

Q3

For the
nine months ended
September 30, 2007



X-TREME

COIL DRILLING CORP.

THIRD INTERIM REPORT

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For Immediate Release

Xtreme Coil Operations Update and 2007 Nine Month Results

Calgary, Alberta (TSX: "XDC") November 08, 2007 – Xtreme Coil Drilling Corp. ("Xtreme Coil", the "company") provides an operations update and announces financial results for the three months and nine months ended September 30, 2007 ("3Q 2007").

Current Operations

Throughout the third quarter, Xtreme Coil accelerated drilling operations in the United States and Canada. Currently, 100 percent of our United States fleet is contracted and working. We continue to expand in the United States Rocky Mountain region as we build and commission new drilling rigs.



We have eight Coil Over Top Drive[®] (COTD[™]) rigs deployed and ten rigs in various stages of construction. We now have six rigs in the United States and two in Canada. We anticipate exiting 2007 with eleven COTD[™] drilling rigs and, soon after year end, completing our twelfth rig - an XTC 200^{Plus} described below.

In 3Q 2007, two more XTC 400 rigs began drilling operations under long-term contracts in the United States. Our customers report that the XTC 400 rig's performance has exceeded expectations and is making a positive impact on drilling costs. In 3Q 2007, Xtreme Coil's three XTC 400 rigs would have recorded a utilization rate of more than 95 percent except for downtime experienced when components of one XTC 400 were damaged during a move.

Xtreme Coil's first XTC 300, pictured here at Nisku, Alberta while it is being commissioned, begins operating in November under a multi-year contract in the Denver-Julesburg Basin of the Rocky Mountain region in the United States. The XTC 300 is attracting wide ranging interest because of its flexibility and fast rig-up and rig-out capability. Xtreme Coil will closely monitor the performance of this new drilling rig model. We have three further XTC 300 rigs currently under construction.

We are well underway with engineering design and construction of our newest rig model, the XTC 200DT^{Plus}. Based on recent client projects and the potential for our XTC 200 series

drilling rigs to reach deeper horizons, we redesigned two XTC 200DT drilling rig models currently under construction to incorporate the larger injector used on our XTC 300 and XTC 400 series rigs. XTC 200DT^{Plus} drilling rigs, equipped with 200,000 pound capacity injectors, are capable of deploying the same length of 3-1/2 inch coiled tubing as our larger rig models. We expect the new XTC 200DT^{Plus} will continue to improve on Xtreme Coil's previous performance records.

Xtreme Coil's joint venture with Shell Technology Ventures Fund 1 BV, Coil-X Drilling Systems Corporation ("Coil-X"), is in active discussions and participating in follow-up meetings with several international parties interested in utilizing and adapting Xtreme Coil's COTDTM drilling technology to specific projects in a number of international regions. Coil-X and Crucible LLC (another Shell joint venture) are collaborating to implement a technology-based framework for United States deployment intended to broaden the operating window for COTDTM drilling rigs. Recently, Coil-X prequalified to participate in tenders expected for release in 2008 which will require coiled tubing drilling rigs to operate in Russia.

2007 Third Quarter Highlights

- Deployed two more XTC 400 COTDTM rigs for drilling operations in Colorado under long-term contracts;
- Prepared to introduce two new XTC 200DT^{Plus} coiled tubing drilling rigs, following engineering redesign of the successful XTC 200DT model;
- Proceeded with construction of our first XTC 300 coiled tubing drilling rig for deployment during 4Q 2007;
- Progressed with preliminary work to establish regionally structured Coil-X operating units in Mexico, Russia, North Africa and the Middle East;
- Achieved 398 operating days, up 42 percent, compared to 280 operating days during 2Q 2007, and a substantial increase from 53 operating days in 3Q 2006 when Rig#1 launched Xtreme Coil's initial drilling operations.

<i>(\$ thousand except where indicated)</i>	30 Sep 2007	30 Sep 2006
Revenue	9,574	1,198
Net loss	1,338	426
Net loss per share (\$)	0.04	0.02
Capital assets	167,788	64,275
Operating days	398	53
Rig utilization	62%	83%

Management's Discussion and Analysis ("MD&A") For the three and nine months ended September 30, 2007

Management for Xtreme Coil Drilling Corp. ("Xtreme Coil", the "company", "we", "our") has based this MD&A on the operating and financial results for the three and nine months ended September 30, 2007 ("3Q 2007") and management's outlook is based on information available as at November 07, 2007. Xtreme Coil's operations commenced in July 2006 with one drilling rig. For this MD&A, and where available, management has provided comparative data for the three months ended June 30, 2007 ("2Q 2007") since that period's information affords more meaningful analysis.

Management recommends reading this MD&A in conjunction with Xtreme Coil's audited annual consolidated financial statements and related notes as well as the MD&A for the year ended December 31, 2006, and the unaudited consolidated financial statements for the three and nine months ended September 30, 2007. Management has prepared the consolidated financial statements in accordance

with Canadian generally accepted accounting principles ("GAAP") and expressed all amounts in Canadian dollars unless otherwise stated.

Forward-Looking Statements

Except for historical financial information contained herein, matters discussed in this report may be considered forward-looking statements. Such statements include declarations regarding management's intent, belief and current expectations. Management cautions prospective investors that any such forward-looking statements are not a guarantee of future performance and involve a number of risks and uncertainties. Actual results could differ materially from those indicated by such forward-looking statements. Among the important factors that could cause actual results to differ materially from those indicated by such forward-looking statements are: (i) the preliminary nature of the information which may be subject to further adjustment; (ii) the risks related to uncertainty inherent in the oil and natural gas industry; (iii) the impact of commodity price fluctuations; (iv) start-up risks; (v) general operating risks; (vi) dependence on third parties; (vii) changes in government regulation; (viii) the effect of competition; (ix) dependence on senior management; and, (x) fluctuations in currency exchange rates and interest rates.

Description of the Business

Xtreme Coil is a drilling contractor developing and operating Coil Over Top Drive® drilling rigs which employ new patented and patent-pending coil designs and technologies. In addition to their coil capabilities, these drilling rigs can drill with conventional jointed drill pipe. Xtreme Coil is currently building drilling rigs under contract with several third party suppliers and manufacturers. Xtreme Coil contracts completed coiled tubing drilling rigs to oil and natural gas exploration and production ("E&P") companies. Our activities currently focus on both the United States and western Canada, with the majority of operations planned for the United States.

Xtreme Coil's corporate and head office is in Calgary, Alberta. Xtreme Coil's United States field offices are in Casper and Cheyenne, Wyoming.

