



## News Release

2010 March 14

For Immediate Release

### **Xtreme Coil Awarded Saudi Arabia Contract for Two Rigs**

**Calgary, Alberta – (TSX-XDC) – Xtreme Coil Drilling Corp. (“Xtreme Coil”, the “Company”)** announces entry into the Middle East following the award of a long-term contract for two XTC 200DTR<sup>PLUS</sup> drilling rigs to operate in the Kingdom of Saudi Arabia (“Saudi Arabia”).

#### **Operations Start-up in Saudi Arabia**

Christensen Saudi Arabia Limited, an affiliate of Baker Hughes Incorporated, awarded the two-year contract to Xtreme (Luxembourg) S.A., a wholly-owned subsidiary of Xtreme Coil. It is expected that, on or before March 31, 2010, Xtreme Coil Drilling Saudi Arabia Limited, a newly created joint venture owned 80 percent by Xtreme (Luxembourg) S.A. and 20 percent by Shoaibi Group, will be assigned this contract after the remainder of the joint venture details are finalized.

The long-term contract requires two fit-for-purpose drilling rigs to perform under balanced coiled tubing drilling on re-entry wells in the natural gas fields located in southern Saudi Arabia. The parties expect the first of the two rigs under contract to commence drilling early 2010 2Q. The two-rig contract has an option for an extension of one year as well as the potential to increase the number of rigs deployed.

Xtreme Coil has been advised the project involves re-entering existing wells and drilling horizontally into untapped reservoirs which are critical to overall reserves recovery. The target wells are deep and technically challenging, have multi-lateral well profiles and require under balanced drilling.

President of Baker Hughes Integrated Operations, Russell M. McNicoll, commented, “Baker Hughes is extremely pleased to work with Xtreme Coil to deliver a fully integrated suite of drilling services utilizing the technology of the XTC 200DTR<sup>PLUS</sup> series rigs. Together, we anticipate delivering a value-adding service to our coiled tubing drilling re-entry project.”

Faisal Al Shoaibi, Shoaibi Group director, added, “Our group has been working on the contract negotiations with Xtreme Coil for some time now and the contract award is yet further evidence of our ability to introduce proven innovative technology to the MENA (“Middle East and Northern Africa”) region.”

Rod Uchytel, Xtreme Coil’s president and chief executive officer noted, “We customized Xtreme Coil’s most recent drilling rig design, the XTC 200DTR<sup>PLUS</sup>, specifically for the technical requirements and challenges presented by this project. We believe deployment of our newest rig model represents the potential to initiate a step change in the evolution of this region’s re-entry drilling operations. Our technical team looks forward to beginning work on this project and to introducing our new drilling technology to Saudi Arabia.”

The first XTC 200DTR<sup>PLUS</sup> drilling rig arrived in Saudi Arabia in December 2009, is almost fully commissioned and is preparing to move to the first location. Customization and modifications to the second rig are in the final stages in Texas. Later in March, Xtreme Coil expects to transport it to Saudi Arabia where it will require customs clearance and further on-site commissioning. The second rig is expected to begin drilling operations toward the end of 2010 2Q.

Activity is underway to establish an Xtreme Coil office in Al Khobar, Saudi Arabia from which we will direct, and plan to expand, operations in the Middle East.

### **Proprietary Technology**

In the course of day-to-day business development activities, Xtreme Coil seeks to protect new technologies and intellectual property developed in-house by undertaking applications for the appropriate patents. During the past year, we have generated several applications resulting from design modifications and customization required to complete the XTC 200DTR<sup>PLUS</sup> re-entry drilling rigs.

Xtreme Coil currently holds fourteen patents related to technologies for drilling with coiled tubing and conventional drill pipe as well as certain rig transportation methods. The patents were issued by: the United States Patent and Trademark office (7), the Canadian Intellectual Property Office (6) and the Eurasian Patent Organization (1). In March 2010, the jurisdiction for Indonesia approved two further Xtreme Coil patent applications and will provide the related patent registration numbers in the coming months. Xtreme Coil has more than 60 patent-related applications in progress in the United States, Canada and other worldwide jurisdictions.

### **Corporate Profile – Xtreme Coil**

Xtreme Coil develops and applies leading-edge patented and patent-related technology and designs to build, transport, and operate new COTD™ drilling rigs. In addition to contracts in the United States of America, the United Mexican States and the Kingdom of Saudi Arabia, Xtreme Coil markets proprietary, dual-purpose drilling rigs to existing customers and to other international operating regions. Xtreme Coil drills with larger coil and conventional drill pipe to reach hydrocarbons in deeper horizons. Including the most recent re-entry rig design, the XTC 200DTR<sup>PLUS</sup>, Xtreme Coil's fit-for-purpose rigs feature high capacity injectors as well as innovative handling of conventional pipe and coiled tubing, modular transportation systems and operating methods for achieving deeper, faster and safer drilling. Xtreme Coil's common shares trade on the TSX under the symbol "XDC".

### **Corporate Profile – Shoabi Group**

Founded in 1973 in Saudi Arabia, the Shoabi Group of companies works with local and international partners, predominately in the oil, gas and petrochemicals industry, to introduce innovative proven technology to the MENA region. The Group comprises over 100 subsidiaries, local and international joint ventures and agency representations in the fields of exploration, production, and support services to the oil and gas industry, as well as oil refining, gas processing chemicals, petrochemicals, maritime services, refined products and distribution. In recognising the need for oil operators to control costs by becoming more efficient in discovery and recovery processes, Shoabi Group has become a leader in partnering, developing, and investing in cutting edge oil and gas technology companies with the objective of addressing the needs of the MENA region's reservoirs.

### **Corporate Profile – Baker Hughes**

Baker Hughes provides reservoir consulting, drilling, formation evaluation, completion and production products and services to the worldwide oil and gas industry.

### **Reader Advisory**

This news release contains forward-looking statements. More particularly, this news release contains statements concerning the anticipated contracting, marketing, financing, deployment, operation, and utilization of rigs in the Company's current and future fleet of drilling rigs as well as corporate structure changes and processes intended to protect proprietary intellectual property. Although Xtreme Coil believes the expectations reflected in these forward-looking statements are reasonable, readers should not place undue reliance on them because Xtreme Coil can give no assurance they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties.

The forward-looking statements contained in this news release are made as of the date hereof and Xtreme Coil undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

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