



Cancoil Integrated Services Inc.
1550, 633 – 6 Avenue SW
Calgary, AB, Canada T2P 2Y5
PH: (403) 509-0700
FX: (403) 509-0701
Email: info@cancoil.com
www.cancoil.com

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Cancoil Integrated Services Inc.
(Can: CDNX)
Announces Reduction in 2002 Capital Program

Cancoil Integrated Services Inc. announces that it has cancelled the construction of two of four new generation coil tubing rigs planned for delivery in the second half of 2002. The construction of the four new generation rigs was announced on July 17, 2001. The company plans to take delivery of the remaining two rigs on their originally planned delivery dates in April and May of 2002. The delivery of these rigs will bring the company's total rig count to 14. The new rig design is the next generation for Cancoil. The new rigs will enable Cancoil to deliver coil tubing services to greater depths with larger diameter tubing than any other coil tubing rig the company is aware of at this time.

In light of lower prices for oil and natural gas and uncertainty in customer spending plans, the company has opted to conduct a more conservative new equipment construction strategy to ensure balance sheet strength and financial flexibility is maintained if business slows. Cancoil also plans to complete a fourth integrated drilling mud system to add to three mud systems that will be operating by year-end. The company would then have four fully integrated coil tubing drilling systems in operation by the third quarter of 2002. All of the company's base coil tubing units will retain the flexibility to conduct activities in drilling, well fracturing and other diversified well services offered by Cancoil.

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".

For further information, please contact:

Mr. Arthur E. Dumont
Chairman, President & Chief Executive Officer
Tel: (403) 509-0705
Email: adumont@cancoil.com

Mr. Dell Chapman
Vice President Finance & Chief Financial Officer
Tel: (403) 509-0704
Email: dchapman@cancoil.com

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