



News Release

May 13, 2010

For Immediate Release

Xtreme Coil Announces 2010 First-Quarter Results

Calgary, Alberta – (TSX-XDC) – Xtreme Coil Drilling Corp. (“Xtreme Coil”, the “Company”) announces filing on SEDAR of the unaudited Consolidated Financial Statements and Notes to the Consolidated Financial Statements and Management's Discussion and Analysis for the three months ended March 31, 2010. These documents may be viewed at www.sedar.com and the Company's website www.xtremecoildrilling.com.

2010 First Quarter Highlights

- revenue of \$25.6 million, up 12 percent from 2009
- EBITDA of \$7.4 million, up 20 percent from 2009
- gross margin of \$11.1 million, up 38 percent from 2009
- earnings per common share - basic \$0.08, up 33 percent from 2009
- operating days at 1,169, up 46 percent from 2009
- rig utilization of 81 percent, up 45 percent from 2009
- awarded a long-term contract for two re-entry drilling rigs in Saudi Arabia
- drilled a deep geothermal well with coiled tubing in Nevada
 - believed to be the industry's first geothermal well drilled with coil
 - represents a new application for Xtreme Coil COTD[®] rigs

Excerpt from Management's Discussion and Analysis for the three months ended March 31, 2010

Outlook

Xtreme Coil continued to deliver strong operational and financial performance during the first quarter of 2010. However, in mid-March, our customer in Mexico delivered news which heightened uncertainty regarding the near-term utilization of the Company's ten rigs committed to that customer under long-term contracts. In 2009, Xtreme Coil had entered into 18-month contracts for all ten rigs. Management is pursuing resolution of certain provisions of those contracts and evaluating other alternatives to mitigate any potential adverse impact on Xtreme Coil's operations.

Beginning in April, and following the latest development in Mexico, Xtreme Coil demobilized two drilling rigs from Mexico to the United States. Of the remaining eight rigs under contract in Mexico, seven were idle at the end of March and the eighth rig was idle early in April. Xtreme Coil continues to market these rigs both inside and outside Mexico and throughout other regions of North America where market demand for advanced drilling technology continues to develop and the drilling market continues to show signs of improvement.

In the United States, three of Xtreme Coil's COTD® rigs operated continuously in Colorado under existing contracts throughout the first quarter of 2010. In early May, Xtreme Coil executed a new contract for the existing three rigs and for provision of an additional four rigs to drill in the Rocky Mountain region. The contract has a term of 7,540 rig days and anticipates utilization of seven rigs in total. We expect the first of the additional four rigs will commence drilling in June 2010 with the final three rigs deploying according to project timing between July and December 2010.

As previously announced, the Company deployed one rig during the first quarter of 2010 to drill a geothermal well in Nevada under a short-term contract with a new customer. The same rig then moved to a location in Wyoming and commenced operations for another new customer under a multi-well contract. This project includes new wells and re-entry wells.

In Saudi Arabia, Xtreme Coil began pre-drilling operations in May with its XTC 200 DTRPLUS re-entry rig under a long-term contract with a global integrated oilfield services company. A second customized re-entry rig set sail for Saudi Arabia in April in preparation for the commencement of operations under the same long-term contract and is expected to begin operations in the third quarter of 2010.

Activity levels have improved in North America for many drilling contractors who offer more advanced technology rigs that can address the demands of new projects in the challenging geology of certain basins. In response to interest generated from ongoing discussions with a number of E&P operators active in the United States and several international regions, we are pursuing a range of projects which have the potential to benefit from the superior capabilities and attributes of Xtreme Coil's COTD® drilling rigs. Throughout the remainder of 2010, we will continue to advance strategic opportunities for drilling contracts inside and outside North America.



Xtreme Coil Rig #4, an XTC 200DT, drilling a deep geothermal well in Nevada

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

	2010 Mar 31	2009 Dec 31
Assets		
Current assets		
Cash and cash equivalents	\$ 10,985	\$ 21,864
Accounts receivable, net of allowance for doubtful accounts of \$379 and \$0, respectively	29,308	28,807
Other receivables	6,847	8,075
Prepaid expenses	1,070	1,613
Inventory	3,335	4,592
	51,545	64,951
Future income tax	8,816	7,280
Equipment	239,470	239,098
Intangible assets	4,930	4,909
Goodwill	1,630	1,630
	\$ 306,391	\$ 317,868
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 8,646	\$ 14,139
Income tax payable	311	2,222
Current portion of long-term debt	12,395	12,332
	21,352	28,693
Long-term liabilities		
Long-term debt	27,769	31,344
	27,769	31,344
Shareholders' equity		
Share capital (Note 6)	253,826	252,797
Warrants	1,630	1,630
Contributed surplus	5,094	4,753
Retained earnings	8,502	4,449
Accumulated other comprehensive loss	(11,782)	(5,798)
	257,270	257,831
	\$ 306,391	\$ 317,868
Commitments and contingencies (Note 9)		

See accompanying notes to the unaudited consolidated financial statements.

