Management's Discussion and Analysis

For the three and six months ended June 30, 2013

MOVING GLOBAL ENERGY FORWARD

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EXPLANATORY NOTES

The following Management's Discussion and Analysis of Financial Results ("MD&A"), dated August 7, 2013, should be read in conjunction with the cautionary statement regarding forward-looking information and statements below, as well as the audited consolidated financial statements and notes thereto, for the years ended December 31, 2012 and 2011. The annual consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts in the following MD&A are in Canadian dollars unless otherwise stated. References to "McCoy," "the Corporation," "we," "us" or "our" mean McCoy Corporation and its subsidiaries, unless the context otherwise requires. Additional information relating to McCoy, including periodic quarterly and annual reports and Annual Information Forms, filed with Canadian securities regulatory authorities, is available on SEDAR at sedar.com and our website at mccoyglobal.com.

FORWARD LOOKING INFORMATION AND STATEMENTS

This MD&A contains certain 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. In particular, this MD&A contains:

Forward-looking statements relating to:

- McCoy's acquisition strategy;
- the future development and growth prospects for the Corporation;
- the business strategy of the Corporation; and
- the competitive advantage of the Corporation.

Forward-looking statements respecting:

- the business opportunities for the Corporation based on the views of management of the Corporation and current and anticipated market conditions; and
- the perceived benefits of the growth strategy and operating strategy of the Corporation based upon the financial and operating attributes of the Corporation as at the date hereof, as well as the anticipated operating and financial results.

Other forward-looking statements regarding the Corporation are located in the documents incorporated by reference in this MD&A and 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) and risks 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 those set out below and those detailed elsewhere in this MD&A:

- inability to meet current and future obligations;
- inability to complete strategic acquisitions;
- inability to implement the Corporation's business strategy effectively;

- access to capital markets;
- fluctuations in oil and gas prices;
- fluctuations in our target market for capital expenditures;
- competition for, among other things, labour, capital, materials and customers;
- interest and currency exchange rates;
- technological developments;
- political and economic conditions;
- 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 judgements 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 MD&A, including the documents incorporated by reference herein, 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 MD&A are made as of the date of this MD&A 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.

DESCRIPTION OF ADDITIONAL GAAP MEASURES

Throughout this MD&A, management uses measures which do not have a standardized meaning as prescribed by IFRS and therefore are considered to be additional GAAP measures presented under IFRS.

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

Adjusted EBITDA is an additional GAAP measure presented under IFRS defined as "net earnings before impairment losses, finance charges (net), income tax expense, depreciation, amortization and share-based compensation expense". For comparative purposes, in financial disclosures previous to the first quarter of 2013 'adjusted EBITDA' was referred to as "EBITDAS".

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's performance on a consistent basis without regard to impairment losses, 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 earnings in measuring McCoy'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 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.

OUTLOOK AND FORWARD LOOKING INFORMATION

We continue to grow our EP&S business and during the quarter we recognized increases in both backlog and revenue. Stronger than anticipated demand for off-shore drilling programs has resulted in an increase in the revenues we are generating from supplying off-shore rig equipment and we expect this trend to continue. Although North American drilling activity has remained relatively flat, international rig counts are increasing and there are positive signs in the international market. Increased revenue from several international regions is anticipated, contributing to overall revenue growth for the remainder of the year. We continue to remain focused on increasing sales of after-market service, replacement parts and consumables, in addition to investing in a global equipment rental business.

Our international technical sales and service strategy entails being operational in four international locations by the end of fiscal 2014. Servicing our customers in a timely manner regardless of geographic location remains a priority and we continue making strategic investments to further advance this initiative. We took another step this quarter by establishing our second international entity in the Southeast Asian region. McCoy Global Singapore Pte. Ltd., based in Singapore, will operate as our second overseas technical service and sales location with operations planned to commence in the fourth quarter of 2013. We also continued to lay the ground work to begin operations at our first international technical sales and service location in Aberdeen. These locations will not only improve our customer service commitments to our growing global customer base, but will generate additional sales opportunities for capital equipment, consumables and replacement parts, in addition to developing a rental business. Two additional technical sales and service centers in the Middle East and Latin America are planned for fiscal 2014.

In the second quarter of 2013, we brought another product in our "we" pipeline to market, the weVERIFY (a remote calibration tool). Used in conjunction with our WinCatt software, the weVERIFY allows us to remotely calibrate our customer's equipment anywhere in the world with access to an internet connection. We realized our first sale of the weVERIFY in the quarter and are receiving positive feedback on this market leading technology. In the third quarter, the weBUCK (an electric bucking unit) will begin product testing with subsequent customer field testing scheduled for later in the quarter. Depending on field testing results, the weBUCK will commercially launch by the end of the fiscal year. Additional products under development include a casing running tool (weRUN350), a casing handling tool system with flush mount spider, conventional spider and elevator configurations (weHOLD) and a hydraulic catwalk (weMOVE35). Progress continues to be made on the development of these new products. These products are in various phases of design, prototype and testing. Commercial launches of the above mentioned products are anticipated to occur throughout 2013 and 2014, depending on successful prototyping, testing and field trials. Robust testing will be undertaken to ensure products are ready for commercial production.

Mobile Solutions continues to face a challenging market. Backlog levels are now stabilizing and we are targeting strategic customers as well as leveraging off of our dealer network to build new customer relationships. We continue to implement cost cutting measures and have realized an increase in gross margin percentage as compared to 2012. The custom chassis market remains slow and any significant recovery is unlikely to occur in 2013.

During the quarter, the Corporation announced an important addition to its executive leadership team with the appointment of a permanent Chief Financial Officer, Mr. Jacob Coonan, CA. Mr. Coonan's financial acumen coupled with his strong leadership skills will be a significant asset to McCoy's finance group and the management of the Corporation's capital market needs.

On May 30, 2013, McCoy began trading on OTCQX International, a segment of the OTCQX marketplace reserved for high-quality non-U.S. companies that are listed on a qualified international exchange and provide their home country disclosure to U.S. investors. This will enable us to provide our U.S. investors with timely news and information to help them better analyze, value and trade our securities. Over time this is expected to increase shareholder value and stock liquidity.

STRATEGY AND CORE BUSINESS VISION

OUR VISION IS TO BE THE TRUSTED PROVIDER OF INNOVATIVE PRODUCTS AND SERVICES FOR THE GLOBAL ENERGY INDUSTRY

ENERGY PRODUCTS & SERVICES OVERVIEW

The Energy Products & Services ("EP&S") segment is comprised of two divisions: Drilling & Completions and Coatings & Hydraulics.

The Drilling & Completions division is an innovator of tubular handling, assembly and measurement equipment used for making up threaded connections in the global oil and gas industry.

The division is engaged in the:

- design, manufacture and distribution of innovative drilling and completions equipment and equipment lifecycle products such as consumable and replacement parts;
- repair, maintenance, and calibration of drilling and completions equipment; and
- rental of drilling and completions equipment.

The Coatings & Hydraulics division provides a range of coatings and hydraulic manufacturing and repair services.

EP&S customers include service companies, drilling rig manufacturers, drilling contractors (both land and offshore), and oil sands operators. Clients are typically global in nature and can operate in both land and offshore drilling environments. Operations are structured as follows:

Operating Name	Country of Incorporation	Division
Farr Canada Corp.	Canada	Drilling & Completions
Inotec Coating and Hydraulics Inc.	Canada	Coatings & Hydraulics
McCoy Global Singapore Pte. Ltd.	Singapore	Drilling & Completions
McCoy Global UK Ltd.	United Kingdom	Drilling & Completions
Precision Die Technologies, L.L.C.	United States	Drilling & Completions
Superior Manufacturing & Hydraulics, Inc.	United States	Drilling & Completions
McCoy Rig Parts, operating as a division of Superior Manufacturing & Hydraulics, Inc.	Not applicable	Drilling & Completions

The Corporation continues to pursue growth of the EP&S segment through organic growth from existing operations and strategic acquisitions.

