August 4, 2016

McCOY GLOBAL INC. ANNOUNCES SECOND QUARTER 2016 RESULTS

Edmonton, Alberta– **McCoy Global Inc.** ("McCoy", "McCoy Global" or "the Corporation") (TSX:MCB; OTCQB:MCCRF) today announced its operational and financial results for the three months ended June 30, 2016.

"McCoy initiated a company-wide restructuring plan during the second quarter as part of our continued focus on aligning our cost structure with industry activity levels," said Jim Rakievich, President and CEO of McCoy Global. "This is the most significant measure the Corporation has taken and will lower our cost structure and preserve our financial strength, while strategically retaining our ability to service our customers in the current market environment. These changes will also allow for an efficient ramp up of product and service delivery upon a recovery in the energy industry."

Second Quarter Operational Summary

For the second quarter, McCoy Global reported:

- Revenue of $6.6 million, compared to $23.0 million in Q2 2015
- Net loss of $19.1 million, compared to $0.5 million in Q2 2015. A significant portion of the net loss was related to the company-wide restructuring plan initiated during the quarter which resulted in restructuring charges of $9.5 million and an impairment charge of $2.7 million. The restructuring plan included:
    - the consolidation of McCoy Global's hydraulic power tong product line to Edmonton, Canada, resulting in the closure of its hydraulic power tong production facility in Broussard, USA;
    - the closure of the Corporation's sales and service facility in Houston, USA;
    - the relocation and downsizing of operations in Aberdeen, UK; and
    - further significant reductions in both operational and functional workforce, including both senior management and executive employees
- Adjusted EBITDA[1] of ($5.9 million), compared to $1.5 million in Q2 2015
- Backlog[2] of $5.3 million at June 30, 2016, compared to $6.0 million at March 31, 2016
- Book-to-bill ratio[3] of 0.92 for the three months ended June 30, 2016 compared to 1.21 for the three months ended March 31, 2016
- A $1.7 million, or 35%, decrease in general and administrative expense compared to Q2 2015, largely due to a 62% reduction in organizational workforce since January 1, 2015 and strict cost control initiatives
- Cash position of $20.6 million compared to $21.9 million at March 31, 2016
- No debt and non-cash working capital of $36.9 million

Quarterly Financial Summary

Revenue for the three months ended June 30, 2016 was $6.6 million, a decrease of $16.4 million, or 71%, from the second quarter of 2015. Industry fundamentals remained challenged over the quarter, with drilling and completions activity at the lowest levels experienced in decades. As a result, significant pricing pressure and depressed demand for capital equipment persisted. Aftermarket revenue as a percentage of overall revenue has increased compared to Q2 2015, as is typical during a down cycle, however the severity of this down cycle has led to many customers deferring equipment maintenance, cannibalizing idle equipment for any required parts and servicing equipment internally.

Gross profit percentage for the three months ended June 30, 2016 decreased 68 percentage points from the second quarter of 2015. Gross profit was significantly impacted by the 71% decline in revenues realized as a result of the down-cycle. Lower activity levels resulted in a decline in required production hours, which drove significant under-absorption of production facility costs. In addition, pricing pressure has intensified as service and equipment providers have become increasingly competitive to take advantage of any potential market activity.

General and administrative expense for the three months ended June 30, 2016 was $3.2 million, a $1.7 million decrease from the second quarter of 2015. The decrease is largely due to a 62% reduction in organizational headcount since January 1, 2015 and strict cost control. Sales and marketing expenses decreased by $0.5 million, or 37%, compared to the second quarter of 2015.

Net loss for the three months ended June 30, 2016 was $19.1 million ($0.69 loss per basic share), compared to $0.5 million ($0.02 loss per basic share) in the second quarter of 2015. The net loss includes the impact of the implementation of the Corporation's company-wide restructuring plan during the quarter which resulted in restructuring charges of $9.5 million and an impairment charge of $2.7 million related to property plant and equipment (PPE) at the facilities affected by the restructuring plan.

