



News Release

August 31, 2006

For Immediate Release

Xtreme Coil Drilling Announces Graduation to TSX

Calgary, Alberta (XDC, TSX-V) August 31, 2006 – Xtreme Coil Drilling Corp. ("Xtreme", the "company") announces that the Toronto Stock Exchange (the "TSX") has issued a bulletin confirming the company's application has been granted for listing of Xtreme's outstanding common shares on the TSX. Commencing at market opening on Tuesday, September 5, 2006, Xtreme's common shares will begin trading on the TSX under the symbol "XDC". On commencement of TSX trading, Xtreme's shares will be de-listed from, and cease trading on, the TSX Venture Exchange ("TSX-V").

Background

Xtreme is a drilling contractor with new patent-pending coiled tubing drilling rig designs and technologies. Xtreme has designed five different models of Coil Over Top Drive™ drilling rigs. In addition to their coil capabilities, Xtreme's rigs can drill with conventional jointed drill pipe. We have agreements with several third parties to build Xtreme's drilling rigs. For 2006, we have ten drilling rigs on order and currently, we have at least seven drilling rigs at various stages of construction. Upon completion, we contract Xtreme's drilling rigs to oil and gas exploration and production ("E&P") companies. Our activities currently focus on both the United States and western Canada, with the majority of Xtreme's operations planned for the United States. In July 2006, Xtreme delivered the first Coil Over Top Drive™ drilling rig (patent-pending) to begin drilling in an Alberta field location for a major Canadian E&P company. Featuring the new design, Xtreme's XTC 200ST is fast moving, quick to rig up, and ranks among the deepest capacity of coil drilling rigs now operating in North America.

On May 1, 2006, Xtreme amalgamated with Norquay Capital Ltd. ("Norquay"), a capital pool company, Norquay's "qualifying transaction" for the purposes of Policy 2.4 of the TSX-V and, on May 4, 2006, Xtreme's common shares began trading on the TSX-V. On August 10, 2006, the TSX-V issued a bulletin announcing that Xtreme was approved for reclassification to a Tier 1 issuer.

Reader Advisory

The information in this news release may include certain information and statements about management's view of future events, expectations, plans and prospects that constitute forward-looking statements. Assumptions that are subject to significant risks and uncertainties are the basis for these statements. Because of these risks and uncertainties and, as a result of a variety of factors, the actual results, expectations, achievements or performance may differ materially from those anticipated and indicated by these forward-looking statements. Although Xtreme believes that the expectations reflected in forward-looking statements are reasonable, we can give no assurances that the expectations of any forward-looking statements will prove to be correct. Xtreme disclaims any intention, and assumes no obligation, to update or revise any forward-looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward-looking statements or otherwise, except as required pursuant to applicable securities laws.

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Information relating to Xtreme Coil Drilling Corp. is also available on SEDAR at
www.sedar.com