In 1Q 2007, the United States Patent and Trademark Office issued two patents to Xtreme Coil and we currently have 31 patent applications pending in the United States, Canada and other jurisdictions. Xtreme Coil undertakes patent applications for new coiled tubing technology relating to equipment and methods for drilling with coiled tubing drilling to depths of 3,000 meters (approximately 10,000 feet) and more. As we develop new equipment and processes, we may make further patent applications.

Equipment Under Construction

Xtreme Coil has designed five different models of coiled tubing drilling rigs. Currently, we have ordered the majority of components required to build eighteen drilling rigs. At September 30, 2007, we had eight rigs completed with a further ten rigs in various stages of construction. During the fourth quarter, Xtreme Coil expects to take delivery of three more new COTD™ drilling rigs to bring our total fleet to eleven rigs exiting 4Q 2007.

This delay in rig delivery is in part due to a redesign of our next two XTC 200DT rigs, both of which were nearing completion. Engineering and design changes to these rigs now enable them to accommodate a 200,000 pound injector, the same size of injector used on our larger XTC 300 and XTC 400 rigs. Our earlier XTC 200ST and XTC 200DT rigs have 120,000 pound injectors. The larger injector will give these rigs the capacity to deploy as much coil as our larger rigs. These upgraded rigs will be identified as XTC 200DT^{Plus} models and will have the same 200,000 pound pulling capacity with either 3-1/2 inch coiled tubing or drill pipe. Although these changes have delayed completion of the rigs, we believe their enhanced capacity will be beneficial to long-term operations of the rigs.

Weaker Canadian oilfield activity has led a number of Canadian oilfield service contractors to reduce their capital expansion programs, thereby creating additional manufacturing capacity in Canada. Xtreme Coil has experienced improved availability and delivery times for a number of drilling rig components. However, long lead times for certain critical components and services continue to delay our rig build program, resulting in slower than anticipated completion of new rigs for Xtreme Coil's fleet.

Xtreme Coil's rig construction program depends on timely delivery of drilling rig components and related services. We constantly analyze and implement procedures to accelerate the construction process,

including sourcing components from multiple suppliers, to achieve simultaneous production of certain required components. Ultimately, Xtreme Coil's objective is to accelerate delivery of our COTD™ rigs.

Xtreme Coil's approach is to further develop our early competitive advantage by delivering increasingly efficient and economical drilling services with our COTD™ rigs. We think our advantage will be drilling that outpaces conventional drilling rigs in terms of time and cost. Consequently, we are expanding Xtreme Coil's fleet while other drilling contractors may be tempering expansion plans.

Selected Quarterly Financial Information

<i>(unaudited)</i>	Three months ended							
	30 Sep 2007	30 Jun 2007	31 Mar 2007	31 Dec 2006	30 Sep 2006	30 Jun 2006	31 Mar 2006	31 Dec 2005
<i>(\$ thousand, except per share amounts)</i>								
Revenue	9,574	5,416	4,789	3,620	1,197	–	–	–
Net loss	1,338	1,144	517	781	426	334	272	3,078
Net loss per share	0.04	0.03	0.02	0.03	0.02	0.01	0.01	0.22
Capital assets	167,788	148,503	111,908	88,511	64,275	39,804	24,545	13,528
Total assets	190,191	175,358	168,612	117,735	101,169	98,766	94,052	41,605
Operating days ⁽¹⁾	398	280	235	163	53	–	–	–
Rig utilization ⁽¹⁾	62%	66%	65%	79%	83%	–	–	–
Weighted average rigs in service	7.0	4.6	4.0	2.3	0.7	–	–	–
Completed rigs, end of quarter	8	7	4	4	1	–	–	–

⁽¹⁾ Management cautions readers that 'operating days' does not have a standardized meaning. Xtreme Coil's method of calculating operating days may differ from other companies and may not be comparable to measures used by other companies. Operating days represent the total of all drilling, moving, standby and other revenue days in the period. We calculate rig utilization as operating days divided by total days available.

Seasonality of Operations

Drilling operations in most of Canada are subject to seasonal weather conditions that restrict drilling operations. Particularly in the Canadian north, movement of heavy equipment depends on the ground freezing to support the equipment. As the ground thaws in the spring, road bans placed on many roads prevent heavy equipment from moving until the ground is dry enough to support the loads. This period of low activity is commonly called "spring break-up". The timing and duration of freezing and spring break-up can affect Xtreme Coil's activity levels and operating results.

In areas of the United States where we currently work, drilling operations are less subject to weather constraints but may be restricted for other reasons. Some areas are subject to environmental stipulations on leases which prevent drilling activity during certain periods when authorities prioritize wildlife or habitat protection. These restrictions may also affect our activity levels and operating results.

Results of Operations

Xtreme Coil's rigs achieved 398 operating days (2Q 2007 – 280), representing rig utilization of 62 percent for 3Q 2007 (2Q 2007 – 66 percent).

During 3Q 2007, drilling activity in western Canada remained weaker than usual on a seasonally adjusted basis. One of our two rigs located in Canada worked for most of the third quarter, while the second rig did not operate. Our rig utilization in Canada for 3Q 2007 was 37 percent (2Q 2007 – 9 percent), compared to industry rig utilization of 38 percent as reported by the Canadian Association of Oilwell Drilling Contractors ("CAODC").

During 3Q 2007, our United States-based rigs achieved a utilization rate of 72 percent (2Q 2007- 82 percent). Five of Xtreme Coil's six rigs operated during 3Q 2007, with four rigs drilling under long-term contracts. The XTC 400 model is Xtreme Coil's largest capacity COTD™ drilling rig. Our first XTC 400

rig commenced operations in 2Q 2007, and both the second and third XTC 400 rigs commenced operations during 3Q 2007. Except for downtime associated with damage sustained to components of one rig during a move, our three XTC 400 rigs would have exceeded 95 percent utilization during 3Q 2007.

Total revenue for 3Q 2007 increased to \$9,574,000 (2Q 2007 –\$5,416,000), which equates to \$24,100 per operating day (2Q 2007 – \$19,300). Revenue increased as we deployed more drilling rigs and rig activity increased. All of the rigs that commenced field operations during 3Q 2007 were XTC 400 models, the largest of our rig designs. Generally, our larger rigs generate higher revenue per day than our smaller rigs. Increased revenue per day results from our larger rigs comprising a greater portion of overall rig activity when compared to previous periods and reflects extra charge items, such as rig moves and equipment rentals.

Operating costs for 3Q 2007 increased to \$9,053,000 (2Q 2007 - \$5,043,000) as operating days increased. On a per-operating day basis, operating costs increased to \$22,700 (2Q 2007 - \$18,000).

Several factors contributed to additional operating costs.