Organic growth is being achieved by:

- investing in the development of innovative new products and services that provide a competitive advantage and/or safety enhancement for our customers, resulting in increased market share for McCoy;
- developing a global service team to provide service, technical sales support and training to our international and domestic customers, while pursuing new revenue generation opportunities;
- increasing international sales of capital equipment by deploying an international sales team and penetrating new markets;
- increasing the sales of equipment lifecycle products, such as consumables and replacement parts, with the establishment of inventories at our new, strategically located international service centers; and
- investing in the establishment of a global equipment rental business.

The Corporation has maintained a strong balance sheet as well as committed credit facilities to provide the flexibility to invest in working capital and innovation required to support our organic growth plans and an ability to pursue prudent and valuable acquisitions to strengthen our product and service offerings.

EP&S HIGHLIGHTS – QUARTER ENDING JUNE 30, 2013

WE CONTINUE TO REALIZE ORGANIC GROWTH

Comparing the second quarter of 2013 to 2012, EP&S realized an increase in revenue of $6.5 million, or 24%, and an increase in gross margin percentage of 2%. In addition, we experienced an increase in customer demand, with the segment reporting backlog of $45.9 million as at June 30, 2013, an increase of $10.6 million from March 31, 2013.

WE TOOK ANOTHER STEP IN EXECUTING OUR INTERNATIONAL TECHNICAL SALES AND SERVICE STRATEGY

We established our second international service center during the quarter. Located in Southeast Asia, McCoy Global Singapore Pte. Ltd. is scheduled to commence operations in the fourth quarter of 2013. We also continued to lay the ground work to begin operations at our first international technical sales and service location in Aberdeen.

In addition to providing a physical presence in these regions, the locations will provide technical service and customer support. The locations will improve customer service commitments to our growing global customer base and generate additional sales and rental opportunities for capital equipment, consumables and replacement parts.

WE REALIZED THE FIRST COMMERCIAL SALE OF THE NEXT PRODUCT IN OUR "WE" PRODUCT LINE

Final testing of the weVERIFY (a remote calibration tool) was completed and we realized the first commercial sale of the product in the quarter.

We are beginning product testing on our innovative new electric bucking unit (weBUCK), with customer field testing scheduled to commence towards the end of the third quarter.

Further development of our new "we" product line, including a casing running tool (weRUN350), a casing handling tool system with flush mount spider, conventional spider and elevator configurations (weHOLD), and a hydraulic catwalk (weMOVE35), continued to progress.

WE CELEBRATED ACHIEVING A SIGNIFICANT MILESTONE

McCoy's WinCatt system hit a milestone by shipping the "1000th" Torque Turns Monitoring and Data Logging unit in the quarter.

WE INVESTED IN MANUFACTURING CAPACITY

The expansion of our dies and inserts manufacturing facility in Louisiana continues to progress, with project completion scheduled for the third quarter. This increased capacity will provide additional production space required to support supplying our new international technical sales and service centers with inventory for regional markets.

As we advance our international technical sales and service strategy the investment in inventory required to support these centers will increase.

MOBILE SOLUTIONS OVERVIEW

The Mobile Solutions segment consists of the McCoy Trailers division. McCoy Trailers is involved in the manufacture and sale of specialized custom heavy-duty trailers largely used in the oil and gas industry for pressure pumping, coil tubing, rig transportation and heavy haul and is focused on serving oil and gas clients operating in the Western Canadian Sedimentary Basin and the United States. McCoy Trailers has exported products outside of North America on a limited basis.

McCoy Trailers consists of Peerless Limited ("Peerless") which is located in Penticton, British Columbia where both the Peerless and Scona branded trailers are manufactured. In addition to the wholly owned Penticton facility, McCoy Trailers also has subcontract relationships with manufacturing plants in Arkansas and Texas, which allow for the ramp up of production during periods of market peaks and contraction when markets decline.

This segment is aggressively pursuing market expansion into the United States through targeted export channels and to overseas oil and gas markets. Engineering expertise is being utilized to develop innovative products for these specialized transportation markets.

McCoy designs and manufactures specialized custom drilling and well servicing chassis trailers used in pressure pumping and stimulation operations, particularly in shale oil and gas applications.

MOBILE SOLUTIONS HIGHLIGHTS – QUARTER ENDING JUNE 30, 2013

WE REALIZED IMPROVED FINANCIAL RESULTS

Gross profit percentage increased by 5% from the comparative quarter as a result of cost cutting initiatives and increased efficiency.

WE STRENGTHENED OUR RELATIONSHIPS WITH OUR DEALER NETWORKS

In the first quarter of 2013, new dealership agreements were reached with dealers in North Dakota and Colorado, with both locations near strategic markets. Throughout the second quarter, we continued to develop these relationships and explored further opportunities to expand our dealer network.

The recent delivery of trailers to these dealers has gained a positive market reaction with follow-on trailer orders expected. These relationships will enable us to broaden our geographic scope and pursue additional sales channels.

WE MADE STRIDES TOWARD INCREASING PRODUCTION EFFICIENCY

We have made significant progress towards standardizing our oilfield trailer models. This initiative reduces lead times and provides pricing flexibility to our customers. This is intended to increase sales, in addition to reducing engineering costs with the aim of increasing margins.

FINANCIAL RESULTS

SUMMARY OF CONSOLIDATED FINANCIAL RESULTS

For the three months ended June 30 ($000 except per share amounts)	2013	2012
Total revenue	**42,390**	41,108
Net earnings	**3,051**	2,127
Per common share – basic	**0.11**	0.08
Per common share – diluted	**0.11**	0.08
Adjusted EBITDA	**5,944**	4,572
Per common share – basic	**0.22**	0.17
Per common share – diluted	**0.22**	0.17
Dividends declared per common share	**0.05**	0.05

As at and for the six months ended June 30 ($000 except per share amounts)	2013	2012
Total revenue	**84,420**	86,641
Net earnings	**5,112**	4,281
Per common share – basic	**0.19**	0.16
Per common share – diluted	**0.19**	0.16
Adjusted EBITDA	**10,628**	9,143
Per common share – basic	**0.40**	0.34
Per common share – diluted	**0.39**	0.34
Dividends declared per common share	**0.10**	0.08
Total assets	**119,365**	109,359
Total liabilities	**36,960**	36,637
Total non-current liabilities	**10,795**	6,974

EBITDA and Adjusted EBITDA are calculated as follows:

	Three months ended June 30		Six months ended June 30	
($000)	2013	2012	2013	2012
Net earnings	**3,051**	2,127	**5,112**	4,281
Income tax expense	**1,050**	1,067	**1,972**	2,070
Finance charges (net)	**204**	62	**392**	101
Depreciation	**1,075**	850	**2,127**	1,649
Amortization	**359**	329	**688**	662
EBITDA	**5,739**	**4,435**	**10,291**	**8,763**
Share-based compensation expense	**205**	137	**337**	380
Adjusted EBITDA	**5,944**	**4,572**	**10,628**	**9,143**

