



## NEWS RELEASE

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For Immediate Release

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### **Xtreme Coil Announces Closing of Private Placement with Shell Technology Ventures Fund 1 B.V. and Acquisition of Joint Venture Interest in Coil-X Drilling Systems Corporation**

*Calgary, Alberta* - Xtreme Coil Drilling Corp. ("**Xtreme Coil**") (TSX:XDC) announces the successful completion of the previously announced private placement by Shell Technology Ventures Fund 1 B.V. ("**STVF1**") for 4,780,000 common shares of Xtreme Coil at a price of \$7.32 per share for aggregate gross proceeds of \$34,989,600.

In addition, Xtreme Coil has completed the acquisition of STVF1's 49 percent interest in Coil-X Drilling Systems Corporation ("**Coil-X**"), a joint venture entity between Xtreme Coil and STVF1. In connection with the acquisition, Xtreme Coil issued 1,092,896 common shares of Xtreme Coil at a price of \$7.32 per share, 1,000,000 purchase warrants and 700,000 performance warrants. Each whole warrant entitles STVF1 (once vested in the case of the performance warrants) to purchase one common share of Xtreme Coil for \$9.87 for a period of 24 months following the date of closing of the acquisition.

Xtreme Coil anticipates using proceeds of the private placement to partially fund an increase in the Company's 2008 capital expenditure program and for general working capital purposes.

Following completion of the acquisition of STVF1's interest in Coil-X, Xtreme Coil and STVF1 formed a new joint venture entity, Coil-X Drilling Systems Limited, owned 51 percent by Xtreme Coil and 49 percent by STVF1. This new joint venture entity will use Xtreme Coil's technology to pursue the design, manufacture, purchase and operation of drilling rigs for use in certain types of unconventional resource exploration.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The offered securities mentioned in this news release will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") and may not be offered or sold within the United States or to, or for the account or benefit of U.S. persons except in certain transactions exempt from the registration requirements of the U.S. Securities Act.

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## **National Instrument 62-103 Early Warning Information**

Following completion of the transactions, STVF1 now owns, directly or indirectly, an aggregate of 6,975,601 common shares of Xtreme Coil representing approximately 17.2 percent of the common shares of Xtreme Coil and 1,700,000 warrants, which assuming occurrence of the vesting events for the performance warrants and full exercise thereof by STVF1, will result in STVF1 holding 8,675,601 common shares of Xtreme Coil in aggregate, representing approximately 19.6 percent of the issued and outstanding common shares of Xtreme Coil, on a pro-forma fully diluted basis.

STVF1 purchased the common shares of Xtreme Coil for investment purposes. STVF1 may, in the future, take such actions in respect of its shareholdings in Xtreme Coil as it may deem appropriate in light of the circumstances then existing, including (subject to any agreement with Xtreme Coil) the purchase of additional shares or other securities of Xtreme Coil through open market purchases or privately negotiated transactions, or the sale of all or a portion of its holdings in the open market or in privately negotiated transactions to one or more purchasers.

## **Corporate Profiles**

### **Xtreme Coil Drilling Corp.**

Xtreme Coil develops and applies leading edge patented and patent-pending technology and designs to build, transport, and operate new Coil Over Top Drive<sup>®</sup> ("COTD<sup>TM</sup>") drilling rigs. These innovative and efficient drilling rigs, developed for operation in the United States, Canada and outside North America, drill using larger coil to reach hydrocarbons in deeper horizons. Xtreme Coil's proprietary technology also features modular transportation units, larger injectors, larger drilling rigs and new methods for achieving deeper, faster and safer drilling.

### **Shell Technology Ventures Fund 1 B.V.**

STVF1, managed by Kenda Capital B.V., is an investment fund focused on accelerating the development and deployment of new technologies across the energy sector. Kenda Capital and STVF1 maintain a unique technology relationship with the Shell Group. Major investors in STVF1 are the Shell Group, Collier Capital and the Abu Dhabi Investment Authority.

## **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 the acquisition and private placement and use of proceeds of the private placement. 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 and STVF1 believe that the expectations reflected in these forward-looking statements are reasonable, we can give no assurances that 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 and STVF1

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disclaim 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.

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Information relating to Xtreme Coil Drilling Corp. is also available on SEDAR at [www.sedar.com](http://www.sedar.com).