Current liabilities			
Trade and other payables		**9,728**	15,119
Customer deposits		**2,184**	5,997
Derivative financial instruments		**756**	977
Provisions		**1,146**	1,761
Income tax payable		**1,274**	1,633
		15,088	25,487
Provisions		**2,360**	2,360
Deferred tax liabilities		**1,392**	1,721
Total liabilities		**18,840**	29,568
Shareholders' equity			
Share capital		**60,187**	60,137
Contributed surplus		**4,176**	3,778
Accumulated other comprehensive income		**9,941**	3,632
Retained earnings		**31,871**	34,826
Total shareholders' equity		**106,175**	102,373
Total liabilities and shareholders' equity		**125,015**	131,941

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of (Loss) Earnings and Comprehensive Income (Loss)

(Stated in thousands of Canadian dollars, except per share amounts)
(unaudited)

	Three months ended September 30		Nine months ended September 30	
	2015	2014	**2015**	2014
	$	$	**$**	$
Revenue	**21,376**	38,275	**70,128**	93,410
Cost of sales	**17,494**	24,565	**48,991**	56,402
Gross profit	**3,882**	13,710	**21,137**	37,008
General and administration	**4,975**	6,643	**15,898**	20,540
Sales and marketing	**913**	1,102	**3,778**	3,966
Research and development	**48**	339	**870**	1,148
Other (gains) losses, net	**(1,405)**	5	**(1,954)**	834
Restructuring charges	**1,037**	-	**1,263**	-
Impairment of intangible assets	**1,133**	-	**1,133**	-
Finance charges, net	**54**	81	**278**	296
	6,755	8,170	**21,266**	26,784
(Loss) earnings from continuing operations before income taxes	**(2,873)**	5,540	**(129)**	10,224
Income tax expense (recovery)				
Current	**(1,061)**	1,452	**53**	3,406
Deferred	**151**	(75)	**3**	(798)
	(910)	1,377	**56**	2,608
(Loss) earnings from continuing operations	**(1,963)**	4,163	**(185)**	7,616
Earnings from discontinued operations, net of tax	**-**	1,584	**-**	8,914
Net (loss) earnings	**(1,963)**	5,747	**(185)**	16,530
Other comprehensive income				
Translation gain of foreign operations	**3,163**	1,734	**6,309**	1,778
Comprehensive income	**1,200**	7,481	**6,124**	18,308
(Loss) earnings per share				
Basic from continuing operations	**(0.07)**	0.15	**(0.01)**	0.28
Basic from discontinued operations	**-**	0.06	**-**	0.32
Basic from net (loss) earnings	**(0.07)**	0.21	**(0.01)**	0.60
Diluted from continuing operations	**(0.07)**	0.15	**(0.01)**	0.27
Diluted from discontinued operations	**-**	0.06	**-**	0.32
Diluted from net (loss) earnings	**(0.07)**	0.21	**(0.01)**	0.59

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Stated in thousands of Canadian dollars, except share amounts)
(unaudited)

	Issued capital					
	Number of shares	Amount	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Total equity
	#	$	$	$	$	$
Balances at January 1, 2014	27,404,239	58,849	3,593	1,212	22,349	86,003
Net earnings	-	-	-	-	16,530	16,530
Translation gain on foreign operations	-	-	-	1,778	-	1,778
Employee share-based compensation expense	-	-	409	-	-	409
Dividends	-	-	-	-	(4,147)	(4,147)
Common shares issued on exercise of stock options	250,000	1,117	(287)	-	-	830
Balances at September 30, 2014	27,654,239	59,966	3,715	2,990	34,732	101,403
Balances at January 1, 2015	27,694,239	60,137	3,778	3,632	34,826	102,373
Net loss	**-**	**-**	**-**	**-**	**(185)**	**(185)**
Translation gain on foreign operations	**-**	**-**	**-**	**6,309**	**-**	**6,309**
Employee share-based compensation expense	**-**	**-**	**413**	**-**	**-**	**413**
Dividends	**-**	**-**	**-**	**-**	**(2,770)**	**(2,770)**
Common shares issued on exercise of stock options	**10,000**	**50**	**(15)**	**-**	**-**	**35**
Balances at September 30, 2015	**27,704,239**	**60,187**	**4,176**	**9,941**	**31,871**	**106,175**

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Statements of Cash Flow

(Stated in thousands of Canadian dollars)

(unaudited)