- Costs of rig moves and equipment rentals comprised a larger proportion of our operating costs during 3Q 2007 as compared to previous periods.
- Costs associated with our ongoing efforts to expand and develop coil drilling applications in new drilling environments.
- Costs of labour to train and retain crews while waiting for new rigs to be ready for service or while transitioning between customers. To properly operate the new technology featured on our drilling rigs, Xtreme Coil employees require extensive training.

Gross margin for 3Q 2007 was \$521,000 (2Q 2007 – \$373,000) or 5 percent of revenue (2Q 2007 – 7 percent). In 3Q 2007, \$1.0 million in negative impact on our gross margin was due to costs associated with expanding and developing coil drilling applications as well as foregone revenue and extra costs associated with down time caused by damage during a rig move. We do not expect these items will be ongoing. In addition, costs associated with training and retaining crews were \$0.5 million during 3Q 2007. Although we expect these costs will continue in the near term, we anticipate reductions over time.

Late in 3Q 2007, we took delivery of additional equipment to further expand Xtreme Coil's trucking operations in Cheyenne, Wyoming. We increased our fleet of trucking equipment to expedite moving Xtreme Coil's growing fleet of drilling equipment, particularly in the nearby Denver-Julesburg Basin of Colorado. Before establishing Xtreme Coil's trucking operations, we had encountered difficulties in obtaining trucks capable of moving our rigs on a timely basis. To date, we have experienced high utilization of our trucking equipment. Xtreme Coil's customers benefit from this enhancement to our contract drilling services and trucking operations have made a modest contribution to our financial performance.

We are marketing Xtreme Coil drilling rigs in the United States and Canada and currently have long-term contracts for six rigs with two major E&P companies in the United States. Contract negotiations with other E&P companies are ongoing. The total number of employees in all of Xtreme Coil's operations at September 30, 2007 increased to 195 (2Q 2007 – 165).

Selling, General and Administration Expense (“SG&A”)

SG&A for 3Q 2007 decreased to \$863,000 (2Q 2007 - \$937,000) primarily due to lower fees for professional services.

Depreciation and Amortization

Depreciation and amortization for 3Q 2007 increased to \$1,077,000 (2Q 2007 - \$673,000). Because our depreciation methodology for drilling rigs is unit-of-production, depreciation increased in proportion to the increased field operating activity.

Stock-based Compensation

Stock-based compensation for 3Q 2007 remained stable at \$142,000 (2Q 2007 - \$144,000) compared to recent quarters.

Foreign Exchange

Xtreme Coil realized a foreign exchange loss for 3Q 2007 of \$189,000 (2Q 2007 - \$334,000 loss). This loss resulted from translation on Xtreme Coil's United States dollar cash and current monetary balances. Similar to the foreign exchange loss reported in 2Q 2007, most of this loss reflects the reduction of the United States dollar on net working capital of our United States operations. Currently, we consider our United States operations as integrated with the Canadian parent since they are dependent on the parent to fund growth. The integrated nature of operations requires Xtreme Coil to recognize foreign exchange fluctuations through the consolidated statement of operations on an ongoing basis. As Xtreme Coil's operations grow and mature, we would expect our United States operations to move towards self-sustaining status. As operations expand, we expect to generate the majority of cash flow in United States funds, while the majority of our commitments for continuing drilling rig construction could require settlement in Canadian funds.

Interest Expense

Interest expense for 3Q 2007 increased to \$133,000 (2Q 2007 - \$48,000). This increase was primarily from additional interest expense as Xtreme Coil utilized its credit facilities for the first time.

Interest Income

Interest income for 3Q 2007 decreased to \$37,000 (2Q 2007 - \$296,000). Xtreme Coil continued to deploy cash to expand our fleet of drilling and related equipment, utilizing all surplus cash that was available for temporary investments during 3Q 2007.

Income Taxes

During 3Q 2007, Xtreme Coil recorded a future income tax recovery of \$508,000 (2Q 2007 - \$323,000). The increase is due primarily to the larger loss recorded during 3Q 2007.

Net Loss

The net loss for 3Q 2007 was \$1,338,000 (2Q 2007 - \$1,144,000). This larger loss was primarily the net result of larger depreciation expenses plus interest expenses exceeding interest income.

Financial Condition, Liquidity and Capital Resources

At September 30, 2007 Xtreme Coil moved into a bank indebtedness position of \$0.7 million (2Q 2007 – positive bank balance of \$10.3 million), a decrease of \$11.0 million from June 30, 2007. Working capital decreased to a \$3.3 million deficit (2Q 2007 - \$1.3 million surplus). During 3Q 2007, Xtreme Coil invested \$20.3 million in fixed assets (2Q 2007 - \$37.2 million), primarily to continue construction of drilling rigs.

At September 30, 2007 Xtreme Coil had \$35.0 million in commitments for the expansion of our fleet of drilling rigs. In addition to these committed costs, we anticipate additional expenditures, which have not yet been committed, to complete this equipment. Xtreme Coil currently estimates incurring costs of \$73 million to complete the 18 rigs in our announced program. We are monitoring the timing of commitments and payments for our capital expansion program and will determine the appropriate vehicle for expanding our financial capacity to fund additional requirements and further growth opportunities. Our plan is to expand Xtreme Coil's debt facility in the near term and assess the need for future equity or longer-term debt.

Xtreme Coil maintains a \$50.0 million revolving debt facility with a Canadian financial institution for construction of equipment, as well as a \$5.0 million operating line supported by accounts receivable. Information on terms for these facilities is disclosed in notes 6 and 7 of the unaudited consolidated financial statements for the three and nine months ended September 30, 2007. At the end of 3Q 2007, Xtreme Coil had drawn \$17.0 million and \$33 million remained on the revolving debt facility. In addition, Xtreme Coil had drawn \$0.7 million of its operating line, leaving \$4.3 million available. Other than capital leases for field vehicles, Xtreme Coil had no other long-term debt.

Outstanding Common Shares

As at September 30, 2007, Xtreme Coil had 33,965,407 common shares outstanding.

As at September 30, 2007, there were outstanding 1,964,200 options to purchase common shares at a weighted average exercise price of \$4.51 per share. Xtreme Coil has outstanding 333,333 Series 1 and 333,333 Series 2 Performance Warrants. Each performance warrant is fully exercisable and entitles the holder to purchase one common share at a strike price of \$0.01 per common share. Additionally, Xtreme Coil has 2,092,574 other warrants outstanding. These warrants have an exercise price of \$16.00 and become exercisable when the warrant holder contracts a specific number of drilling rigs. The aggregate effect of the stock options, performance warrants and other warrants would increase Xtreme Coil's shares outstanding by 4,723,440.

