



News Release

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For Immediate Release

Xtreme Coil and AJ Lucas Group Establish Australia Joint Venture

Calgary, Alberta – (TSX-XDC) – Xtreme Coil Drilling Corp. (“Xtreme Coil”, the “Company”) is pleased to announce entry into the drilling market in Australia by establishing a joint venture company with AJ Lucas Group Limited (“Lucas”). The joint venture company, Lucas-Xtreme Drilling Pty Ltd. (“Lucas-Xtreme”), is owned fifty percent by AJ Lucas Coal Technologies (a wholly-owned subsidiary of Lucas) and fifty percent by Xtreme (Luxembourg) SA (a wholly-owned subsidiary of Xtreme Coil).

Coal Seam Gas Drilling Market – Initial Focus

As parties to Lucas-Xtreme, Xtreme Coil and Lucas have executed a shareholder rights agreement which, among other matters, addresses various potential frameworks for the provision of Coil Over Top Drive[®] (“COTD[®]”) drilling rig equipment and related services. The new joint venture company will focus on developing business more effectively with proprietary, built-for-purpose equipment designed specifically for the Australian market utilizing several Xtreme Coil patents and patent-pending processes to respond to coal seam gas drilling projects and other opportunities as they arise throughout Australia.

On the completion of the new Australia joint venture, Xtreme Coil’s chairman, Tom Wood commented, “AJ Lucas is the largest provider of drilling services to the Australian coal and coal seam gas industries. We are particularly pleased to have partnered with them to introduce and apply our coiled tubing drilling methods to Australia.” Further, Mr. Wood stated, “We believe Xtreme Coil is able to drill wells much faster and at a substantially lower cost than is possible with traditional drilling methods using jointed pipe. We are very pleased to work with our partners to assist in the commercialization of the coal seam gas industry in Australia.”

Allan Campbell, chairman and chief executive officer of AJ Lucas said, “We are very pleased to partner with Xtreme Coil. The company is a world leader in the development and application of continuous coiled tubing drilling. Through our partnership we expect a new rig, especially designed for Australian conditions, to deliver wells to our clients at as little as half the current cost due to the significant reduction in drilling and moving time which will substantially improve on our current capability.”

Activity is underway to establish a Lucas-Xtreme Drilling Pty Ltd. office in Australia from which to direct marketing and operations and to expand activities in response to future contract drilling opportunities.

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. Xtreme Coil currently holds eighteen 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 (9), the Canadian Intellectual Property Office (7), the Eurasian Patent Organization (1) and Indonesia (1). In March 2010, the jurisdiction for Indonesia approved one further Xtreme Coil patent application and advised it will provide the related patent registration number in due course.

Xtreme Coil has more than 60 patent-related applications in progress in the United States, Canada and other worldwide jurisdictions, including Australia. The Company’s issued and applied-for patents collectively cover coiled tubing and conventional drilling and transportation technology including equipment and methods for coiled tubing drilling to depths of 3,000 meters (approximately 10,000 feet) or more with large diameter coiled tubing and up to 9,000 meters (approximately 30,000 feet) for re-entry applications with smaller diameter coiled tubing.

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 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 200DTRPLUS, 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 – AJ Lucas Group Limited

Lucas is a leading provider of specialist infrastructure and mining services and is the largest supplier of drilling services to Australia's coal and coal seam gas industries. It is also one of Australia's largest builders of long distance gas pipelines. Other divisions provide gas management services to the coal and coal seam gas industry, construction, civil and property services. AJ Lucas is also a proven developer of unconventional hydrocarbon properties. Past projects successfully developed and exited include investments in Gloucester Basin, Sydney Gas and ATP651 in Queensland's Surat Basin. The company was listed on the Australian Securities Exchange in August 1999 under the symbol "AJL".

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.

For further information, please contact:

Rod Uchtyl, President and Chief Executive Officer
Xtreme Coil Drilling Corp.
1402, 500 Fourth Avenue SW
Calgary, Alberta T2P 2V6

tel: +1 403 262 9500
fax: +1 403 262 9522
e-mail: ir@xtremecoil.com
www.xtremecoildrilling.com

Allan Campbell, Chairman and Chief Executive Officer
Nicholas Swan, Company Secretary
AJ Lucas Group Limited
Level 10, 1 Eagle Street
Brisbane, QLD Australia 4001

tel: +61 2 9490 4000
tel: +61 2 9490 4127
www.lucas.com.au