



News Release

March 15, 2010

For Immediate Release

Xtreme Coil Announces Record Fourth-Quarter and Year-End 2009 Results and \$70 million Capital Program for 2010

Calgary, Alberta – (TSX-XDC) – Xtreme Coil Drilling Corp. (“Xtreme Coil”, the “Company”) announces filing on SEDAR of the audited Consolidated Financial Statements and Notes to the Consolidated Financial Statements and Management's Discussion and Analysis for the three and twelve months ended December 31, 2009. These documents may be viewed at www.sedar.com and the Company's website at www.xtremecoildrilling.com.

2009 Highlights

- revenue of \$99.4 million, up 27 percent from 2008
- EBITDA of \$26.0 million, up 69 percent from 2008
- gross margin of \$39.8 million, up 74 percent from 2008
- earnings per common share - basic \$0.22, up 214 percent from 2008
- operating days at 3,899, up 32 percent from 2008
- rig utilization increased in each quarter, achieving 81 percent in 2009 4Q
- equity offerings raised net proceeds of \$44.4 million in 2009
- at December 31, 2009, 13 drilling rigs operating in the United States (3) and in Mexico (10)
- at December 31, 2009, two rigs were being prepared for a new re-entry project in Saudi Arabia
 - one rig under letter of intent was in Saudi Arabia preparing for deployment
 - one rig was being customized in Texas for deployment to the same project
- expanded operations in Mexico from six to 10 rigs

Excerpt from Management’s Discussion and Analysis for the three and twelve months ended December 31, 2009

Outlook

The general economic uncertainty of the recession which began in late 2008 continued through 2009 4Q, with rig counts remaining well below historical averages in North America. While Xtreme Coil was successful in raising equity during 2009 2Q, credit and equity markets continue to exhibit historically high levels of volatility and access to these markets may continue to be somewhat constrained.

Late in 2009 4Q, Xtreme Coil received a letter of intent to contract a customized COTD™ drilling rig in Saudi Arabia with an integrated oilfield services company. In early 2010 1Q, a second customized COTD™ rig was committed under the same letter of intent. These rigs are being customized to perform deep re-entry drilling services on wells as deep as 5,000 meters (approximately 18,000 feet). The first of the two rigs arrived in Saudi Arabia in December 2009 and is anticipated to start operations early in 2010 2Q. The second rig will be arriving in Saudi Arabia during 2010 2Q and is anticipated to start operations late in the same quarter. This represents a new geographic region for Xtreme Coil and a new business opportunity for

dual purpose COTD™ drilling rigs. These rigs will be utilized for drilling operations in Saudi Arabia by a joint venture established on March 12, 2010, owned 80 percent by a wholly-owned subsidiary of the Company.

The 10 rigs in Mexico remain working under long-term day rate contracts to operate in the Chicontepec oil development, which were executed in 2009 3Q. These contracts cover a term of 18 months of full utilization with varying day rates for operating, move, standby and force majeure. There have been high levels of uncertainty on the number of wells the operator will commit to drill in 2010 and the resultant activity levels. All of Xtreme Coil's rigs have continued to work in Mexico through 2009 4Q and indications are that activity levels will continue to require the rigs in 2010. However, the risk remains that the operator could reduce activity levels and such a reduction could impact Xtreme Coil in Mexico.

Throughout 2009, the Company had three rigs working in the United States under long-term contracts. One of the three contracts ends in 2010 3Q and another ends in 2010 4Q; however, the Company is optimistic about executing long-term contract extensions for these rigs.

At the end of 2009, Xtreme Coil had 13 of its 16 rigs operating under long-term contracts in Mexico and the United States and 15 of 16 rigs committed. As previously announced, Xtreme Coil contracted the 16th rig in the fleet under a short-term contract to drill a geothermal well in Nevada which results in a 100 percent commitment of all drilling rigs in the fleet for a period of time in early 2010. The Company expects 2010 1Q operating days compared to 2009 4Q will thus improve and the two rigs to be deployed in Saudi Arabia are expected to further improve operating days in 2010 2Q.

The Company continues to pursue and evaluate opportunities for drilling projects inside and outside North America. Additionally, there continue to be opportunities in the Middle East, North Africa, Australia and Asia. Generally, these regions have relatively stable drilling demand compared to the United States and Canada, where drilling markets have only recently shown early signs of recovery from significantly depressed rig counts. The Company is prepared to pursue any additional opportunities made available by companies who are potential customers for Xtreme Coil rigs. Management believes Xtreme Coil offers new technology drilling rigs with differentiating technology which may position the Company to respond to any potential changes in development plans.

Xtreme Coil has placed orders for long lead components for two XTC 300 rigs and two XTC 400 rigs with the objective of shortening the build times for such rigs. Once the components are received, this will result in quicker delivery times and thus better position the Company to meet the expectations of operators requiring additional high technology rigs for their projects. Combined with the capital expenditures previously committed to customize the second rig for Saudi Arabia, and the Company's ongoing sustaining capital expenditure requirements, Xtreme Coil's capital expenditure estimates for the first half of 2010 will be approximately \$18 million. Additional capital expenditures of approximately \$52 million will be required to complete the construction of the four rigs mentioned above. To address the capacity constraints Xtreme Coil faces with its high fleet utilization rate, the Company's board of directors has approved these additional expenditures, subject to approval of financing. In addition, further capital plans are still in development for the joint venture previously announced for the Saudi Arabia rigs.