Share capital on November 07, 2007 was \$162.5 million (33,965,407 common shares). The aggregate effect of adding the above described options and warrants would increase Xtreme Coil's outstanding shares to 38,688,847.

Critical Accounting Policies

Note 2 in the annual consolidated financial statements as at December 31, 2006 describes Xtreme Coil's significant accounting policies for 2007, except as noted below.

Changes in Accounting Policies

Xtreme Coil adopted Canadian Institute of Chartered Accountants (CICA) Handbook Section 1530, *Comprehensive Income*; Section 3855 *Financial Instruments – Recognition and Measurement*; Section 3861, *Financial Instruments – Presentation and Disclosure* on January 1, 2007.

Comprehensive Income

The new standards introduce comprehensive income which consists of net earnings and other comprehensive income ("OCI"). Xtreme Coil's Consolidated Financial Statements now include a Consolidated Statement of Operations, Comprehensive Loss and Deficit, which includes the components of comprehensive income. Currently, Xtreme Coil has no material entries which comprise OCI.

Financial Instruments

The financial instruments standard establishes the recognition and measurement criteria for financial assets, liabilities and derivatives. The standard requires measurement of all financial instruments at fair value on the initial recognition of the instrument, except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instruments has been classified as "held-for-trading", "available-for-sale", "held-to-maturity", "loans and receivables" or "other financial liabilities" as defined by the standard.

Financial assets and financial liabilities "held-for-trading" are measured at fair value with the changes in those fair values recognized in net earnings. Financial assets "available-for-sale" are measured at fair value with the changes in those fair values recognized in OCI. Financial assets "held-to-maturity", "loans and receivables" or "other financial liabilities" are measured at amortized cost using the effective interest method of amortization. There is no change in the methods used by Xtreme Coil to determine fair value of financial instruments as a result of implementing the new standard.

Cash and cash equivalent are designated as "held-for-trading" and are measured at carrying value which approximates fair value due to the short-term nature of these instruments. Accounts receivable and accrued revenue are designated as "loans and receivables". Accounts payables and accrued liabilities are designated as "other liabilities".

Disclosure Controls and Procedures

The Chief Executive Officer and Chief Financial Officer evaluated the effectiveness of Xtreme Coil's disclosure controls and procedures as at September 30, 2007. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective as at September 30, 2007 in providing reasonable assurance that material information relating to Xtreme Coil, including its consolidated subsidiaries, would be made known to them.

Internal Control over Financial Reporting

During the 3Q 2007, Xtreme Coil made no changes to internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, the company's internal control over financial reporting.

Business Risks and Uncertainties

A number of risks and uncertainties affect Xtreme Coil's operations. Although Xtreme Coil can take actions to mitigate some of these risks, mitigation of many risks is beyond our control. The risks discussed in this section are not an exhaustive list of all possible risks.

As a start-up business with significant assets under construction and an aggressive equipment building program, Xtreme Coil is dependent upon suppliers to deliver components on schedule and to meet necessary quality standards. Failure of our suppliers to deliver, or interruption of delivery in any aspect of our building program, could severely affect Xtreme Coil's ability and plans to expand operations and to deliver drilling services as well as retain customers.

In addition, demand for Xtreme Coil's coiled tubing drilling services is largely dependent on the level of oil and natural gas industry activity in North America. Numerous factors over which Xtreme Coil has no control influence industry activity, including, but not limited to, changes in crude oil and natural gas prices, government legislation, regulatory and economic conditions, global political and military events, international trade barriers or disputes, and fuel and environmental conservation.

Commodity prices directly affect our customers' generation of cash which affects the demand for our services. Xtreme Coil's equipment currently delivers drilling services to for a small number of customers. Most of Xtreme Coil's work has been for large, well-established E&P companies which concentrates our credit risk within a small group.

In addition to our other efforts to mitigate Xtreme Coil's exposure to risk, we endeavour to maintain adequate coverage in terms of property and liability insurance for our assets and activities and thus limit our exposure to losses from unforeseen incidents.

Outlook

Xtreme Coil's unique patented and patent-pending coiled tubing drilling rigs will drill to depths that reach 3,000 meters (approximately 10,000 feet) with 3-1/2 inch coiled tubing or 4,100 meters (approximately 14,000 feet) with jointed drill pipe. Since Xtreme Coil has introduced these new rig designs, featuring heavier coiled tubing that improves the depth range of current coiled tubing drilling technology, a number of E&P companies have demonstrated their interest in capturing possible cost savings related to faster drilling times. We anticipate this will lead to wider adoption by the drilling market throughout the United States and Canada.

Xtreme Coil is well positioned to capitalize on drilling activity in both the United States and Canada. As we gain more operational experience and prove the capability of our coil drilling equipment, technologies and people, we expect to engage more E&P companies in contracts for our services. Management expects E&P companies with active drilling programs will continue to utilize Xtreme Coil's unique patented and patent-pending coiled tubing drilling rigs.

Most of the drilling rigs in our current construction program are Xtreme Coil's larger XTC 300 or XTC 400 models. The larger rigs usually generate higher rates and operate at higher utilization levels than our smaller rigs. Our larger rigs have produced higher gross margins than our smaller rigs. As we increase the number of drilling rigs operating in our fleet, and as the larger rigs comprise a larger proportion of our fleet, we anticipate Xtreme Coil's gross margins will improve from current levels.

United States

Throughout 3Q 2007, most wells drilled by Xtreme Coil have used one of our two smaller rig designs, the XTC 200ST or XTC 200DT built to drill to approximately 2,400 meters (7,900 feet) with 3-1/2 inch coiled tubing. While waiting for delivery of our largest rig, the XTC 400, certain customers have utilized our smaller rigs on an interim basis. In using our smaller rigs, these customers have often pressed the intended capability of Xtreme Coil's equipment to drill deeper and perform certain other procedures normally intended for our larger rigs. As a result, we have achieved a number of early operational

milestones and records, although not without some difficulties. Our early operations provided substantial knowledge gains that have enhanced Xtreme Coil's coiled tubing drilling operations.

During 2Q 2007, the first rig of our largest design, the XTC 400, commenced field operations. During 3Q 2007 both the second and third XTC 400 rigs commenced field operations. As our larger rigs gain field experience, they are achieving the depths we expected. Xtreme Coil has the capability to drill wells to depths of 10,000 feet with 3-1/2 inch coiled tubing. To date, we have drilled wells to depths of 8,400 feet with 3-1/2 inch coiled tubing and to depths of 10,000 feet with conventional drill pipe.

According to The Land Rig Newsletter, the active rig count in the United States at the end of October was near the 2007 peak of about 1,760 and the 2006 peak of 1,798. Despite these high activity levels, we are aware of day rate pricing pressure in a number of regions. This rate pressure has not directly impacted Xtreme Coil but, for the time being, appears to be focused on older drilling equipment.

