



## News Release

2007 February 15

For Immediate Release

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### **Xtreme Coil Closes \$54.6 Million Private Placement, Announces 2007 Capital**

**Calgary, Alberta** - Xtreme Coil Drilling Corp. ("Xtreme" or the "Company") (TSX:XDC), is pleased to announce closing of the previously announced "bought deal" private placement equity financing of 5,200,000 common shares at a price of \$10.50 per common share for aggregate gross proceeds of \$54.6 million (the "Offering"). Peters & Co. Limited acted as the underwriter in respect of the Offering. Xtreme insiders participated in the Offering for 2.7 percent or 140,000 common shares. The common shares sold under the Offering are subject to a four month hold period expiring June 16, 2007.

#### **Use of Proceeds**

Xtreme will use proceeds of the Offering as funding for 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.

#### **STV Participation in Offering**

In addition to the Offering, and pursuant to the terms of an agreement between Xtreme and Shell Technology Ventures B.V. ("STV"), STV acquired 160,000 common shares at a price of \$10.50 per common share (the "Subscription Right") for gross proceeds of \$1.68 million. Common shares sold under the Subscription Right are subject to a four month hold period expiring June 16, 2007.

#### **Common Shares Outstanding**

After giving effect to the common shares purchased by STV under the Subscription Right and after giving effect to the Offering, Xtreme has 33,083,925 common shares issued and outstanding.

#### **2007 Capital Program**

Xtreme's board of directors has approved the 2007 capital budget of \$95 million based on completing or ordering 18 coiled tubing drilling rigs and related equipment. In addition, Xtreme anticipates expending further capital of \$31 million during 2008 to complete the 18 drilling rigs.

#### **2006 Year-end Results**

Xtreme expects to release 2006 year-end financial and operating results on March 19, 2007.

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### **National Instrument 62-103 Early Warning Information**

On completion of the purchase under the Subscription Right, STV will own, directly or indirectly, an aggregate of approximately 1,102,705 common shares representing approximately 3.3 percent of the common shares of Xtreme and 2,092,574 common share purchase warrants (the "Warrants"), which assuming occurrence of the vesting events for the Warrants and full exercise thereof by STV, will result in STV holding 3,195,279 common shares in aggregate, representing approximately 8.9 percent of the outstanding common shares of Xtreme.

STV is purchasing the common shares for investment purposes. STV may, in the future, take such actions in respect of its shareholdings in Xtreme as it may deem appropriate in light of the circumstances then existing, including the purchase of additional shares or other securities of Xtreme through open market purchases or privately negotiated transactions, or the sale of all or a portion of its holdings in the open market or in privately negotiated transactions to one or more purchasers.

### **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.

### **Advisory**

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.

### **Forward-looking Statements**

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](http://www.sedar.com)