Activity levels have improved for many contractors offering higher technology rigs in North America. For 2010, Xtreme Coil will continue to advance strategic opportunities for contracts inside and outside of North America. In response to interest generated from discussions initiated throughout 2009 in several international drilling regions, the Company is pursuing a range of projects which could utilize the advanced capabilities of its COTD™ drilling rigs.

Xtreme Coil Drilling Corp.
Consolidated Balance Sheets
(in thousands)
(unaudited)

| | 2009 Dec 31 | 2008 Dec 31 |
|---|-------------------|-------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 21,864 | \$ 2,010 |
| Accounts receivable, net | 28,807 | 27,291 |
| Other receivables | 7,568 | 7,966 |
| Prepaid expenses | 2,120 | 1,218 |
| Inventory | 4,592 | 1,045 |
| | 64,951 | 39,530 |
| Future income tax | 7,280 | 4,966 |
| Equipment | 239,098 | 238,345 |
| Intangible assets | 4,909 | 4,923 |
| Goodwill | 1,630 | 1,630 |
| | \$ 317,868 | \$ 289,394 |
| Liabilities and Shareholders' Equity | | |
| Current liabilities | | |
| Bank indebtedness | - | 7,878 |
| Accounts payable and accrued liabilities | 14,139 | 14,215 |
| Income tax payable | 2,222 | 1,354 |
| Current portion of obligations under capital leases | - | 75 |
| Current portion of long-term debt | 12,332 | 9,825 |
| | 28,693 | 33,347 |
| Long-term liabilities | | |
| Obligations under capital leases | - | 35 |
| Long-term debt | 31,344 | 49,105 |
| | 31,344 | 49,140 |
| Shareholders' equity | | |
| Share capital | 252,797 | 207,462 |
| Warrants | 1,630 | 1,630 |
| Contributed surplus | 4,753 | 3,453 |
| Retained earnings (deficit) | 4,449 | (5,638) |
| Accumulated other comprehensive loss | (5,798) | - |
| | 257,831 | 206,907 |
| | \$ 317,868 | \$ 289,394 |

Xtreme Coil Drilling Corp.
Consolidated Statement of
Income and Retained Earnings (Deficit)
(in thousands, except share and per share data)
(unaudited)

| | Year ended 2009 Dec 31 | Year ended 2008 Dec 31 |
|---|------------------------------|------------------------------|
| Revenue | \$ 99,371 | \$ 78,114 |
| Expenses | | |
| Operating expenses | 59,550 | 55,221 |
| General and administrative expenses | 13,819 | 7,487 |
| Depreciation of capital assets | 11,787 | 7,896 |
| Amortization of intangibles | 284 | 271 |
| Stock-based compensation | 1,261 | 1,251 |
| Foreign exchange gain | (2,936) | (875) |
| Loss on sale of equipment | 15 | 46 |
| Net interest expense | 3,158 | 3,191 |
| Income before tax for the year | 12,433 | 3,626 |
| Tax expense (recovery) | | |
| Current | 3,079 | 1,354 |
| Future | (733) | (469) |
| Total tax expense | 2,346 | 885 |
| Net income | 10,087 | 2,741 |
| Deficit, beginning of year | (5,638) | (8,379) |
| Retained earnings (deficit), end of year | 4,449 | (5,638) |
| Net income per common share | | |
| – basic | \$ 0.22 | \$ 0.07 |
| – diluted | \$ 0.21 | \$ 0.07 |
| Weighted average number of common shares | | |
| – basic | 46,875,330 | 38,569,546 |
| – diluted | 47,192,491 | 39,421,623 |

Xtreme Coil Drilling Corp.
Consolidated Statements of
Comprehensive Income (Loss)

(in thousands)
(unaudited)

| | Year ended 2009 Dec 31 | Year ended 2008 Dec 31 |
|---|------------------------------|------------------------------|
| Net income | \$ 10,087 | \$ 2,741 |
| Other comprehensive income (loss) | | |
| Unrealized loss on translating financial statements of self-sustaining foreign operations | (32,286) | - |
| Comprehensive income (loss) | \$ (22,199) | \$ 2,741 |

Xtreme Coil Drilling Corp.
Consolidated Statements of
Accumulated Other Comprehensive Loss

(in thousands)
(unaudited)

| | Year ended 2009 Dec 31 | Year ended 2008 Dec 31 |
|--|------------------------------|------------------------------|
| Accumulated other comprehensive income | | |
| – beginning of year | \$ - | \$ - |
| Impact of translating financial statements of self-sustaining foreign operations beginning of period | 26,488 | - |
| Unrealized loss on translation of foreign operations during the current year | (32,286) | - |
| Accumulated other comprehensive loss | | |
| – end of year | \$ (5,798) | \$ - |