REVENUE

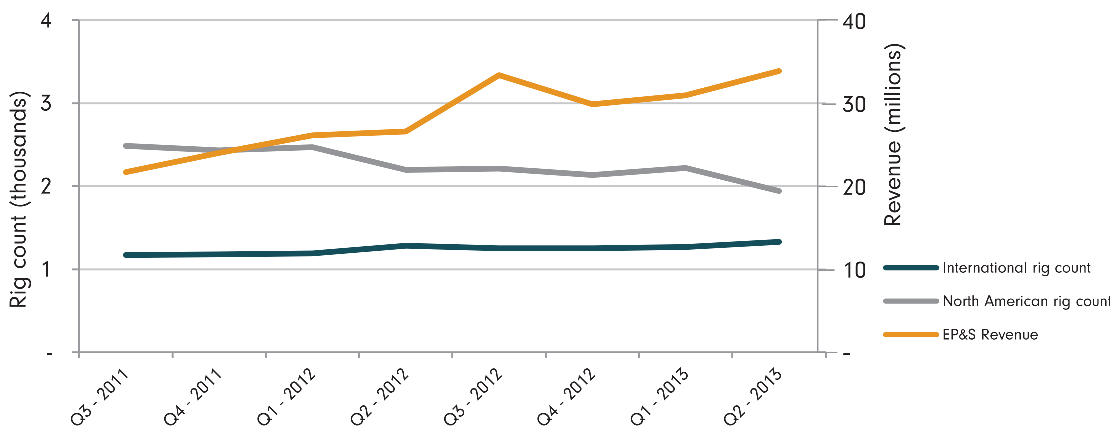
On a consolidated basis, revenue for the three months ended June 30, 2013 was $42.4 million, an increase of $1.3 million, or 3%, from the comparative period. For the six months ended June 30, 2013, revenues decreased by $2.2 million or 3%, from the comparative quarter to $84.4 million.

Active rig counts

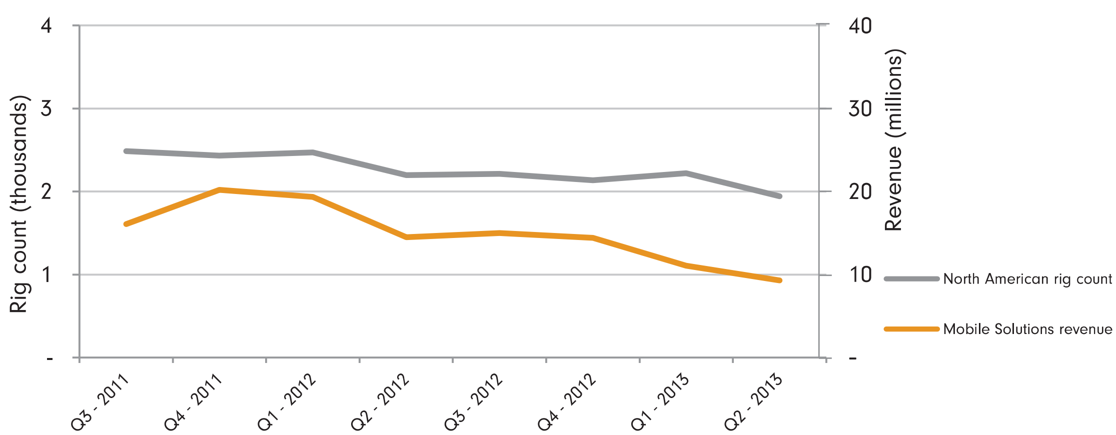
As the number of working rigs fluctuates in response to market fundamentals, we expect the demand for capital equipment to fluctuate accordingly. A correlation has historically existed between McCoy's revenues and rig counts. McCoy's customers increase or decrease their spending on capital equipment in response to changes in drilling activity. Capital expenditures by our customers increase revenue for McCoy and the rig counts are a strong indicator of future capital purchases. For the EP&S segment, the timing between the increase or decrease in rig counts and the impact on revenue typically lags by approximately six months to one year; whereas for Mobile Solutions the timing typically has a stronger correlation.

A summary of the past eight quarters of information with respect to McCoy revenues and rig counts is as follows[1]:

EP&S revenue in comparison to rig counts



Mobile Solutions revenue in comparison to rig counts



[1]All references to rig counts can be accessed through Baker Hughes, Inc., http://phx.corporate-ir.net/phoenix.zhtml?c=79687&p=irol-rigcountsintl

Fluctuations in the correlation arise when changes to the underlying business are made. For example, the impact of new product lines, increasing manufacturing capacity or improving market share may cause revenue growth to increase during periods of otherwise stable drilling activity. From quarter to quarter there may also be fluctuations in our revenue depending on the timing of when product is shipped and revenue is recognized.

Many of our international customers have longer lead times and are less impacted by short term fluctuations in the price of oil, particularly those operating internationally and offshore. Our focus on expanding international sales offers geographic diversification as well as some stability to a North American revenue stream that has historically been subject to the highs and lows of the price of energy. Quarter over quarter we have seen increases in the amount of revenue recognized from offshore rig manufacturers.

Although many factors exist that may cause variances in the correlation, historically there has been a trend between our revenues and rig counts. Management actively uses rig count activity as a tool to monitor and set expectations of the future performance of the Corporation.

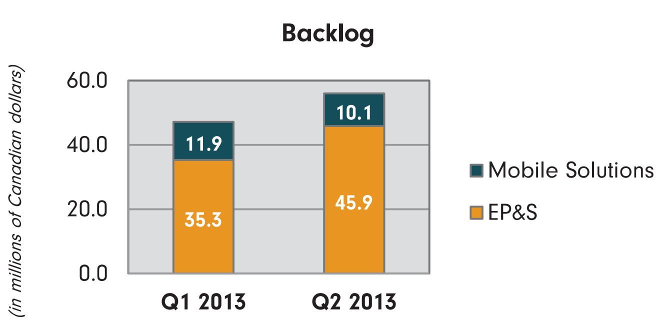
Backlog

Backlog is a measure of the amount of customer orders the Corporation has outstanding and is therefore an indicator of a base level of future revenue potential. Backlog is not a GAAP measure and as a result, the definition and determination of backlog will vary among other issuers reporting a backlog figure.

The Corporation defines backlog as work that has a high certainty of being performed 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 most 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 usually span from one to six months, and thus may not translate into revenue in the consecutive quarter. McCoy's backlog as at June 30, 2013 totaled $56.0 million, an increase of $8.8 million or 19% from March 31, 2013. The Corporation began reporting backlog in the first quarter of 2013.

For the quarter, the EP&S segment received net sales orders of $42.2 million (Q1 2013 - $22.3 million) and recorded revenue of $33.1 million (Q1 2013 - $31.0 million). Some softness in demand in North America was noted in the latter part of 2012 and into the beginning of 2013, however, we secured a large international order in the second quarter and continue to increase revenues from off-shore rig manufacturers. The EP&S segment reported backlog of $45.9 million as at June 30, 2013 (March 31, 2013 - $35.3 million).

The Mobile Solutions segment received net sales orders of $7.5 million (Q1 2013 - $9.0 million) and recognized revenue of $9.3 million for the quarter (Q1 2013 - $11.1 million). Backlog significantly declined in this segment throughout 2012, with a further slight decline noted in 2013 bringing the total backlog to $10.1 million as at June 30, 2013 (March 31, 2013 - $11.9 million). The North American market for heavy haul trailers has become increasingly competitive, with the custom chassis market remaining relatively slow and expected to remain soft through the balance of the year.



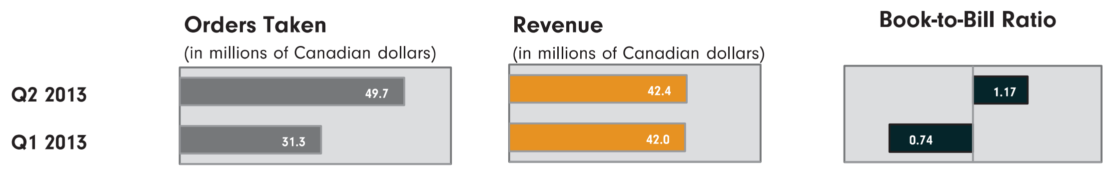
Book-to-Bill Ratio

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. A ratio of above "1.0" indicates more net sales orders were received than orders shipped and billed. 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 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.