Xtreme Coil has six long-term contracts in place. Four of our drilling rigs in the United States operate under long-term contracts which may maintain revenue above spot market rates. During 4Q 2007, we expect to complete the rigs allocated to two further contracts now in place. We expect to enter into more contracts for our COTD™ drilling rigs. Current market conditions impact the terms negotiated in new contracts. Rigs not under long-term contracts are subject to spot market rates. We currently expect 16 of our first 18 rigs to operate in the United States.

Canada

Following the September release of the "Our Fair Share" report by the Alberta Royalty Review Panel, the Alberta government announced major changes to its oil and natural gas royalty structure to take effect in 2009. Oil and natural gas producers report concern over the increase in royalties and lingering uncertainty about the impact of the announced changes. As a result we expect weaker near term activity in Alberta.

Prior to these changes, activity in the Western Canada Sedimentary Basin had already fallen from 2006 record activity. At the end of October 2007, CAODC projected the number of wells drilled in 2007 will fall to 16,232 from the 22,000 level averaged during 2005 and 2006. The CAODC forecasts a further drop in wells drilled to 13,735 in 2008. Industry forecasts suggest a low of 34 percent average fleet utilization for 2008.

The drop in Canadian drilling activity is creating downward pressure on spot market contract rates. Beyond the uncertainty over royalty rates, several other factors have contributed to this weak environment, including a noticeable build-up of drilling rigs, changing foreign exchange rates between Canada and the United States, and softened natural gas prices.

Fortunately, most of Xtreme Coil's equipment is focused on the United States. In the near-term, Xtreme Coil expects to operate two coiled tubing drilling rigs in Canada and the rest of our rigs in the United States. One Canadian rig has been drilling under a program that commenced in July. The second Canadian rig commenced drilling in Q4 2007, but weak activity levels have resulted in considerable down time between wells. Xtreme Coil's Canadian rigs currently contract at spot market prices.

Joint Venture

Coil-X Drilling Systems Corporation ("Coil-X"), our joint venture with Shell Technology Ventures Fund 1 B.V., has several potential opportunities in a number of international regions. Interested parties have participated in meetings and discussed the application of Xtreme Coil's proprietary technology to their projects. Effective September 17, 2007, Coil-X appointed Rod Uchtyl as Chief Operating Officer and he is actively pursuing existing and new business development opportunities. In anticipation of future projects, Coil-X is establishing a corporate structure to manage international operations.

Additional Information

Information relating to Xtreme Coil is available on SEDAR at www.sedar.com. To obtain copies of published corporate information, contact Xtreme Coil Drilling Corp., 1402, 500 Fourth Avenue SW, Calgary, AB T2P 2V6 (telephone 403.262 9500), visit Xtreme Coil's website www.xtremecoildrilling.com or e-mail ir@xtremecoil.com.

**Xtreme Coil Drilling Corp.
Consolidated Balance Sheets**

<i>(\$ thousand)</i>	30 Sep 2007 <i>(unaudited)</i>	31 Dec 2006
Assets		
Current assets		
Cash and cash equivalents	\$ —	\$ 16,740
Accounts receivable	10,964	5,832
Prepaid expenses	1,063	1,774
Inventory	689	388
	12,716	24,734
Future income tax	4,696	2,506
Equipment (note 4)	167,788	88,511
Intangibles (note 5)	4,991	1,984
	\$ 190,191	\$ 117,735
Liabilities and Shareholders' Equity		
Current liabilities		
Bank indebtedness (note 6)	\$ 745	\$ —
Accounts payable and accrued liabilities	13,816	14,069
Current portion of obligations under capital leases	78	77
Current portion of long-term debt (note 7)	1,417	—
	16,056	14,146
Long-term liabilities		
Obligations under capital leases	92	139
Long-term debt (note 6)	15,583	—
	31,731	14,285
Shareholders' Equity		
Share capital (note 8)	162,515	105,913
Warrants (note 8d)	1,235	1,235
Contributed surplus (note 8b)	2,885	1,478
Deficit	(8,175)	(5,176)
	158,460	103,450
	\$ 190,191	\$ 117,735

Commitments (note 9)

See accompanying notes to the consolidated financial statements

On behalf of the board of directors,

Signed "*Marc Staniloff*"
Director

Signed "*David Tuer*"
Director

Xtreme Coil Drilling Corp. Consolidated Statement of Operations, Comprehensive Loss and Deficit

<i>(unaudited)</i>	Three months ended Sep 30, 2007	Three months ended Sep 30, 2006	Nine months ended Sep 30, 2007	Nine months ended Sep 30, 2006
<i>(\$ thousand, except share and per share data)</i>				
Sales	\$ 9,574	\$ 1,198	\$ 19,779	\$ 1,198
Expenses				
Operating expenses	9,053	879	18,240	\$ 879
Selling, general and administrative	863	1,091	2,901	2,495
Depreciation of capital assets	1,012	128	2,013	223
Amortization of intangibles	65	26	170	77
Stock-based compensation	142	123	415	257
Foreign exchange loss (gain)	189	(16)	503	21
Interest on long-term debt and capital leases	133	48	228	93
Interest (income)	(37)	(487)	(634)	(1,445)
Loss before tax	(1,846)	(594)	(4,057)	(1,402)
Future tax recovery	508	168	1,058	371
Net loss for the period	(1,338)	(426)	(2,999)	(1,031)
Other comprehensive loss	—	—	—	—
Comprehensive loss	(1,338)	(426)	(2,999)	(1,031)
Deficit, beginning of period	(6,837)	(3,969)	(5,176)	(3,364)
Deficit, end of period	\$ (8,175)	(4,395)	\$ (8,175)	(4,395)
Net loss per common share - basic and diluted	\$ (0.04)	\$ (0.02)	\$ (0.09)	\$ (0.04)
Weighted average number of common shares – basic	33,797,554	26,769,585	32,699,437	24,320,547
Weighted average number of common shares – diluted <i>(note 8e)</i>	35,653,479	29,394,253	34,773,325	27,390,893