	Note	Three months ended September 30		Nine months ended September 30	
		2015	2014	**2015**	2014
Cash generated from (used in)		**$**	$	**$**	$
Operating activities					
(Loss) earnings from continuing operations		**(1,963)**	4,163	**(185)**	7,616
Adjustments for:					
Depreciation of property, plant and equipment		**1,075**	911	**3,213**	2,703
Amortization of intangible assets		**771**	668	**2,424**	2,015
Income tax (recovery) expense		**(910)**	1,377	**56**	2,608
Finance charges, net		**54**	81	**278**	296
EBITDA[1]		**(973)**	7,200	**5,786**	15,238
Share-based compensation (recovery) expense		**(27)**	45	**333**	255
Non-cash change in value of derivative financial instruments		**(248)**	753	**(221)**	536
Impairment of intangible assets	5	**1,133**	-	**1,133**	-
Loss on disposal of property, plant and equipment		**134**	-	**169**	127
Changes in non-cash working capital balances		**3,982**	(4,593)	**(4,305)**	(11,993)
Finance costs paid, net		**(37)**	(5)	**(189)**	(97)
Income taxes recovered (paid), net		**201**	28	**(2,953)**	(6)
Net cash generated from (used in) continuing operating activities		**4,165**	3,428	**(247)**	4,060
Net cash (used in) generated from discontinued operating activities		**-**	(721)	**-**	436
Net cash generated from (used in) operating activities		**4,165**	2,707	**(247)**	4,496
Investing activities					
Purchases of property, plant and equipment		**(40)**	(1,733)	**(526)**	(2,339)
Proceeds from sale of property, plant and equipment		**-**	10	**35**	70
Proceeds from sale of subsidiary		**-**	8,340	**848**	20,977
Additions to intangible assets		**(303)**	(680)	**(1,475)**	(2,171)
Net cash (used in) generated from continuing investing activities		**(343)**	5,937	**(1,118)**	16,537
Net cash used in discontinued investing activities		**-**	-	**-**	(94)
Net cash (used in) generated from investing activities		**(343)**	5,937	**(1,118)**	16,443
Financing activities					
Transaction costs		**-**	(4)	**-**	(101)
Proceeds from issuance of share capital on exercise of options		**-**	67	**35**	830
Dividends paid		**-**	-	**(2,770)**	(2,764)
Net cash (used in) generated from continuing financing activities		**-**	63	**(2,735)**	(2,035)
Effect of exchange rate changes on cash and cash equivalents		**135**	169	**1,141**	238
Increase (decrease) in cash and cash equivalents		**3,957**	8,876	**(2,959)**	19,142
Cash and cash equivalents – beginning of the period		**22,960**	23,598	**29,876**	13,332
Cash and cash equivalents – end of the period		**26,917**	32,474	**26,917**	32,474

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

[1] EBITDA is an additional GAAP measure presented under IFRS defined as "net earnings before finance charges (net), income tax expense, depreciation and amortization".

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the nine months ended September 30, 2015
(in thousands of Canadian dollars, except share data or unless otherwise specified)
(unaudited)

1. NATURE OF OPERATIONS

McCoy Global Inc. ("McCoy", "McCoy Global" or the "Corporation") is incorporated and domiciled in Canada and provides tubular handling, assembly and measurement equipment used for making up threaded connections in the global oil and gas industry. McCoy's continuing operations are engaged in the:

- design, manufacture and distribution of capital equipment used in both off-shore and land drilling markets to handle, make-up and measure tubular products, such as casing, and to support this capital equipment through the sale of aftermarket products, such as technical service, consumables (dies and inserts) and replacement parts;
- repair, maintenance and calibration of drilling and completions equipment; and
- rental of drilling and completions equipment.

Historically, McCoy was divided into two operating segments: Energy Products & Service ("EP&S") and Mobile Solutions. The EP&S segment was comprised of two divisions: Drilling & Completions and Coatings & Hydraulics. The Drilling & Completions division forms the Corporation's continuing operations.

Management committed to a formal process to sell the Mobile Solutions segment and the Coatings & Hydraulics division in the fourth quarter of 2013 following a strategic decision to place greater focus on the Corporation's key competencies. On June 17, 2014, the Mobile Solutions segment was sold by the Corporation. On September 15, 2014, the Coatings & Hydraulics division was sold by the Corporation. A member of the Corporation's Board of Directors is the Chief Executive Officer of, and holds an equity interest in, the corporation that purchased the Coatings & Hydraulics division. Results of the discontinued operations have been presented separately in the consolidated statements of earnings and comprehensive income (loss) and the consolidated statements of cash flows for the current and comparative year.