Xtreme Coil Drilling Corp.
Consolidated Statement of Cash Flows
(in thousands)
(unaudited)

| | Year ended 2009 Dec 31 | Year ended 2008 Dec 31 |
|---|------------------------------|------------------------------|
| Cash provided by operating activities | | |
| Net income | \$ 10,087 | \$ 2,741 |
| Items not affecting cash: | | |
| Depreciation and amortization | 12,071 | 8,167 |
| Stock-based compensation | 1,261 | 1,251 |
| Loss on sale of equipment | 15 | 46 |
| Amortization of financing cost | 301 | 360 |
| Unrealized foreign exchange gain | (3,290) | (1,670) |
| Future income tax recovery | (733) | (469) |
| | 19,712 | 10,426 |
| Changes in non-cash operating working-capital | 1,874 | (19,898) |
| | 21,586 | (9,472) |
| Financing activities | | |
| Proceeds from shares issued | 47,203 | 34,990 |
| Share issue costs | (2,825) | (890) |
| Proceeds from exercise of stock options | 141 | 670 |
| Proceeds from other long-term liabilities | — | 8,000 |
| Proceeds from (reduction of) long-term debt | (15,254) | 23,930 |
| Proceeds from (repayment of) operating facility | (7,878) | 7,878 |
| Capital lease payments | (110) | (41) |
| | 21,277 | 74,537 |
| Investing activities | | |
| Proceeds from sale of equipment | 958 | 42 |
| Capital expenditures | (17,048) | (55,994) |
| Increase in intangibles | (270) | (241) |
| Changes in non-cash working capital relating to capital items | (6,649) | (7,245) |
| | (23,009) | (63,438) |
| Increase in cash and cash equivalents during the year | 19,854 | 1,627 |
| Cash and cash equivalents, beginning of year | 2,010 | 383 |
| Cash and cash equivalents, end of year | \$ 21,864 | \$ 2,010 |
| Supplemental disclosure of cash flow information | | |
| Interest received | \$ 21 | \$ 24 |
| Interest paid | 2,897 | 2,844 |
| Income tax paid | 2,011 | — |
| Non-cash transactions | | |
| Issuance of common shares for joint venture purchase | — | 3,920 |
| Repayment of joint venture loan | — | 4,080 |

Reader Advisory

This news release, or documents incorporated herein, may include certain information, statements and assumptions (collectively, "forward-looking statements") regarding management's view of future events, expectations, plans, initiatives or prospects constituting forward-looking statements within the meaning of securities laws. Forward-looking statements may relate to Xtreme Coil's future outlook and anticipated events or results and may include statements related to current and anticipated future contracts; commodity pricing; rates of currency exchange; operating expenses; rig building, completion, deployment, or performance; capital expenditures and other guidance provided throughout this news release.

These statements are based on certain factors and assumptions including, but not limited to: the assessment of current and projected future operations; ongoing and future strategic business alliances, negotiations and opportunities to enter new, continue or extend existing contracts; the availability and cost of financing; foreign currency exchange rates; timing and magnitude of capital expenditures; expenses and other variables affecting rig operating, modification and construction; the ability of vendors to provide rig component equipment, services and supplies, including labor, in a cost-effective and timely manner; the issuance of applied-for patents; changes in tax rates; and government regulations. Although Xtreme Coil considers the assumptions used to prepare this news release reasonable, based on information available to management as at March 12, 2010, ultimately the assumptions may be incorrect.

Forward looking-statements are also subject to certain factors, including risks and uncertainties, which could cause actual results to differ materially from management's current expectations. These factors include, but are not limited to: the cyclical nature of drilling market demand, currency exchange rates, and commodity prices; access to credit and to equity markets; the availability of qualified personnel; competition for customers from other drilling contractors, labour and vendor-provided rig components.

Management's assumptions included the following: compliance with the terms of the Company's credit facility; ongoing access to key supplies required to continue operating and maintaining equipment, including fuel; continued successful performance of drilling and related equipment; expectations regarding gross margin; recruitment and retention of qualified personnel; continuation or extension of existing long-term contracts; revenue expectations related to shorter-term drilling opportunities; willingness and ability of customers to remit amounts owing to Xtreme Coil in accordance with normal industry practices; and management of accounts receivable in direct relation to revenue generation.

In preparing this news release, management considered the following risk factors: fluctuations in crude oil and natural gas prices, supply and demand; fluctuation in currency exchange and interest rates; financial stability of Xtreme Coil's customers; current and future applications for Xtreme Coil's proprietary technology; competition from other drilling contractors; regulatory and economic conditions; environmental constraints; changes to government legislation; international trade barriers or restrictions; global political and military events.

Financial outlook information contained in this news release about prospective results of operations, financial position or cash flow from operating activities is based on assumptions about future events, including economic conditions and proposed courses of action, and on management's assessment of relevant information currently available. Readers are cautioned such financial outlook information contained herein is not appropriate for purposes other than for which it is disclosed. Readers should not place undue importance on forward-looking statements and should not rely on this information as of any other date. 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

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^{PLUS}, 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".

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