See accompanying notes to the consolidated financial statements

Xtreme Coil Drilling Corp. Consolidated Statement of Cash Flows

<i>(unaudited)</i>	Three Months ended Sep 30, 2007	Three Months ended Sep 30, 2006	Nine Months ended Sep 30, 2007	Nine Months ended Sep 30, 2006
<i>(\$ thousand)</i>				
Cash provided by (used in)				
operating activities				
Net loss for the period	\$ (1,338)	\$ (426)	\$ (2,999)	\$ (1,031)
Items not affecting cash:				
Depreciation and amortization	1,059	154	2,163	301
Stock-based compensation	142	123	415	257
Unrealized foreign exchange loss	136	-	198	-
Future income tax	(508)	(168)	(1,058)	(371)
	(509)	(317)	(1,279)	(845)
Changes in non-cash operating working capital	(4,075)	(1,087)	(3,509)	(1,945)
	(4,584)	(1,404)	(4,788)	(2,790)
Financing activities				
Proceeds from shares issued on amalgamation	-	-	-	1,802
Proceeds from shares issued	627	54	56,942	55,383
Share issue costs	-	-	(3,440)	(3,610)
Proceeds from long-term debt	17,000	-	17,000	-
Capital lease payments	(20)	(16)	(46)	(26)
	17,607	38	70,456	53,549
Investing activities				
Acquisition of equipment	(20,263)	(24,506)	(81,209)	(50,708)
Increase in intangibles	(105)	(33)	(187)	(105)
Changes in non-cash working capital relating to capital items	(3,665)	2,343	1,757	4,740
	(24,033)	(22,196)	(83,153)	(46,073)
(Decrease) increase in cash and cash equivalents during the period	(11,010)	(23,562)	(17,485)	4,686
Cash and cash equivalents, beginning of period	10,265	\$ 53,473	16,740	\$ 25,225
Cash and cash equivalents (bank indebtedness), end of period	\$ (745)	\$ 29,911	\$ (745)	\$ 29,911
Supplemental disclosure of cash flow information				
Interest received	\$ 54	\$ 560	\$ 646	\$ 1,411
Interest paid	133	48	227	93
Income tax paid	-	-	-	-
Non-cash transactions				
Purchase of patents in exchange for warrants	\$ -	-	\$ 2,990	-

See accompanying notes to the financial statements

Xtreme Coil Drilling Corp.

Notes to the unaudited Consolidated Financial Statements

For the nine months ended September 30, 2007

(\$ thousand, except share and per share data)

1. Nature of operations

Xtreme Coil Drilling Corp. ("Xtreme Coil") was incorporated May 24, 2005 under the Business Corporations Act of Alberta. Xtreme Coil is in the business of developing and operating coiled tubing drilling rigs using new patented and patent-pending coil rig designs and technology. Upon completion of the Coil Over Top Drive[®] drilling rigs, Xtreme Coil contracts drilling services to oil and natural gas exploration and development companies in both Canada and the United States. Xtreme Coil's head office is in Calgary, Alberta, Canada and there are field offices in Casper and Cheyenne, Wyoming in the United States.

2. Significant accounting policies

These unaudited interim consolidated financial statements ("interim statements") are prepared in accordance with Canadian generally accepted accounting principles and include only the accounts of Xtreme Coil and its subsidiaries. All subsidiaries are wholly-owned and fully consolidated. Xtreme Coil includes joint venture accounts on a proportionate basis and has eliminated all inter-entity transactions. These interim statements follow the same accounting policies and methods as the most recent consolidated financial statements ("annual statements") for the period ended December 31, 2006, except as noted below. These interim statements include all adjustments necessary to present fairly the results for the interim periods. The disclosures included below are incremental to those included with the annual statements. These interim statements should be read in conjunction with the most recent annual statements and notes included in Xtreme Coil's annual report for the period ended December 31, 2006.

3. Changes in accounting policies

Xtreme Coil adopted Canadian Institute of Chartered Accountants (CICA) Handbook Section 1530, *Comprehensive Income*; Section 3855 *Financial Instruments – Recognition and Measurement*; Section 3861, *Financial Instruments – Presentation and Disclosure* on January 1, 2007.

The financial instruments standard establishes the recognition and measurement criteria for financial assets, liabilities and derivatives. All financial instruments are required to be measured at fair value on the initial recognition of the instrument, except for certain related party transactions. Measurement in subsequent periods depends on whether the financial instrument has been classified as "held-for-trading", "available-for-sale", "held-to-maturity", "loans and receivables" or "other financial liabilities" as defined by the standard.

Financial assets and financial liabilities "held-for-trading" are measured at fair value with the changes in those fair values recognized in net earnings. Financial assets "held-to-maturity" are measured at fair value with the changes in those fair values recognized in OCI. Financial assets "held-to-maturity", "loans and receivables" or "other financial liabilities" are measured at amortized cost using the effective interest method of amortization. The methods used by Xtreme Coil in determining fair value of financial instruments are unchanged as a result of implementing the new standard.

Following is a summary of the accounting model Xtreme Coil has elected to apply to each of its significant categories of financial instruments outstanding as of January 1, 2007.

Cash and cash equivalents	Held for trading
Accounts receivables	Loans and receivables
Accounts payable, accrued liabilities, obligations under capital leases and long-term debt	Other liabilities

As a result of adopting 1530, *Comprehensive Income*, a new statement of Comprehensive Income forms part of Xtreme Coil's consolidated financial statements. There is no material impact on the consolidated financial statements on adoption of these new standards.

Xtreme Coil Drilling Corp.

Notes to the unaudited Consolidated Financial Statements
For the nine months ended September 30, 2007

(\$ thousand, except share and per share data)

4. Equipment

	30 Sep 2007			31 Dec 2006
	Cost	Accumulated amortization	Net book value	Net book value
Office and shop equipment	\$ 1,785	\$ 357	\$ 1,428	\$ 555
Leasehold improvements	66	22	44	53
Vehicles	915	181	734	470
Trucking equipment	3,126	117	3,009	–
Drilling equipment	95,190	1,866	93,324	33,150
Drilling equipment – construction in progress	69,249	–	69,249	54,283
	\$ 170,331	\$ 2,543	\$ 167,788	\$ 88,511

Xtreme Coil operates coiled tubing drilling rigs under contract and is currently building more coiled tubing drillings rigs under contract with third parties. We depreciate drilling rigs from the time the rigs become operational.

5. Intangibles

	30 Sep 2007			31 Dec 2006
	Cost	Accumulated amortization	Net book value	Net book value
Patents	\$ 5,311	\$ 320	\$ 4,991	\$ 1,984

On February 27, 2007 the United States Patent and Trademark office issued Xtreme Coil's first patent and we received notification on March 7, 2007. This first patent related to the Series 2 Performance Warrants. As a result, these performance warrants vested and became exercisable. The value of the performance warrants of \$2,990 is recognized as contributed surplus and capitalized as part of intangibles.

6. Bank indebtedness

Xtreme Coil has a \$5 million operating loan facility. The facility bears interest at the bank's prime rate plus 0.25 percent and is secured by accounts receivable.