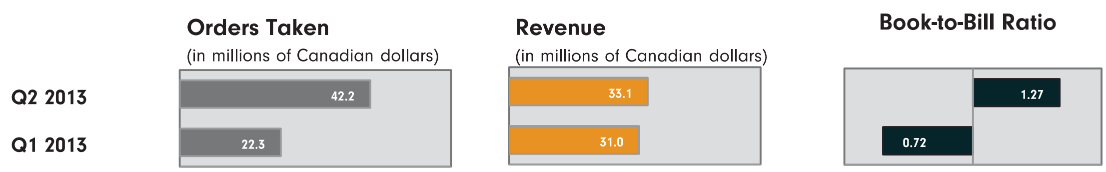
The book-to-bill ratio for the Corporation for the three months ended June 30, 2013 was 1.17 (March 31, 2013 - 0.74); with the EP&S segment reporting a book-to-bill ratio of 1.27 (March 31, 2013 - 0.72) and the Mobile Solutions segment reporting a book-to-bill ratio of 0.81 (March 31, 2013 - 0.81). The Corporation began reporting the book-to–bill ratio in the first quarter of 2013.

Set out below are orders taken, revenues and the book-to-bill ratio by segment:

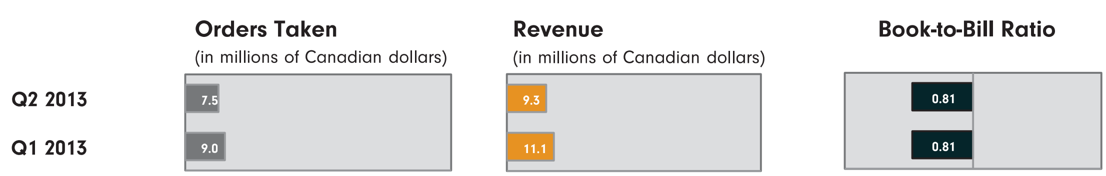
McCoy Corporation



EP&S



Mobile Solutions



Geographic sales

The Corporation attributes revenue to a geographic location based on the location of the customer being invoiced. However, the geographic location where our equipment is ultimately placed into service may significantly differ from the customer invoice location. Many of our customers are large multi-national companies which may place an order in the United States, or another country, and redistribute our equipment. Further, we invoice equipment to United States distributors who re-sell our equipment both domestically and internationally; we attribute this revenue to the United States total in the table below.

Geographic revenues are calculated on a consistent basis from period to period; however users are cautioned that this information may not reflect the actual geographic location our equipment is placed into service.

Energy Products & Services

Although North American rig counts have declined slightly, international land and offshore drilling activity remains strong in most geographic regions. Efforts by the EP&S team to strengthen its international sales force and increase our international presence have resulted in positive revenue growth from both international customers and customers participating in international markets. As EP&S grows its global footprint through international sales of capital equipment and sales of after-market technical service, consumables and replacement parts, additional revenue generation opportunities continue to develop. For the six months ended June 30, 2013 revenue attributed to the United States increased significantly from the comparative quarter; however we filled several orders for which our customers subsequently redistributed the equipment sold. We have seen revenue growth in the European and Middle Eastern regions and in the quarter received a large order from Latin America. Looking forward, we are seeing an increased number of requests for quotes from international rig manufacturers in addition to requests for quotes on the rental of capital equipment.

	For the 3 months ended June 30				For the 6 months ended June 30			
($000)	**2013**	**% of total**	2012	% of total	**2013**	**% of total**	2012	% of total
United States	**16,909**	**51%**	12,575	47%	**35,312**	**55%**	24,221	46%
Europe	**6,417**	**20%**	6,298	24%	**10,068**	**16%**	9,218	17%
Canada	**4,703**	**14%**	4,622	17%	**8,629**	**14%**	8,751	17%
Middle East & North Africa	**3,021**	**9%**	1,556	6%	**5,890**	**9%**	4,795	9%
South East Asia	**1,633**	**5%**	1,085	4%	**3,440**	**5%**	4,345	8%
Latin America	**409**	**1%**	458	2%	**722**	**1%**	1,426	3%
Total	**33,092**	**100%**	26,594	100%	**64,061**	**100%**	52,756	100%

Revenue is attributed to a geographical region based on the location of the customer invoiced, which may not necessarily reflect the product's final destination.

Mobile Solutions:

The Mobile Solutions segment's customer base is primarily North American. Revenues for the six months ended June 30, 2013 have declined in both Canada and the United States from the comparative period. The predominant decline was in Canada where we have traditionally sold a significant number of custom chassis for the North American pressure pumping and well servicing market.

	For the 3 months ended June 30				For the 6 months ended June 30			
($000)	2013	% of total	2012	% of total	2013	% of total	2012	% of total
Canada	7,374	79%	7,168	49%	15,298	75%	21,800	64%
United States	1,924	21%	7,346	51%	5,061	25%	12,085	36%
Total	9,298	100%	14,514	100%	20,359	100%	33,885	100%

Revenue is attributed to a geographical region based on the location of the customer invoiced, which may not necessarily reflect the product's final destination.

PROFITABILITY

The following tables summarize gross profit by reportable segment:

($000 except percentages)	Gross Profit		Change in Gross Profit	
For the three months ended June 30	**2013**	2012	$	%
Energy Products & Services	**12,252**	9,311	2,941	32%
Mobile Solutions	**1,534**	1,647	(113)	(7%)
Total	**13,786**	10,958	2,828	26%

($000 except percentages)	Gross Profit		Change in Gross Profit	
For the six months ended June 30	**2013**	2012	$	%
Energy Products & Services	**22,509**	17,894	4,615	26%
Mobile Solutions	**3,188**	4,106	(918)	(22%)
Total	**25,697**	22,000	3,697	17%

For the three months ended June 30, 2013 gross profit was $13.8 million. This represents an increase of $2.8 million, or 26%, from the comparative quarter.

In comparison to the six months ended June 30, 2012, gross profit increased by $3.7 million or 17%, to $25.7 million for the six months ended June 30, 2013.

For both periods, increased gross profit is a result of increased revenue and gross profit percentage in the EP&S segment. This was partially offset by a decline in revenue in the Mobile Solutions segment.

The following tables summarize adjusted EBITDA by reportable segment:

($000 except percentages)	Adjusted EBITDA		Change in Adjusted EBITDA	
For the three months ended June 30	**2013**	2012	$	%
Energy Products & Services	**7,097**	5,254	1,843	35%
Mobile Solutions	**391**	294	97	33%
Corporate	**(1,544)**	(976)	(568)	(58%)
Total	**5,944**	4,572	1,372	30%

($000 except percentages)	Adjusted EBITDA		Change in Adjusted EBITDA	
For the six months ended June 30	**2013**	2012	$	%
Energy Products & Services	**12,323**	10,368	1,955	19%
Mobile Solutions	**964**	970	(6)	(1%)
Corporate	**(2,659)**	(2,195)	(464)	(21%)
Total	**10,628**	9,143	1,485	16%

For the three months ended June 30, 2013 adjusted EBITDA was $5.9 million, which was an increase of $1.4 million, or 30%, from the comparative period.

Compared to the six months ended June 30, 2012, adjusted EBITDA increased by $1.5 million, or 16%, to $10.6 million for the six months ended June 30, 2013.

The increase in adjusted EBITDA is attributable to an increase in adjusted EBITDA in the EP&S segment, primarily offset by an increase in Corporate costs.

RESULTS OF OPERATIONS

EXTERNAL REVENUE BY OPERATING SEGMENT

The following tables summarize external revenue by reportable segment:

($000 except percentages)	External Revenue		Change in External Revenue	
For the three months ended June 30	**2013**	2012	$	%
Energy Products & Services	**33,092**	26,594	6,498	24%
Mobile Solutions	**9,298**	14,514	(5,216)	(36%)
Total	**42,390**	41,108	1,282	3%

($000 except percentages)	External Revenue		Change in External Revenue	
For the six months ended June 30	**2013**	2012	$	%
Energy Products & Services	**64,061**	52,756	11,305	21%
Mobile Solutions	**20,359**	33,885	(13,526)	(40%)
Total	**84,420**	86,641	(2,221)	(3%)

Energy Products & Services

For the three months ended June 30, 2013 revenue was $33.1 million, an increase of $6.5 million, or 24%, from the comparative quarter.

