



News Release

2008 July 02

For Immediate Release

Xtreme Coil Contracts Rigs in Mexico and Updates Operations

Calgary, Alberta - (TSX - XDC) - Xtreme Coil Drilling Corp. ("Xtreme Coil", the "company") is pleased to announce that our recently incorporated subsidiary, Xtreme Coil Drilling México, S.A. de C.V., has contracted four Coil Over Top Drive® ("COTD™") drilling rigs to Weatherford de México S.A. de C.V. This long-term commitment in Mexico requires two XTC 300 and two XTC 400 COTD™ drilling rigs with deployment of the first rig expected to begin in mid-July 2008 and the final three expected by the close of 2008 third quarter ("2008 3Q"). Subsequent to the four-rig contract, Xtreme Coil has signed a letter of intent with Weatherford de México S.A. de C.V. indicating the client's intention to contract a fifth drilling rig, an XTC 300, for delivery on a mutually agreed future date.

Expansion of Operations into Mexico

Xtreme Coil's innovative Coil Over Top Drive® drilling technology has attracted interest from a number of international drilling markets since the company's inception in 2005. Following Xtreme Coil's May 1, 2008 acquisition of the original Coil-X joint venture, we intensified our pursuit of opportunities in several international regions, particularly Mexico.

During the long lead time required to expand beyond our current drilling markets, we have incurred significant personnel hours and expenses as well early operational infrastructure costs. Xtreme Coil's board of directors recently approved an increase of \$12 million in 2008 capital expenditures, revising the total capital program to \$46 million for 2008.

Xtreme Coil's initial drilling operations in Mexico will involve a crude oil development project in the Chicontepec field near Poza Rica, Mexico. The producing basin is located near the Gulf of Mexico coast in the northern region of the State of Veracruz.

Operations Update

Early in 2008 3Q, we are deploying a new XTC 200DT^{Plus} to south Texas for a new drilling project. Another new XTC 300, under a long-term contract in the Rocky Mountain region, is moving to the first location to begin drilling operations. As outlined earlier, two new XTC 300 rigs and two new XTC 400 rigs are committed to contracts for a project in Mexico. Xtreme Coil now has long-term contracts in place for ten drilling rigs with the letter of intent described earlier expected to increase our long-term contracts to eleven on completion and contracting of the additional fit-for-purpose XTC 300 drilling rig.

In 2008 2Q, one XTC 400 drilling rig experienced a mechanical problem with its integral equipment provided by third party manufacturers. To address any potential risk to personnel safety, Xtreme Coil interrupted our client's drilling operations and identified the factors related to the problem using outside experts to audit and review Xtreme Coil's findings and solutions. Our engineering and technical team project-managed initial modifications to allow our client to recommence drilling operations safely. Xtreme Coil also interrupted drilling operations on another two XTC 400 drilling rigs to undertake appropriate modifications based on our initial findings from the first XTC 400.

During 2008 2Q, we estimate drilling interruptions for the three XTC 400 rigs may reduce total operating days by approximately 46 days. For the long term, it is important to emphasize Xtreme Coil has defined and applied modifications where necessary in our existing COTD™ drilling rigs and these modifications have become our standard for all newly built XTC rigs.

Corporate Profiles

Xtreme Coil develops and applies leading edge patented and patent-pending technology and designs to build, transport, and operate new COTD™ drilling rigs. These innovative and efficient drilling rigs, developed for operation in the United States, Canada and outside North America, drill with larger coil to reach hydrocarbons in deeper horizons. Xtreme Coil's proprietary technology also features modular transportation units, larger injectors, larger drilling rigs that can transition quickly between drilling with coiled tubing or conventional pipe as well as other new techniques for achieving deeper, faster and safer drilling.

Weatherford de Mexico S.A. de C.V. is a wholly-owned subsidiary of Weatherford International Ltd. (NYSE - WFT), one of the largest global providers of innovative mechanical solutions, technology and services for the drilling and production sectors of the oil and gas industry. Weatherford operates in over 100 countries and employs more than 40,500 people worldwide.

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, including outcomes related to North American and international operations, equipment performance and current and future patent applications. Assumptions which are subject to significant risks and uncertainties are the basis for these forward-looking statements. Risks and uncertainties result from a variety of factors and 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 these forward-looking statements are reasonable, we can give no assurances the expectations of these forward-looking statements will prove to be correct. Readers are cautioned that actual timing and results may vary materially from these forward-looking statements. Xtreme Coil disclaims any intention and assume 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.

– 30 –

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