Adjusted EBITDA[1] for the three months ended June 30, 2016 was ($5.9 million) compared to $1.3 million for the second quarter of 2015. Adjusted EBITDA was impacted by the 71% decline in revenue, significant under-absorption of production facility costs and lower margins as a result of increased competition.

The restructuring plan implemented by management towards the end of the second quarter will reduce the Corporation's cost structure to better align with current market conditions, with the full financial benefit of the plan beginning to be realized in the second half of 2016 and beyond. However, an increase in revenues and production activity will be required to attain positive adjusted EBITDA in future periods.

Cash preservation efforts and effective balance sheet management during the second quarter have been successful, resulting in a $20.6 million cash balance as at June 30, 2016 and no debt. The execution of the restructuring plan will reduce operating losses in the second half of 2016 if lower revenues persist. Further, the Corporation anticipates that it will receive corporate income tax refunds, sell redundant PPE and further reduce inventory in the second half of 2016.

Subsequent to June 30, 2016 the Corporation cancelled its syndicated committed credit facility and replaced it with a $5.0 million operating line.

Selected Quarterly Information

($000 except per share amounts and percentages)	Q2 2016	Q2 2015	% Change
Total revenue	6,583	22,952	(71)
Gross profit	(2,512)	6,877	(137)
as a percentage of revenue	(38)	29	(67)
Net loss	(19,096)	(451)	4,134
per common share – basic	(0.69)	(0.02)	3,350
per common share –diluted	(0.69)	(0.02)	3,350
Adjusted EBITDA[1]	(5,888)	1,538	(483)
per common share – basic	(0.21)	0.06	(450)
per common share – diluted	(0.21)	0.06	(450)
Total assets	79,814	127,090	(37)
Total non-current liabilities	3,594	3,779	(5)
Total liabilities	14,357	22,239	(35)

[1] Adjusted EBITDA is a non-GAAP measure defined as "net (loss) earnings before finance charges, net, income tax expense (recovery), depreciation, amortization, impairment losses, restructuring charges, non-cash changes in fair value related to derivative financial instruments and share-based compensation". The Corporation reports on EBITDA and adjusted EBITDA because they are key measures used by management to evaluate performance. Adjusted EBITDA is used in making decisions relating to distributions to shareholders and is used in monitoring compliance with debt covenants. The Corporation believes adjusted EBITDA assists investors in assessing McCoy Global's performance on a consistent basis without regard to impairment losses, restructuring charges, non-cash changes in fair value related to derivative financial instruments, depreciation, amortization and share-based compensation expense, which are non-cash in nature and can vary significantly depending on accounting methods or non-operating factors. Adjusted EBITDA is not considered an alternative to net (loss) earnings in measuring McCoy Global's performance. Adjusted EBITDA does not have a standardized meaning and is therefore not likely to be comparable to similar measures used by other issuers. However, McCoy Global calculates adjusted EBITDA consistently from period to period. Adjusted EBITDA should not be used as an exclusive measure of cash flow since it does not account for the impact of working capital changes, capital expenditures, debt changes and other sources and uses of cash, which are disclosed in the consolidated statement of cash flows.

[2] McCoy Global defines backlog as orders that have a high certainty of being delivered and is measured on the basis of a firm customer commitment, such as the receipt of a purchase order. Customers may default on or cancel such commitments, but several are secured by a deposit and/or require reimbursement by the customer upon default or cancellation. Backlog reflects likely future revenues; however, cancellations or reductions may occur and there can be no assurance that backlog amounts will ultimately be realized as revenue, or that the Corporation will earn a profit on backlog work. Expected delivery dates for orders recorded in backlog historically spanned from one to six months, however under current market conditions customers are shifting their purchasing habits towards a just-in-time model.

