



Xtreme Drilling Corp. Announces Fourth Quarter Operations Update, 850XE Upgrade Details and Conference Call Information

January 16, 2017

Calgary, Alberta – (TSX-XDC) – **Xtreme Drilling Corp.** (“Xtreme”, the “Company”) is pleased to provide a fourth quarter operations update along with an announcement of the final 850XE upgrade capital budget, and the dates for the Q4 and full year 2016 earnings release and conference call.

Fourth Quarter Update

For the fourth quarter of 2016 Xtreme had total operating days of 479 from its drilling operations. Total utilization for the 21 rig fleet was 25% for the fourth quarter, compared with a utilization rate of 22% for the prior quarter. As of the date of this press release, seven XDR rigs are earning revenue in the United States and Canada.

850XE Upgrade Capital Budget and Update

In the third quarter 2016 news release the Company introduced an upgrade plan for its XDR 400 rigs. The final plan has now been approved by management and the Board of Directors to upgrade three rigs to the proprietary 850XE design. The approved capital budget for the three upgrades is \$33 million USD or approximately \$44 million in CAD equivalent. The upgrades will be funded from the cash balance of the Company.

As part of the upgrade, the Company will build a new proprietary design mast and substructure with a rated depth capacity of 27,500 feet, or 8,380 meters, and will re-classify the rigs from XDR 400 to 850XE (Xtreme Efficiency). The new design is focused around efficiency and automation and is consistent with Xtreme’s technology focused legacy. It is anticipated that the 850XE will be the fastest moving and most efficient super specification AC rig in North America and will be marketed in leading resource plays of the United States.

The 850XE upgrade will include an AC electric 1,800hp drawworks, patent pending X/Y walking system, 7,500 psi mud pumps, integrated high torque top-drive, capability to rack 27,500 feet of 5 inch drill pipe and other leading edge components. The Company has completed the engineering of the upgrade and has begun ordering long lead time items. It is anticipated that the first 850XE will commence operations in Q3 2017.

Upon completion of the upgrade program in 2017 the Company will have 13 AC electric heavy triple rigs (3 – 850XE and 10-XDR 500) and 8 AC electric single rigs (4 – XDR 300 and 4 – XDR 200).

Fourth Quarter Results and Conference Call

The Company expects to announce fourth quarter and full year 2016 financial and operating results after market close on Wednesday, March 8, 2017 with a follow-up conference call planned for Thursday, March 9, 2017 at 10:00 am MT, 11:00 am CT. Matt Porter, President and Chief Executive Officer will host the conference call and will answer questions from analysts and investors.

To participate in the conference call, please dial in as follows approximately ten minutes before the start time in your time zone.

+1 844-889-6858 (North America Toll-Free) or **+1 661-378-9711** (International)

Webcast link: <http://edge.media-server.com/m/p/ikxvfz26> **Conference ID: 55256811**

Reader Advisory

This press release contains forwarding looking statements. More particularly, this press release contains statements concerning commencement of operations. Although the Company believes that the expectations reflected in these forward looking statements are reasonable, undue reliance should not be placed on them because the Company can give no assurance that 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 press release are made as of the date hereof and the Company undertakes no obligations to update publicly or revise any forward looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

About Xtreme

Xtreme Drilling Corp. ("XDC" on the Toronto Stock Exchange) designs, builds, and operates a fleet of high specification drilling rigs under contracts with oil and natural gas exploration and production companies and integrated oilfield service providers in Canada and the United States. For more information about the Company, please visit www.xdcorp.com.

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