Set out below are McCoy's principal operations:

Operating Name	Country of Incorporation	Operating Region	Ownership Interest	Former Operating Segment	Former Division
Continuing Operations					
McCoy Global Canada Corp.	Canada	Canada	100%	EP&S	Drilling & Completions
McCoy Global S.à r.l.	Luxembourg	Middle East	100%	EP&S	Drilling & Completions
McCoy Global Singapore Pte. Ltd.	Singapore	Asia Pacific	100%	EP&S	Drilling & Completions
McCoy Global UK Ltd.	United Kingdom	Europe, Africa and Russia	100%	EP&S	Drilling & Completions
McCoy Global USA, Inc.	United States	United States	100%	EP&S	Drilling & Completions
Discontinued Operations					
Inotec Coating and Hydraulics Inc.	Canada	Canada	100%	EP&S	Coatings & Hydraulics
Peerless Limited	Canada	Canada	100%	Mobile Solutions	Trailers

McCoy and its subsidiary companies are collectively referred to herein as the "Corporation."

The address of the registered office of the Corporation is DLA Piper (Canada) LLP, Livingston Place, 1000 - 250 2nd Street SW, Calgary, Alberta. The Corporation is listed on the Toronto Stock Exchange under the symbol "MCB" and on the OTCQB under the symbol "MCCRF."

2. Statement of Compliance

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board and should be read in conjunction with the Corporation's annual financial statements for the year ended December 31, 2014, which have been prepared in accordance with International Financial Reporting Standards.

The accounting policies followed in these condensed consolidated interim financial statements are consistent with those of the previous financial year.

Amendments to IFRS effective for the year ending December 31, 2015 are not expected to have a material impact on the Corporation.

3. DIVIDENDS

Dividend declared	Dividend paid	Total dividend	Amount per common share
		$	$
May 15, 2015	June 11, 2015	1,385	0.05
March 11, 2015	April 13, 2015	1,385	0.05
December 4, 2014	December 31, 2014	1,383	0.05
September 9, 2014	October 8, 2014	1,383	0.05
May 23, 2014	June 20, 2014	1,383	0.05
March 14, 2014	April 14, 2014	1,381	0.05

On September 3, 2015, the Corporation announced that the Board of Directors approved the suspension of the quarterly dividend payment. Future declarations of dividends is at the sole discretion of the Board and will continue to be evaluated on a quarterly basis.

4. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Non-derivative financial instruments

The Corporation's non-derivative financial instruments consist of cash and cash equivalents, trade and other receivables, and trade and other payables.

The fair value of cash and cash equivalents, trade and other receivables, trade and other payables approximate their carrying value due to their short-term nature.

Derivative financial instruments

At September 30, 2015, the Corporation had forward foreign exchange contracts outstanding to purchase US$3,000 (December 31, 2014 – US$12,000) at a rate of 1.083 with maturities ranging from one to three months from the consolidated statement of financial position date. The Corporation's derivative financial instruments related to forward foreign exchange contracts are recorded at fair value in the consolidated statement of financial position. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The forward foreign exchange contracts are classified as Level 2 and the fair value is determined based on exchange or over-the-counter price quotations by reference to bid or asking price, as appropriate, in active markets. Fair value amounts reflect management's best estimates using external readily observable market data, such as future prices, foreign exchange rates and discount rates for time value. The change in the value of the derivative financial instruments at the balance sheet date resulted in a decrease in the liability of $221 (September 30, 2014 – increase of $536). At September 30, 2015, the Corporation had financial instruments recorded as a fair value liability in the statements of financial position in the amount of $756 (December 31, 2014 - $977).

5. IMPAIRMENT OF INTANGIBLE ASSETS

During the nine months ended September 30, 2015, the Corporation performed an assessment of potential impairment indicators, and management determined that with the decline in commodity prices and drilling and completions activity levels that an impairment test on its non-financial assets was required. The recoverable amounts of non-financial assets were estimated based on their value in use, determined by discounting future cash flows to be generated by the asset or the cash generating unit (CGU) to which it was assigned.

Key assumptions used in the estimation of value in use included the discount rate and forecasted North American & international rig and well counts.

Upon completion of the impairment tests, it was determined that certain internally generated intellectual property costs had a carrying amount in excess of its recoverable amount. Accordingly, the Corporation recognized an impairment charge of $1,133 (2014 - $nil).

6. AMENDMENT OF CREDIT FACILITY

The Corporation amended and extended its $50 million syndicated credit facility with its lenders. The amended and extended credit facility size remains unchanged at up to $50 million and matures on May 31, 2018. The credit facility continues to include an accordion feature which provides for an increase of the credit facility of up to $30 million at the option of the Corporation, subject to approval of The Bank of Nova Scotia and JP Morgan Chase. The Corporation has no borrowings under the credit facility.