7. Long-term debt

(\$ thousand)	30 Sep 2007	31 Dec 2006
Revolving credit facility	\$ 17,000	\$ –
Less: current portion of long-term debt	(1,417)	–
	\$ 15,583	\$ –

Xtreme Coil has \$50 million committed 364-day extendible revolving credit facility. The facility is extendible at the bank's discretion for a further period of 364 days and reverts to a term loan to be repaid monthly over a period of 48 months if not extended. The extendible revolving facility bears interest at the bank's prime rate plus 0.75 percent. If not extended, the term loan bears interest at the bank's prime rate plus 1.00 percent. A standby fee of 0.35 percent per annum applies to the unutilized portion of the facility. The facility is secured by a general security agreement over all present and future assets, excluding Xtreme Coil's intellectual property.

At September 30, 2007, \$1,417 (December 31, 2006 – nil) of the outstanding balance on this facility is included in the current portion of long-term debt, representing the portion that would become due within one year if the bank did not renew the facility.

Xtreme Coil Drilling Corp.

Notes to the unaudited Consolidated Financial Statements
For the nine months ended September 30, 2007

(\$ thousand, except share and per share data)

8. Share capital

Authorized and issued shares

Xtreme Coil is authorized to issue an unlimited number of common voting and preferred shares without nominal or par value. Xtreme Coil has no preferred shares outstanding. Following is a summary of Xtreme Coil's issued and outstanding common shares.

	30 Sep 2007		31 Dec 2006	
	Number	Amount	Number	Amount
Balance before receivable from shareholder, beginning of period	27,723,625	\$ 106,213	17,641,680	\$ 40,483
Shares issued:				
Issued in exchange for patents	-	-	-	-
Private placement for cash, net of issue cost	5,360,000	52,840	8,842,705	60,945
Shares issued on amalgamation, net of issue cost	-	-	555,556	1,566
Performance warrants exercised	666,667	2,000	666,667	2,000
Agent options exercised	6,315	29	17,017	93
Employee options exercised	208,800	696	-	-
Future income tax effect of share issue cost at expected tax rates	-	1,037	-	1,126
	6,241,782	56,602	10,081,945	65,730
Balance before receivable from shareholder, end of period	33,965,407	162,815	27,723,625	106,213
Receivable from shareholder	-	(300)	-	(300)
Balance, end of period	33,965,407	\$ 162,515	27,723,625	\$ 105,913

a. Private placements

On February 15, 2007, Xtreme Coil completed a private placement of 5,360,000 common shares at a price of \$10.50 per share for gross proceeds of \$56,280. Issue costs of \$3,440 resulted in net proceeds of \$52,840.

b. Contributed surplus

	30 Sep 2007		31 Dec 2006	
Contributed surplus - opening balance	\$	1,478	\$	3,064
Stock based compensation		481		401
Warrants vested upon patent issuance		2,990		-
Contributed surplus transferred on exercise of options and warrants		(2,064)		(1,987)
Contributed surplus - ending balance	\$	2,885	\$	1,478

c. Stock options outstanding

Xtreme Coil has established a Stock Option Plan (the "Plan") for directors, officers, employees and consultants which permits granting of options to purchase up to a maximum of 10 percent of issued and outstanding common shares. The board of directors sets the number of options and exercise price thereof at the time of option grant provided that such exercise price shall not be less than that permitted from time to time under the rules of any stock exchange or exchanges on which Xtreme Coil's common shares may be listed. Options granted under the Plan may be exercisable for a period not exceeding five years, generally with one-third of the options vesting each year for the first three years, commencing one year after grant.

Xtreme Coil Drilling Corp.

Notes to the unaudited Consolidated Financial Statements
For the nine months ended September 30, 2007
(\$ thousand, except share and per share data)

8. Share capital (continued)

c. Stock options outstanding (continued)

During 3Q 2007, the board of directors approved the granting of 27,000 options at an exercise price of \$9.98. As of September 30, 2007, a total of 1,964,200 (2006 – 2,046,000) options were outstanding. During the quarter, a compensation expense of \$142 (2006 - \$123) relating to these options was recorded as part of stock-based compensation expense and credited to contributed surplus.

Xtreme Coil uses the fair value method of accounting for stock-based compensation. The fair value of options granted was estimated on the date of grant using the Black-Scholes option pricing model with weighted average assumptions for grants assuming no dividends are paid on common shares, a risk-free interest rate ranging from 4.0 to 4.6 percent, an average life of 3.0 years and an expected volatility ranging from zero (when private) to 50 percent. The amounts computed according to the Black-Scholes pricing model may not be indicative of the actual values realized upon the exercise of these options by the holders. The amount of the fair value is charged to earnings over the period of vesting of the stock options and a corresponding credit is made to contributed surplus.

This table summarizes the status of outstanding agent options and Xtreme Coil's Stock Option Plan at September 30, 2007.

	30 Sep 2007		31 Dec 2006	
	Options	Weighted average exercise price	Options	Weighted average exercise price
Outstanding, beginning of period	2,085,316	\$ 4.09	1,610,000	\$ 3.00
Granted	112,000	10.62	560,333	7.70
Exercised	(215,115)	3.00	(17,017)	4.50
Expired/cancelled	(18,001)	10.84	(68,000)	7.92
Outstanding, end of the period	1,964,200	\$ 4.51	2,085,316	\$ 4.09
Options exercisable, end of period	920,201	\$ 3.57	542,979	\$ 3.02

Range of exercise prices	Options outstanding		Options exercisable	
	Number outstanding	Weighted average remaining contractual life	Number exercisable	Weighted average exercise price
\$3.00 - \$ 4.50	1,546,200	2.9 yrs	842,866	\$ 3.06
\$7.00 - \$13.52	418,000	4.0 yrs	77,335	\$ 9.19
	1,964,200	3.1 yrs	920,201	\$ 3.57

d. Performance warrants

As part of the private placement in June 2005, Xtreme Coil issued 1,000,000 Series 1 and 1,000,000 Series 2 Performance Warrants to one officer and two directors. Each performance warrant entitles the holder to purchase one common share at a defined strike price of \$0.01 per common share. Currently there are 333,333 Series 1 Performance Warrants exercisable and outstanding. On March 9, 2007 a total of 666,667 Series 2 Performance Warrants were exercised, leaving 333,333 Series 2 Performance Warrants exercisable and outstanding. Unexercised warrants expire on July 21, 2008.

The joint venture partner holds 2,092,574 warrants. Each warrant, once vested, entitles the holder to acquire one additional common share at an exercise price of \$16.00 per share. The warrant holder is required to contract a specified number of rigs before the warrants are exercisable. All unexercised warrants expire on December 19, 2009. The fair value allocated to these warrants using the Black-Scholes option pricing model is \$1,235. The assumptions used in the model are, a risk-free interest rate of 4 percent, an average life of 3.0 years and an expected volatility of 45 percent.