EP&S revenue for the six months ended June 30, 2013 increased by $11.3 million or 21% from the comparative period to $64.1 million.

Despite a slight decline in North American rig count, international and off shore markets remain strong. Revenue growth is being generated from both higher capital equipment sales and sales of after-market service, replacement parts and consumables. Capital equipment sales are being led by an increase in demand from off-shore rig manufacturers and we have utilized additional manufacturing capacity to strengthen sales of existing product lines, such as bucking units. The creation of a finished goods inventory of high-volume hydraulic power tongs is proving to be well received by our customers who can now purchase this equipment with very short lead times. Sales generated from the "we" product line are still gaining market acceptance. Sales and marketing efforts made this year will likely yield results in subsequent years.

Mobile Solutions

For the three months ended June, 2013 revenue decreased by $5.2 million, or 36%, from the comparative quarter to $9.3 million.

Mobile Solutions reported revenues of $20.4 million for the six months ended June 30, 2013, which was a decrease of $13.5 million or 40% from the comparative period.

The higher margin custom chassis market remains challenged as a result of an oversupply of rig moving trailers in 2012. This has resulted in a decline in revenue in this segment from the comparative quarter. Though demand for heavy haul trailers remains stable, substantial competition in the market place has also placed downward pressure on revenue. As a result, the segment has experienced a decline in revenue in comparison to the second quarter of 2012, when a healthy volume of sales was realized as a result of backlog secured in 2011 and early to mid-2012. Backlog levels are expected to remain stable, though they are currently at the lowest point experienced in several years.

GROSS PROFIT BY OPERATING SEGMENT

The following tables summarize gross profit and gross profit as a percentage of revenue by reportable segment:

($000 except percentages)	Gross Profit			Gross Profit %		
For the three months ended June 30	**2013**	2012	Change	**2013**	2012	Change
Energy Products & Services	**12,252**	9,311	2,941	**37%**	35%	2%
Mobile Solutions	**1,534**	1,647	(113)	**16%**	11%	5%
Total	**13,786**	10,958	2,828	**33%**	27%	6%

($000 except percentages)	Gross Profit			Gross Profit %		
For the six months ended June 30	**2013**	2012	Change	**2013**	2012	Change
Energy Products & Services	**22,509**	17,894	4,615	**35%**	34%	1%
Mobile Solutions	**3,188**	4,106	(918)	**16%**	12%	4%
Total	**25,697**	22,000	3,697	**30%**	25%	5%

Energy Products & Services

For the three months ended June 30, 2013 the EP&S gross profit percentage was 37%, a 2% increase from the comparative quarter. For the six months ended June 30, 2013 gross profit percentage also increased by 1% in comparison to the six months ended June 30, 2012.

The weakening of the Canadian dollar has had a positive impact on the gross profit of our Canadian manufacturing operations where input costs are primarily in Canadian currency, whereas revenues are in United States currency. This, in combination with operational efficiencies and an increase in revenues from higher margin after-market sales (service, replacement parts and consumables), contributed to the overall increase in EP&S gross profit percentage for both the quarter and year to date.

Mobile Solutions

For the three months ended June 30, 2013, Mobile Solutions realized a 5% increase in the gross profit percentage from the comparative period.

During the six months ended June 30, 2013 gross profit percentage increased by 4% from the comparative period.

Improvements in profitability are a result of cost-cutting and standardization measures taken in 2013 to increase profitability. In addition, 2012 results reflect the impact of inefficiencies realized from expanding our manufacturing into the United States through sub-contractor channels.

With Mobile Solutions continuing to leverage three sub-contractor relationships in the United States and expanding its United States dealer network, the segment has positioned itself well to respond proactively to fluctuations in market demand.

ADJUSTED EBITDA BY OPERATING SEGMENT

The following tables summarize adjusted EBITDA as a percentage of revenue by reportable segment:

($000 except percentages)	Adjusted EBITDA			Adjusted EBITDA as a % of External Revenue		
For the three months ended June 30	**2013**	2012	Change	**2013**	2012	Change
Energy Products & Services	**7,097**	5,254	1,843	**21%**	20%	1%
Mobile Solutions	**391**	294	97	**4%**	2%	2%
Corporate	**(1,544)**	(976)	(568)	**-**	-	-
Total	**5,944**	4,572	1,372	**14%**	11%	3%

($000 except percentages)	Adjusted EBITDA			Adjusted EBITDA as a % of External Revenue		
For the six months ended June 30	**2013**	2012	Change	**2013**	2012	Change
Energy Products & Services	**12,323**	10,368	1,955	**19%**	20%	(1%)
Mobile Solutions	**964**	970	(6)	**5%**	3%	2%
Corporate	**(2,659)**	(2,195)	(464)	**-**	-	-
Total	**10,628**	9,143	1,485	**13%**	11%	2%

Energy Products & Services

For the three months ended June 30, 2013, as a percentage of revenue, adjusted EBITDA increased by 1% from the comparative quarter.

Strong revenue and gross profit percentage were partially offset by increased overhead expenses incurred to strategically invest in strengthening our management team, infrastructure, international expansion and new product development.

For the six months ended June 30, 2013, adjusted EBITDA decreased by 1% as a percentage of revenue compared to the six months ended June 30, 2012.

The majority of the new management hires that were made in 2012 occurred in the mid to latter part of the year. Accordingly, these salaries were not all included in the comparative period. Comparatively, we have also increased the level of investment we are making in our new product development team and realized upfront costs related to establishing our regional technical service and customer support centers in the European and Southeast Asian regions. These outlays resulted in higher general and administrative expense from the comparative quarter which was not offset by proportionate increases in EP&S gross profit. These investments may require longer lead times to generate proportionate returns and are consistent with our strategic objectives.

Mobile Solutions

For the three and six months ended June 30, 2013, adjusted EBITDA as a percentage of revenue increased by 2% from the comparative period. This is a result of increases in both gross profit percentage and decreases in general and administrative expenses as a result of efforts made to reduce overhead costs and employee headcount throughout the latter portion of 2012 and into 2013.

Corporate

For the three months ended June 30, 2013, Corporate reported adjusted EBITDA of negative $1.5 million, compared to adjusted EBITDA of negative $1.0 million from the comparative quarter.

For the six months ended June 30, 2013, Corporate adjusted EBITDA was negative $2.7 million, compared to adjusted EBITDA of negative $2.2 million from the comparative period.

The changes can be attributed to several factors, but most significantly due to increased compensation expense related to an increase in employee headcount from the comparative period. These additional resources were hired to support our growing operations, most of which commenced employment in the latter part of 2012. Foreign currency fluctuations also impact period to period results as Corporate holds a significant proportion of the Company's cash and cash equivalents, with a sizeable proportion denominated in United States funds. For the three months ended June 30, 2013, the Corporation realized a foreign exchange gain of $0.1 million, or $0.2 million less than the comparative quarter. Whereas, for the six months ended June 30, 2013, the foreign exchange gain of $0.4 million was $0.3 million greater than the six month comparative period. In addition, we incurred up-front costs in 2013 related to listing on the OTCQX as well as an increase in travel expenditures to support our operations.

GENERAL AND ADMINISTRATION

General and administration expense for the three months ended June 30, 2013 was $7.0 million. This represents an increase of $1.4 million, or 26%, from the comparative period. As a percentage of revenue, general and administrative expense was 16% for the three months ended June 30, 2013, which is an increase of 3% from the comparative period.

