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Cancoil Integrated Services Inc. Announces Construction of Next Generation Coil Tubing Rigs

Cancoil Integrated Service Inc. and its subsidiary in the U.S., Technicoil Integrated Services Inc. (Cancoil), are pleased to announce that they have ordered four new generation coil tubing rigs. These four rigs will fulfill Cancoil's commitment to have 16 coil tubing rigs servicing the oil and gas industry by mid-2002. Cancoil initially intended to build all 16 of its rigs with essentially the same design. The new design for the final four rigs will further diversify the services Cancoil will be able to offer its customers while remaining a pure play coil tubing provider.

The new rig design is the next generation for Cancoil, enabling Cancoil to deliver coil tubing services to greater depths with wider diameter tubing than any other rig Cancoil is aware of at this time. This greater depth capacity will still be delivered to our customers on a single, trailer-based load with the same mobility capacity as the current Cancoil rigs. Cancoil believes that with increased use and experience with coil tubing, its customers will look to deeper applications that Cancoil will be able to deliver. Construction of the new rigs will commence in the fourth quarter after engineering is complete, with delivery planned for March to June 2002.

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 innovative technology. This equipment performs underbalanced, directional and vertical drilling, coil fracturing, perforating, production logging and stimulations. Cancoil's common shares are listed on the Canadian Venture Exchange under the trading symbol "CAN".

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The Canadian Venture Exchange Inc. has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.