Xtreme Coil Drilling Corp.

Notes to the unaudited Consolidated Financial Statements
For the nine months ended September 30, 2007
(\$ thousand, except share and per share data)

8. Share capital (continued)

e. Diluted earnings per share

Common shares potentially issuable in exchange for stock options, agent options and performance warrants are not included in the computation of diluted earnings per share as to do so would be anti-dilutive. Diluted weighted average common shares outstanding is calculated using the treasury stock method, which assumes that any proceeds obtained on the exercise of stock options is used to purchase common shares at the average price for the year.

	30 Sep 20 07	30 Sep 2006
Weighted average common shares outstanding – basic	32,699,437	24,320,547
Effect of stock options and warrants	2,073,888	3,070,346
Weighted average common shares outstanding – diluted	34,773,325	27,390,893

9. Financial Instruments

Fair value

The carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of the instruments.

Foreign exchange risk

Xtreme Coil is exposed to risk from fluctuations in foreign currency exchange rates as portions of its financial instruments are denominated in United States dollars. As foreign exchange gains and losses occur, the effect is included in income.

Interest rate risk

Xtreme Coil is exposed to interest rate price risk on its fixed rate obligations under capital leases and to interest rate cash flow risk on its short-term investments, as well as its operating and revolving debt facilities.

Credit risk

Xtreme Coil is exposed to credit risk in relation to its accounts receivable which includes balances owing from customers primarily operating in the oil and gas industry. Management assesses the credit worthiness of customers on an ongoing basis and considers the credit risks on these amounts as normal for the industry. As noted under Segmented Information, Xtreme Coil is exposed to significant concentration of credit risk in that the majority of its accounts receivable balances are with a small group of customers.

Xtreme Coil is also subject to credit risk on short-term investments, and has established procedures for investing in high quality instruments to reduce this risk to an acceptable level.

10. Commitments

Xtreme Coil has commitments to suppliers with respect to contracts for the construction of Coil Over Top Drive[®] drilling rigs in the amount of \$35.0 million which are not reflected in these consolidated financial statements.

Xtreme Coil Drilling Corp.

Notes to the unaudited Consolidated Financial Statements
For the nine months ended September 30, 2007
(*\$ thousand, except share and per share data*)

11. Segmented information

Xtreme Coil provides contract drilling services in Canada and the United States. The table below segments information by geographic area.

	Canada	United States	Total
Revenue	2,781	16,998	19,779
Property and equipment, net	88,315	79,473	167,788

Canadian property and equipment includes construction in progress. When completed, this equipment will be transferred to Xtreme Coil's operations in the United States. Three customers of Xtreme Coil's drilling operations in the United States and Canada represent \$15,164 of revenue.

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, actual results, expectations, achievements or performance may differ materially from those anticipated and indicated by these forward-looking statements. Although Xtreme Coil believes expectations reflected in any forward-looking statements are reasonable, we can give no assurances that expectations of any forward-looking statements will prove to be correct. Except as required pursuant to applicable securities laws, Xtreme Coil 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.

Corporate Profile

Xtreme Coil Drilling Corp. ("Xtreme Coil") develops and applies leading edge patented and patent-pending technology and designs to build and transport new Coil Over Top Drive[®] ("COTDTM") drilling rigs. These innovative and efficient drilling rigs, developed for operation in both the United States and Canada, use larger coil to drill for hydrocarbons in deeper horizons. Xtreme Coil's proprietary technology also features modular transportation units, larger injectors, larger drilling rigs and new methodologies to achieve deeper, faster and safer drilling. Xtreme Coil's common shares trade on the Toronto Stock Exchange ("TSX") under the symbol "XDC".

For further information please contact

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Corporate information

Board of Directors

Randolph M. Charron^{4,5}
President
Characo Corporation
Calgary, AB

*Richard R.A. Charron*⁶
Senior Vice President,
Corporate Development
Xtreme Coil Drilling Corp.
Calgary, AB

Daniel Z. Remenda^{2,3,5}
Independent Businessman
Calgary, AB

Marc L. Staniloff^{2,4}
Chairman
and Chief Executive Officer
Superior Lodging Corp.
Calgary, AB

*Kyle W. Swingle*⁵
Chief Operating Officer
Xtreme Coil Drilling Corp.
Greenwood Village, CO, USA

David A. Tuer^{2,3,4}
Independent Businessman
Calgary, AB

Thomas D. Wood^{1,3}
Chairman, Chief Executive Officer
Xtreme Coil Drilling Corp.
Calgary, AB

Management

*Tom Wood*⁶
Chief Executive Officer

Kyle Swingle
Chief Operating Officer

Vic Fitch
Chief Financial Officer
and Corporate Secretary

*Richard Charron*⁶
Senior Vice President
Corporate Development

Richard Havinga
Vice President
Engineering and Design

Scott Hennenfent
Corporate Controller

Chris Brezik
General Manager, Sales
Rocky Mountain Region
United States

Chris White
Manager
United States Operations

Reg Layden
Manager
Canadian Operations

Corporate and Investor Relations

tel: 403 450 1190
e-mail: ir@xtremecoil.com

Auditors

PricewaterhouseCoopers LLP
Calgary, AB

Bank

HSBC Bank Canada
Calgary, AB

Solicitors

Burnet, Duckworth & Palmer LLP
Calgary, AB

Stock Exchange and Symbol

TSX, "XDC"

Transfer Agent and Registrar

Valiant Trust Company
Calgary, AB
toll free: 1 866 313 1872
e-mail: inquiries@valianttrust.com

Wholly-owned Subsidiaries

Xtreme Coil Drilling Corporation

Casper, Wyoming, USA
tel: 307 234 3600
fax: 307 234 3622

Xtreme Oilfield Trucking, Inc.

Cheyenne, Wyoming, USA
tel: 307 632 3679
fax: 307 632 1364
www.xtremeoilfieldtrucking.com

Joint Venture

Coil-X Drilling Systems Corporation

Rod Uchtyl, Chief Operating Officer
tel: +1 281 814 9012
www.coil-xdrillingsystems.com
partner: Shell Technology Ventures Fund 1 B.V.
(Xtreme Coil - 51%)

¹ Chairman of the Board

² Audit Committee

³ Compensation Committee

⁴ Governance & Nominating Ctte

⁵ Health, Safety, Environment Ctte

⁶ effective 2007 Sep 01

Shareholders and other interested individuals can view current public information about Xtreme Coil at www.xtremecoildrilling.com which has historical information, shareholder reports, press releases, the current corporate presentation, as well as trading and contact information.