For the six months ended June 30, 2013, general and administrative expenses totaled $13.6 million, a $2.8 million or 26% increase in comparison to the six months ended June 30, 2013. As a percentage of revenue, general and administrative expense was 16% for the six months ended June 30, 2013, or an increase of 4% from the comparative period.

The increase in general and administration expense is attributable to our investments in repositioning the Corporation and preparing for future growth. As compared to the six months ended June 30, 2012, the 2013 increase in general and administration expense is primarily attributable to higher salary expenses associated with new hires made in the mid to latter portion of 2012 and other expenses associated with our Drilling & Completions head office in Houston. We also incurred additional expenses related to start-up costs associated with establishing international sales and service center locations.

As we continue to grow, we will continue to make strategic investments in people and infrastructure to support our long-term growth when these decisions will yield long-term returns for our stakeholders. The pace at which we have been making additional investments that are resulting in higher general and administrative expense is slowing. As many of our investments driving higher general and administration expense were made throughout 2012, the full impact of these investments on general and administration expense will be fully realized in 2013. Once our growth strategy initiatives are achieved, we anticipate that our general and administration expense will stabilize and, as a percentage of revenue, decline to more historic levels.

SALES AND MARKETING

Sales and marketing expense for the three months ended June 30, 2013 was $2.3 million, consistent with the comparative period. As a percentage of revenue, sales and marketing expense was 5% for the three months ended June 30, 2013, a decrease of 1% from the comparative quarter.

For the six months ended June 30, 2013 sales and marketing expense decreased by $0.4 million or 9% from the comparative period to $3.9 million. As a percentage of revenue, sales and marketing expense was 5% for the six months ended June 30, 2013, consistent with the comparative period.

The slight decrease in sales and marketing expense from the comparative period is primarily a result of lower commissions paid in the Mobile Solutions segment as a result of lower revenues.

A significant number of trade shows occur in the second quarter, including the Offshore Technology Conference in Houston, resulting in second quarter sales and marketing expense being traditionally higher than other quarters.

RESEARCH AND DEVELOPMENT

Research and development expense for the three months ended June 30, 2013 was $0.5 million as compared to $0.3 million in the comparative period, an increase of $0.2 million. For the six months ended June 30, 2013, research and development increased by $0.6 million from the comparative period to $1.1 million. The increase is a result of adding new product lines to our development pipeline and increasing the team and infrastructure to support this new product development.

FINANCE CHARGES (NET)

Finance charges (net) were $0.2 million for the three months ended June 30, 2013 and have increased from $0.1 million in the comparative period. For the six months ended June 30, 2013, finance charges (net) were $0.4 million, as compared to $0.1 million for the comparative period. The increase in finance charges is attributable to our $50 million credit facility which was executed in the fourth quarter of 2012.

OTHER GAINS AND LOSSES (NET)

Other gains and losses (net) consist primarily of foreign exchange gains on the Corporation's United States denominated financial instruments held by Canadian entities.

Included in other gains and losses (net) was a foreign exchange gain of $0.2 million for the three months ended June 30, 2013 compared to a gain of $0.4 million in the comparative period.

Included in other gains and losses (net) for the six months ended June 30, 2013 was a foreign exchange gain of $0.4 million compared to a gain of $0.1 million in the comparative period.

SUMMARY OF QUARTERLY RESULTS

	2013		2012				2011	
	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30
EP&S revenue	**33,092**	30,969	29,900	33,395	26,594	26,162	24,042	21,731
Mobile Solutions revenue	**9,298**	11,061	14,421	15,015	14,514	19,371	20,209	16,084
Total revenue	**42,390**	42,030	44,321	48,410	41,108	45,533	44,251	37,815
Net earnings from continuing operations	**3,051**	2,061	3,255	4,236	2,127	2,154	3,659	3,010
Net earnings	**3,051**	2,061	3,255	4,236	2,127	2,154	3,809	3,010
Basic earnings per share from continuing operations	**0.11**	0.08	0.12	0.16	0.08	0.08	0.14	0.11
Basic earnings per share	**0.11**	0.08	0.12	0.16	0.08	0.08	0.14	0.11
Diluted earnings per share from continuing operations	**0.11**	0.08	0.12	0.16	0.08	0.08	0.14	0.11
Diluted earnings per share	**0.11**	0.08	0.12	0.16	0.08	0.08	0.14	0.11

LIQUIDITY AND CAPITAL RESOURCES

CASH FLOW

At June 30, 2013, the Corporation has $18.9 million in cash and cash equivalents and access to $41.0 million in available funds under its $50.0 million senior secured revolving credit facility. As of June 30, 2013, $9.0 million had been drawn and was outstanding under this facility.

Selected cash flow and capitalization information is as follows:

($000) **For the six months ended June 30**	**2013**	2012
Cash generated from (used in) operating activities	**806**	(4,162)
Cash used in investing activities	**(2,025)**	(3,658)
Cash used in financing activities	**(2,813)**	(3,075)
Debt to equity ratio	**0.45 to 1**	0.50 to 1

Cash generated from operating activities for the six months ended June 30, 2013 was $0.8 million compared to $4.1 million of cash used in the same period in 2012. The increase in cash flow from 2012 is primarily a result of a $1.5 million increase in adjusted EBITDA, and decreases of $2.7 million for income tax payments and $1.0 million in working capital investment. The fluctuation in income tax payments was primarily a result of a large payment in 2012 that was required to pay 2011 income taxes given the large increase in profitability that was realized in 2011.

Cash flows used in investing activities for the six months ended June 30, 2013 were $2.0 million compared to $3.7 million in the comparative period. The improvement in cash flow is primarily attributable to lower capital purchases and the sale of our Houston technical service center building. The Houston technical service center was sold and a new larger facility leased. The reduction in cash outflows was partially offset by additional capital spending on our enterprise resource planning system as well as development expenditures related to our "we" product line. We anticipate that additional capital will be spent over the year to facilitate growth initiatives as well as to sustain existing capital.

Cash flows used in financing activities for the six months ended June 30, 2013 were $2.8 million, compared to the use of $3.1 million of cash in the comparative period. In the comparative period, there was $0.8 of debt repayments, versus $0.4 million of debt repayments made against the Corporation's revolving credit facility in the current period. The Corporation paid an additional $0.6 million in dividends in 2013 as compared to the same period in 2012. In addition, $0.4 million was generated in the current period from the exercise of stock options, in comparison to a nominal amount in the comparative period.

Management believes that with the projected level of operations for 2013 and the availability of cash and cash equivalents along with funds under the established credit facility, McCoy will have sufficient capital to fund its operations and strategic growth. Historically, capital expansion has been financed by cash provided from operating activities, or by utilizing existing long-term credit facilities. Management may also consider raising funds through equity or debt offerings. Management consistently monitors economic conditions and will manage capital spending accordingly.

The debt to equity ratio may fluctuate as McCoy completes acquisitions and alternate forms of financing are used.

OTHER FINANCIAL INFORMATION

OUTSTANDING SHARE DATA

As at August 7, 2013 the following class of shares and equity securities potentially convertible into common shares were outstanding:

Common shares	**26,807,576**
Convertible equity securities: stock options	**1,326,669**

The stock options are exercisable into an equal number of common shares once vested in accordance with the Company's stock option program.

