

October 2, 2019

McCoy Global Announces Closing of DrawWorks LP Acquisition

Purchase further progresses McCoy's position as a technology leader by accelerating the Corporation's key strategic technology initiatives

Edmonton, Alberta – **McCoy Global Inc.** (“McCoy”, “McCoy Global” or “the Corporation”) (TSX:MCB) today announced it has acquired all of the outstanding units of DrawWorks LP (“DrawWorks”) as the Corporation continues to advance its strategic technology initiatives.

“McCoy’s acquisition of DrawWorks advances our Digital Technology Roadmap initiative and enables us to deliver enhanced solutions to our customers. We plan to integrate our data-driven technology platform with DrawWorks’ equipment offerings and market these to customers on a global basis. Customers are looking to us to help solve their challenges while performing tubular running services, and we continue to develop solutions to meet those needs,” said Jim Rakievich, President and CEO of McCoy.

DrawWorks designs, tests and sells tubular running technologies including a patented line of mud handling equipment which includes the Autofill™ Casing Equipment, AutoValve™, MudSaver valves and Single Joint Compensator (SJC™) System. DrawWorks’ most recent development – the DWCRT™ – is a modular mechanically operated casing running tool.

Bing Deng, McCoy’s Vice President, Sales & Marketing, added, “DrawWorks’ team of skilled engineers has developed innovative equipment offerings which are complementary to McCoy. The newly developed DWCRT™ is ready to solve customer challenges. We at McCoy will leverage our existing global footprint to enable DrawWorks’ products to reach new customers and markets under our globally recognized and respected McCoy brand. We also anticipate unlocking DrawWorks’ depth of design expertise on new products and technical packages to further diversify our service offerings in future.”

For the year ended December 31, 2018, DrawWorks reported unaudited annual revenues of US\$6.3 million. Shortly following close, the production of DrawWorks’ technologies will be fully integrated into McCoy’s existing production footprint, while DrawWorks’ customer base will be supported through McCoy’s global technical sales and service team.

Total consideration for the acquisition was US\$6.0 million, of which US\$1.5 million was financed through vendor take-back consideration payable in equal quarterly instalments over 18 months, bearing interest at 5.25%. The total consideration for the acquisition is subject to customary closing adjustments.

In connection with the acquisition, McCoy borrowed US\$2.4 million pursuant to a loan facility secured by certain of its U.S. real estate assets. The proceeds of the loan, net of fees, will be applied to finance a portion of the purchase price. The loan bears interest at an annual rate equal to the greater of 12.25% or prime plus 7% and is repayable within 24 months. The facility may be repaid at any time without penalty. McCoy intends to refinance the loan facility on terms acceptable to the Corporation in combination with servicing the facility through cash generated from operating activities.



About McCoy Global

McCoy Global provides technologies designed to support wellbore integrity and assist with collecting critical data for the global energy industry. The Corporation operates internationally through direct sales and distributors with operations in Canada, the United States of America and the United Arab Emirates. McCoy's corporate headquarters are located in Edmonton, Alberta, Canada. The Corporation's shares are listed on the Toronto Stock Exchange and trade under the symbol "MCB".

Forward-Looking Statements

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 potential future purchases by McCoy of its common shares pursuant to the Bid. 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, 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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