[3] The book-to-bill ratio is a measure of the amount of net sales orders received to revenues recognized and billed in a set period of time. The ratio is an indicator of customer demand and sales order processing times. The book-to-bill ratio is not a GAAP measure and therefore the definition and calculation of the ratio will vary among other issuers reporting the book-to-bill ratio. McCoy Global calculates the book-to-bill ratio as net sales orders taken in the reporting period divided by the revenues reported for the same reporting period.

Conference Call Information

McCoy Global will host a conference call and webcast at 9:00 a.m. Mountain Time (11:00 a.m. Eastern Time) on August 4, 2016. Management participants will include: Jim Rakievich, President & CEO; Jacob Coonan, CFO; Kenny Watt, Senior Vice President; and Suzanne Langier, Vice President, Human Resources.

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://event.on24.com/r.htm?e=1225957&s=1&k=517513E9F821D3F23A15ACFD62E50980

The conference call will be archived for replay until Thursday, August 11, 2016 at midnight. To access the archived conference call, dial 1-855-859-2056 or 1-416-849-0833 and enter the replay passcode 50359583.

About McCoy Global

McCoy Global provides innovative products and services to the global energy industry. The Corporation operates internationally through direct sales and distributors with operations in Canada, the United States of America, the United Kingdom, Singapore and the United Arab Emirates. McCoy's corporate headquarters are located in Edmonton, Alberta, Canada.

Forward-Looking Information

*This News Release contains forward-looking statements and forward-looking information (collectively referred to herein as "**forward-looking statements**") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking information is often, but not always, identified by the use of words such as "could", "should", "can", "anticipate", "expect", "objective", "ongoing", "believe", "will", "may", "projected", "plan", "sustain", "continues", "strategy", "potential", "projects", "grow", "take advantage", "estimate", "well positioned" or similar words suggesting future outcomes. This News Release contains forward-looking statements respecting the business opportunities for the Corporation that are based on the views of management of the Corporation and current and anticipated market conditions; and the perceived benefits of the operating strategy of the Corporation are based upon the financial and operating attributes of the Corporation as at the date hereof, as well as the anticipated operating and financial results. Forward-looking statements regarding the Corporation are based on certain key expectations and assumptions of the Corporation concerning anticipated financial performance, business prospects, strategies, the sufficiency of budgeted capital expenditures in carrying out planned activities, the availability and cost of labour and services and the ability to obtain financing on acceptable terms, which are subject to change based on market conditions and potential timing delays. Although management of the Corporation consider these assumptions to be reasonable based on information currently available to them, they may prove to be incorrect. By their very nature, forward-looking statements involve inherent risks and uncertainties (both general and specific) that forward-looking statements will not be achieved. Undue reliance should not be placed on forward-looking statements, as a number of important factors could cause the actual results to differ materially from the beliefs, plans, objectives, expectations, anticipations, estimates and intentions expressed in the forward-looking statements, including inability to meet current and future obligations; inability to complete or effectively integrate strategic acquisitions; inability to implement the Corporation's business strategy effectively; access to capital markets; fluctuations in oil and gas prices; fluctuations in capital expenditures of the Corporation's target market; competition for, among other things, labour, capital, materials and customers; interest and currency exchange rates; technological developments; global political and economic conditions; global natural disasters or disease; and inability to attract and retain key personnel. Readers are cautioned that the foregoing list is not exhaustive. The reader is further cautioned that the preparation of financial statements in accordance with IFRS requires management to make certain judgments and estimates that affect the reported amounts of assets, liabilities, revenues and expenses. These judgments and estimates may change, having either a negative or positive effect on net earnings as further information becomes available, and as the economic environment changes.* ***The information contained in this News Release identifies additional factors that could affect the operating results and performance of the Corporation. We urge you to carefully consider those factors. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements*** *included in this News Release are made as of the date of this News Release and the Corporation does not undertake and is not obligated to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless so required by applicable securities laws.*

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