DIVIDENDS

A summary of historical dividend information is as follows:

Dividend declared	Dividend paid	Amount per common share
May 16, 2013	June 14, 2013	$0.05
March 14, 2013	April 12, 2013	$0.05
December 12, 2012	December 31, 2012	$0.05
August 17, 2012	September 17, 2012	$0.05
May 17, 2012	June 15, 2012	$0.05
March 22, 2012	April 12, 2012	$0.03
December 13, 2011	December 30, 2011	$0.03
September 30, 2011	October 28, 2011	$0.01
May 19, 2011	June 30, 2011	$0.01
March 17, 2011	April 11, 2011	$0.04
March 10, 2011	March 31, 2011	$0.01

CONTROLS AND PROCEDURES

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Management has evaluated whether there were changes in our Internal Controls over Financial Reporting (ICFR) during the three month period ended June 30, 2013 that have materially affected, or are reasonably likely to materially affect, our ICFR. There has been no significant change in our risk factors from those described in our 2012 Annual Report. Please see page 32 of McCoy's 2012 Annual Report for a discussion of internal controls over financial reporting and disclosure controls.

There have been no significant changes in the following items from those described in our 2012 Annual Report. Please refer to the page numbers listed below from McCoy's 2012 Annual Report:

- Financial instruments and financial risk management – pages 24-26;
- Capital management – page 27;
- Contractual obligations and off balance sheet arrangements – page 28;
- Related party transactions – page 28-29;
- Critical accounting estimates and judgments – page 30; and
- Critical risks and uncertainties – pages 33-36.

ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. Management is responsible for establishing and maintaining adequate ICFR.

OTHER INFORMATION

Additional information relating to the Corporation, including the Corporation's Annual Information Form for the year end December 31, 2012 is available on SEDAR at www.sedar.com.

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

June 30, 2013

(unaudited)

MOVING GLOBAL ENERGY FORWARD

Condensed Consolidated Interim Statements of Financial Position

(in thousands of Canadian dollars)
(unaudited)

	June 30, 2013	December 31, 2012
	$	$
Assets		
Current assets		
Cash and cash equivalents	**18,855**	22,122
Trade and other receivables	**20,812**	17,257
Inventories	**36,799**	35,521
Income tax recoverable	**449**	1,007
Other current assets	**1,196**	840
	78,111	76,747
Property, plant and equipment	**25,506**	26,181
Intangible assets	**14,400**	13,941
Deferred tax assets	**1,348**	814
Total assets	**119,365**	117,683
Liabilities		
Current liabilities		
Trade and other payables	**23,186**	25,986
Provisions	**1,544**	1,731
Income tax payable	**1,383**	1,270
Finance lease obligations	**52**	133
	26,165	29,120
Borrowings	**8,526**	8,842
Deferred tax liabilities	**2,269**	2,225
Total liabilities	**36,960**	40,187
Shareholders' equity		
Share capital	**57,078**	56,572
Contributed surplus	**3,993**	3,970
Accumulated other comprehensive income (loss)	**1,002**	(942)
Retained earnings	**20,332**	17,896
Total shareholders' equity	**82,405**	77,496
Total liabilities and shareholders' equity	**119,365**	117,683

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

Condensed Consolidated Interim Statements of Earnings and Comprehensive Income

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

	Three months ended June 30		Six months ended June 30	
	2013	2012	**2013**	2012
	$	$	**$**	$
Revenue	**42,390**	41,108	**84,420**	86,641
Cost of sales	**28,604**	30,150	**58,723**	64,641
Gross profit	**13,786**	10,958	**25,697**	22,000
General and administration	**6,938**	5,505	**13,575**	10,744
Sales and marketing	**2,263**	2,315	**3,943**	4,335
Research and development	**463**	276	**1,137**	548
Finance charges (net)	**204**	62	**392**	101
Other (gains) losses (net)	**(183)**	(394)	**(434)**	(79)
	9,685	7,764	**18,613**	15,649
Earnings before income taxes	**4,101**	3,194	**7,084**	6,351
Income tax expense (recovery)				
Current	**1,401**	419	**2,414**	1,235
Deferred	**(351)**	648	**(442)**	835
	1,050	1,067	**1,972**	2,070
Net earnings	**3,051**	2,127	**5,112**	4,281
Other comprehensive income (loss)				
Translation gain (loss) of foreign operations	**1,346**	625	**1,944**	(97)
Comprehensive income	**4,397**	2,752	**7,056**	4,184
Earnings per share				
Basic	**0.11**	0.08	**0.19**	0.16
Diluted	**0.11**	0.08	**0.19**	0.16

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

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

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

	Issued capital					
	Number of shares	Amount	Contributed surplus	Accumulated other comprehensive income (loss)	Retained earnings	Total equity
	#	$	$	$	$	$
Balances, January 1, 2012	26,509,245	56,152	3,579	(268)	10,906	70,369
Net earnings	-	-	-	-	4,281	4,281
Translation (loss) on foreign operations	-	-	-	(97)	-	(97)
Employee share based compensation expense	-	-	288	-	-	288
Dividends	-	-	-	-	(2,121)	(2,121)
Common shares issued on exercise of stock options	1,667	3	(1)	-	-	2
Balances, June 30, 2012	26,510,912	56,155	3,866	(365)	13,066	72,722
Net earnings	-	-	-	-	7,491	7,491
Translation gain on foreign operations	-	-	-	(577)	-	(577)
Employee share based compensation expense	-	-	219	-	-	219
Dividends	-	-	-	-	(2,661)	(2,661)
Common shares issued on exercise of stock options	159,999	417	(115)	-	-	302
Balances, December 31, 2012	26,670,911	56,572	3,970	(942)	17,896	77,496
Net earnings	-	-	-	-	5,112	5,112
Translation gain on foreign operations	-	-	-	1,944	-	1,944
Employee share based compensation expense	-	-	158	-	-	158
Dividends	-	-	-	-	(2,676)	(2,676)
Common shares issued on exercise of stock options	136,665	506	(135)	-	-	371
Balances, June 30, 2013	**26,807,576**	**57,078**	**3,993**	**1,002**	**20,332**	**82,405**

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

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOW

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

For the six months ended June 30	2013	2012
Cash generated from (used in)	**$**	$
Operating activities		
Net earnings	**5,112**	4,281
Adjustments for:		
Depreciation of property, plant and equipment	**2,127**	1,649
Amortization of intangible assets	**688**	662
Current income tax expense	**2,414**	1,235
Deferred tax expense	**(442)**	835
Finance charges (net)	**392**	101
EBITDA[1]	**10,291**	8,763
Share-based compensation expense	**337**	380
Adjusted EBITDA[2]	**10,628**	9,143
(Gain) loss on disposal of property, plant and equipment	**(31)**	18
Changes in non-cash working capital balances	**(7,677)**	(8,724)
Interest paid	**(384)**	(162)
Interest received	**36**	61
Income taxes paid	**(1,766)**	(4,498)
Net cash generated from (used in) operating activities	**806**	(4,162)
Investing activities		
Repayment of notes receivable	**20**	1,208
Purchases of property, plant and equipment	**(1,862)**	(4,481)
Proceeds from sale of property, plant and equipment	**929**	41
Additions to intangible assets	**(1,112)**	(426)
Net cash used in investing activities	**(2,025)**	(3,658)
Financing activities		
Payment of finance lease obligations	**(81)**	(139)
Repayment of borrowings	**(427)**	(817)
Proceeds from issuance of share capital on exercise of options	**371**	2
Dividends paid	**(2,676)**	(2,121)
Net cash generated used in financing activities	**(2,813)**	(3,075)
Effect of exchange rate changes on cash and cash equivalents	**765**	(900)
Decrease in cash and cash equivalents	**(3,267)**	(11,795)
Cash and cash equivalents – beginning of the period	**22,122**	29,383
Cash and cash equivalents – end of the period	**18,855**	17,588

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

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

[2] Adjusted EBITDA is an additional GAAP measure presented under IFRS defined as "net earnings before impairment losses, finance charges (net), income tax expense, depreciation, amortization and share-based compensation expense". For comparative purposes, in financial disclosures previous to the first quarter of 2013 'adjusted EBITDA' was referred to as "EBITDAS".

