



CANCOIL INTEGRATED SERVICES INC.
1550, 633 – 6th Avenue S.W.,
Calgary, AB, Canada
T2P 2Y5
PH: (403) 509-0700
FX: (403) 509-0701
Email: info@cancoil.com
www.cancoil.com

NEWS RELEASE

Cancoil Integrated Services Inc. Announces Closing of Bank Financing

Release Date:
January 3, 2001

Stock Exchange: CDNX
Trading Symbol: CAN

Arthur E. Dumont, Executive Chairman of the board of directors of Cancoil Integrated Services Inc., is pleased to announce it closed a financing with the National Bank of Canada ("NBC") in which NBC will make available an increase in long-term credit facilities in the amount of \$9,000,000. Additionally, Cancoil's operating line of credit was increased from \$1,000,000 to \$3,000,000.

As at December 31, 2000, the total long-term debt of Cancoil was \$8,211,000 comprised of \$6,711,000 of National Bank debt and \$1,500,000 of convertible debenture debt with ARC Canadian Energy Venture Fund.

The proceeds of the financing, combined with the \$5,000,000 private placement announced on October 24, 2000, will be used for the construction of eight new Cancoil coiled tubing units and two fully integrated one load mud systems. The coiled tubing units will be constructed by Maritime Hydraulics Canada Ltd. of Calgary with delivery of the first unit in June 2001 and the eighth by September 2001. The mud systems will be constructed by HRI Oilfield, L.P. of Texas with delivery in April 2001.

Cancoil currently operates eight coiled tubing units, six in Canada and two in the United States. This order will double Cancoil's fleet size to 16 units. The mud systems will expand the company's service offerings to include grassroots drilling.

Further, we are pleased to advise that Cancoil Integrated Services Inc. has recently been classified as a Tier 1 company by the Canadian Venture Exchange ("CDNX"). Tier 1 is the premier tier of CDNX and is reserved for the most advanced companies listed on the exchange.

Cancoil Integrated Services Inc. and its U.S. subsidiary, Technicoil Integrated Services Inc., supply drilling and service operations to the oil and gas industry in North America utilizing patented coil tubing equipment and new technology. This equipment performs underbalanced, directional and vertical drilling, coil fracturing, perforating, production logging and stimulations.

Cancoil Integrated Services Inc.'s common shares are listed on the Canadian Venture Exchange under the trading symbol "CAN". Information about Cancoil's technology can be obtained from our website at www.cancoil.com.

For further information, please contact:

Arthur E. Dumont
Executive Chairman of the Board of Directors
Phone: (403) 509-0705
Email: adumont@cancoil.com

William D. Dittmer
Chief Financial Officer
Phone: (403) 509-0704
Email: bdittmer@cancoil.com