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

	Three months ended 2010 Mar 31	Three months ended 2009 Mar 31
Revenue	\$ 25,600	\$ 22,914
Expenses		
Operating expenses	14,457	14,830
General and administrative expenses	3,698	1,897
Depreciation of equipment	2,181	2,779
Amortization of intangibles	73	70
Stock-based compensation	399	241
Foreign exchange loss (gain)	(337)	914
Loss on sale of equipment	18	–
Net interest expense	481	1,003
Income before tax for the period	4,630	1,180
Tax expense (recovery)		
Current	2,006	(1,220)
Future	(1,429)	21
Total tax expense (recovery)	577	(1,199)
Net income	4,053	2,379
Retained earnings (deficit), beginning of period	4,449	(5,638)
Retained earnings (deficit), end of period	\$ 8,502	\$ (3,259)
Net income per common share		
– basic	\$ 0.08	\$ 0.06
– diluted	\$ 0.08	\$ 0.06
Weighted average number of common shares		
– basic	53,045,453	40,726,169
– diluted	53,930,728	40,726,169

See accompanying notes to the unaudited consolidated financial statements.

Xtreme Coil Drilling Corp.
Consolidated Statements of
Comprehensive Income (Loss)
(in thousands of Canadian dollars)
(unaudited)

	Three months ended 2010 Mar 31	Three months ended 2009 Mar 31
Net income	\$ 4,053	\$ 2,379
Other comprehensive income (loss)		
Unrealized loss on translating financial statements of self-sustaining foreign operations	(5,984)	8,513
Comprehensive income (loss)	\$ (1,931)	\$ 10,892

See accompanying notes to the unaudited consolidated financial statements.

Xtreme Coil Drilling Corp.
Consolidated Statements of
Accumulated Other Comprehensive Income (Loss)
(in thousands of Canadian dollars)
(unaudited)

	Three months ended 2010 Mar 31	Three months ended 2009 Mar 31
Accumulated other comprehensive income (loss)		
– beginning of period	\$ (5,798)	\$ –
Impact of translating financial statements of self-sustaining foreign operations on January 1, 2009	–	26,488
Unrealized gain (loss) on translation of foreign operations during the current period	(5,984)	8,513
Accumulated other comprehensive income (loss)		
– end of period	\$ (11,782)	\$ 35,001

See accompanying notes to the unaudited consolidated financial statements.

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

	Three months ended 2010 Mar 31	Three months ended 2009 Mar 31
Cash provided by operating activities		
Net income	\$ 4,053	\$ 2,379
Items not affecting cash:		
Depreciation and amortization	2,254	2,849
Stock-based compensation	399	241
Loss on sale of equipment	18	-
Amortization of financing cost	-	166
Unrealized foreign exchange loss (gain)	(186)	520
Provision for doubtful accounts	379	-
Write-off of inventory	415	-
Future income tax recovery	(1,429)	21
	5,903	6,176
Changes in non-cash operating working-capital <i>(Note 8)</i>	(7,013)	(2,508)
	(1,110)	3,668
Financing activities		
Proceeds from exercise of stock options	926	-
Repayment of long-term debt	(2,921)	(77)
Proceeds from operating facility	-	2,964
Capital lease payments	-	(22)
	(1,995)	2,865
Investing activities		
Proceeds from sale of equipment	467	266
Capital expenditures	(7,932)	(2,003)
Increase in intangibles	(94)	(2)
Changes in non-cash working capital relating to capital items <i>(Note 8)</i>	462	(3,960)
	(7,097)	(5,699)
Impact of foreign exchange on cash and cash equivalents	(677)	-
Increase (decrease) in cash and cash equivalents during the period	(10,879)	834
Cash and cash equivalents - beginning of period	21,864	2,010
Cash and cash equivalents - end of period	\$ 10,985	\$ 2,844
Supplemental disclosure of cash flow information		
Interest paid	\$ 482	\$ 837
Income tax paid	\$ 4,800	\$ -

See accompanying notes to the unaudited consolidated financial statements.

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; foreign currency exchange rates; 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, extend or complete existing contracts; the availability and cost of financing; foreign currency exchange rates; timing and magnitude of capital expenditures; expenses and other variables affecting rig operation, modification and construction; the ability and commitment 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 of May 11, 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, foreign currency exchange rates, and commodity prices; access to credit and to equity markets; the availability of qualified personnel; vendor-provided rig components, and competition for customers.

Management's assumptions included the following: compliance with the terms of the Company's credit facility; ongoing access to key supplies and components 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 foreign 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; and, where appropriate, global political and military events.

Financial outlook information contained in this news release about prospective results of operations, financial position or cash provided by 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 in this news release is not appropriate for purposes other than for which it is disclosed herein. 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 develops and applies leading-edge patented and patent-related technology and designs to build, transport, and operate COTD[®] drilling rigs. In addition to contracts negotiated in the United States of America, the Kingdom of Saudi Arabia and the United Mexican States, 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".

For further information, please contact:

Rod Uchytíl, President and Chief Executive Officer

tel: +1 403 262 9500

Elizabeth T. Wilkinson, Chief Financial Officer

fax: +1 403 262 9522

Xtreme Coil Drilling Corp.

1402, 500 Fourth Avenue SW

Calgary, Alberta T2P 2V6

e-mail: ir@xtremecoil.com

www.xtremecoildrilling.com