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and six months ended June 30, 2013
(in thousands of Canadian dollars, except share data or unless otherwise specified)
(unaudited)

1. NATURE OF OPERATIONS

McCoy Corporation ("McCoy") provides specialized equipment, service and replacement components to the global oil and gas sector. McCoy is incorporated and domiciled in Canada and has two operating segments: Energy Products & Service ("EP&S") and Mobile Solutions.

The 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.

Mobile Solutions manufactures specialized custom heavy-duty trailers primarily used in the oil and gas industry for pressure pumping, coil tubing and rig transport.

Set out below are McCoy's principal operations:

Operating Name	Country of Incorporation	Division
EP&S		
Farr Canada Corp.	Canada	Drilling & Completions
Inotec Coating and Hydraulics Inc.	Canada	Coatings & Hydraulics
McCoy Global Singapore Pte. Ltd.	Singapore	Drilling & Completions
McCoy Global UK Ltd.	United Kingdom	Drilling & Completions
Precision Die Technologies, L.L.C.	United States	Drilling & Completions
Superior Manufacturing & Hydraulics, Inc.	United States	Drilling & Completions
McCoy Rig Parts, operating as a division of Superior Manufacturing & Hydraulics, Inc.	Not applicable	Drilling & Completions
Mobile Solutions		
Peerless Limited	Canada	Trailers

McCoy and its principal operations are collectively referred to herein as the "Corporation".

The address of the registered office of the Corporation is Suite 301, 9618-42 Avenue, Edmonton, Alberta. The Corporation is listed on the Toronto Stock Exchange under the symbol MCB and the OTCQX International 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, 2012, 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, except as described on the following page.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and six months ended June 30, 2013
(in thousands of Canadian dollars, except share data or unless otherwise specified)
(unaudited)

CHANGES IN ACCOUNTING POLICIES

The Corporation has adopted the following new and revised standards, along with any consequential amendments, effective January 1, 2013. These changes were made in accordance with the applicable transitional provisions.

IFRS 10, *CONSOLIDATED FINANCIAL STATEMENTS*, replaces the guidance on control and consolidation in IAS 27, *Consolidated and Separate Financial Statements*, and SIC–12, *Consolidation-Special Purpose Entities*. IFRS 10 requires consolidation of an investee only if the investor possesses power over the investee, has exposure to variable returns from its involvement with the investee and has the ability to use its power over the investee to affect its returns. Detailed guidance is provided on applying the definition of control. The accounting requirements for consolidation have remained largely consistent with IAS 27.

The Corporation has assessed its consolidation conclusions on January 1, 2013 and determined that the adoption of IFRS 10 does not result in any change in the consolidation status of any of its subsidiaries or investees.

IFRS 13, *FAIR VALUE MEASUREMENT*, provides a single framework for measuring fair value. The measurement of the fair value of an asset or liability is based on assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The Corporation adopted IFRS 13 on January 1, 2013 on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Corporation to measure fair value and did not result in any measurement adjustments as of January 1, 2013.

IAS 1, *AMENDMENT, PRESENTATION OF ITEMS OF OTHER COMPREHENSIVE INCOME*, the Corporation has adopted the amendments to IAS 1 effective January 1, 2013. These amendments required the Corporation to group other comprehensive income items by those that will be reclassified subsequently to profit or loss and those that will not be reclassified. Other comprehensive income consists of translation gains and losses related to the Corporation's foreign operations and may be subsequently reclassified to net earnings. These changes did not result in any adjustments to other comprehensive income or comprehensive income.

These condensed consolidated interim financial statements were approved for issue on August 7, 2013.

3. DIVIDENDS

Dividend declared	Dividend paid	Total dividend	Amount per common share
		$	$
May 16, 2013	June 14, 2013	1,339	0.05
March 14, 2013	April 12, 2013	1,337	0.05
December 12, 2012	December 31, 2012	1,335	0.05
August 17, 2012	September 17, 2012	1,326	0.05
May 17, 2012	June 15, 2012	1,326	0.05
March 22, 2012	April 12, 2012	795	0.03

4. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The Corporation's financial instruments consist of cash and cash equivalents, trade and other receivables, trade and other payables, borrowings and finance lease obligations.

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

The fair values of borrowings and finance lease obligations approximate carrying value as market rates of interest do not differ significantly for instruments with similar terms to maturity.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and six months ended June 30, 2013
(in thousands of Canadian dollars, except share data or unless otherwise specified)
(unaudited)

5. SEGMENTED REPORTING

SEGMENT INFORMATION FOR THE THREE MONTHS ENDED JUNE 30, 2013

	Revenue	Gross profit	Adjusted EBITDA	Earnings (loss) before income taxes
	$	$	$	$
EP&S	33,092	12,252	7,097	6,072
Mobile Solutions	9,298	1,534	391	283
Corporate	-	-	(1,544)	(2,254)
Total	**42,390**	**13,786**	**5,944**	**4,101**

SEGMENT INFORMATION FOR THE THREE MONTHS ENDED JUNE 30, 2012

	Revenue	Gross profit	Adjusted EBITDA	Earnings (loss) before income taxes
	$	$	$	$
EP&S	26,594	9,311	5,254	4,356
Mobile Solutions	14,514	1,647	294	186
Corporate	-	-	(976)	(1,348)
Total	**41,108**	**10,958**	**4,572**	**3,194**

RECONCILIATION OF ADJUSTED EBITDA FOR THE THREE MONTHS ENDED JUNE 30

	2013	2012
	$	$
Earnings before income taxes	**4,101**	3,194
Finance charges (net)	**204**	62
Depreciation	**1,075**	850
Amortization	**359**	329
EBITDA	**5,739**	4,435
Share-based compensation expense	**205**	137
Adjusted EBITDA	**5,944**	4,572

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and six months ended June 30, 2013

(in thousands of Canadian dollars, except share data or unless otherwise specified)

(unaudited)

SEGMENT INFORMATION FOR THE SIX MONTHS ENDED JUNE 30, 2013

	Revenue	Gross profit	Adjusted EBITDA	Earnings (loss) before income taxes
	$	$	$	$
EP&S	64,061	22,509	12,323	10,309
Mobile Solutions	20,359	3,188	964	746
Corporate	-	-	(2,659)	(3,971)
Total	**84,420**	**25,697**	**10,628**	**7,084**

SEGMENT INFORMATION FOR THE SIX MONTHS ENDED JUNE 30, 2012

	Revenue	Gross profit	Adjusted EBITDA	Earnings (loss) before income taxes
	$	$	$	$
EP&S	52,756	17,894	10,368	8,570
Mobile Solutions	33,885	4,106	970	758
Corporate	-	-	(2,195)	(2,977)
Total	**86,641**	**22,000**	**9,143**	**6,351**

RECONCILIATION OF ADJUSTED EBITDA FOR THE SIX MONTHS ENDED JUNE 30

	2013	2012
	$	$
Earnings before income taxes	**7,084**	6,351
Finance charges (net)	**392**	101
Depreciation	**2,127**	1,649
Amortization	**688**	662
EBITDA	**10,291**	8,763
Share-based compensation expense	**337**	380
Adjusted EBITDA	**10,628**	9,143

Notes to Condensed Consolidated Interim Financial Statements

For the three and six months ended June 30, 2013
(in thousands of Canadian dollars, except share data or unless otherwise specified)
(unaudited)

Identifiable assets and liabilities as at June 30, 2013

	EP&S	Mobile Solutions	Corporate	Total
	$	$	$	**$**
Total identifiable assets	78,096	15,646	25,623	**119,365**
Total identifiable liabilities	22,671	5,187	9,102	**36,960**

Identifiable assets and liabilities as at December 31, 2012

	EP&S	Mobile Solutions	Corporate	Total
	$	$	$	**$**
Total identifiable assets	64,492	19,559	33,632	**117,683**
Total identifiable liabilities	21,235	5,828	13,124	**40,187**