



News Release

2007 January 30

For Immediate Release

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Xtreme Coil Drilling Increases Private Placement to \$54.6 Million

Calgary, Alberta - Xtreme Coil Drilling Corp. ("**Xtreme**" or the "**Company**") (TSX:XDC), is pleased to announce that it has agreed to increase the previously announced "bought deal" private placement equity financing from 4,800,000 common shares to 5,200,000 common shares at a price of \$10.50 per common share for an increase in aggregate gross proceeds from \$50,400,000 to \$54,600,000 (the "**Offering**"). As previously announced, Peters & Co. Limited has agreed to act as underwriter in respect of the Offering. Xtreme insiders now expect to participate in the Offering to a maximum aggregate amount of approximately 2.7 percent or 140,000 common shares.

Xtreme will use proceeds of the Offering to partially fund an increase in the Company's 2007 capital expenditure program and for general working capital purposes. Xtreme has four operational coil drilling rigs in the United States and Canada. Currently, we have 10 rigs on order or in various stages of construction and we now anticipate ordering an additional four rigs during 2007 for a total fleet of 18 rigs.

Completion of the Offering is subject to certain conditions, including the approval of the Toronto Stock Exchange and the completion of definitive documentation. Closing of the Offering is expected to occur on or about February 15, 2007.

Following the Offering, Xtreme will have 32,923,625 common shares issued and outstanding. Pursuant to the terms of an agreement (the "**Agreement**") between the Company and Shell Technology Ventures B.V. ("**STV**"), STV has the right to acquire 580,337 common shares at a price of \$10.50 per common share (the "**Subscription Right**"). STV has 10 business days to provide notice to Xtreme of its intention to purchase all but not less than all of the common shares under the Subscription Right. The common shares to be sold under the Subscription Right do not form part of the Offering. Assuming purchase by STV of the common shares under the Subscription Right and after giving effect to the Offering, Xtreme will have 33,503,962 common shares issued and outstanding.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The offered securities mentioned in this news release will not be registered under the United States *Securities Act of 1933*, as amended (the "**U.S. Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of U.S. persons except in certain transactions exempt from the registration requirements of the U.S. Securities Act.

Corporate Profile

Xtreme Coil Drilling Corp. develops and applies leading edge patent-pending technology and designs to build and transport new Coil Over Top Drive™ drilling rigs. These innovative and efficient drilling rigs, developed for operation in both the United States and Canada, are capable of using larger coil to drill deeper for hydrocarbons.

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 subject to significant risks and uncertainties are the basis for these forward-looking 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 any 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, except as required pursuant to applicable securities laws, 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