NEWS RELEASE

Technicoil Corporation

FIRST QUARTER INTERIM REPORT AND NEWS RELEASE FOR THE PERIOD ENDED MARCH 31, 2005

FOR IMMEDIATE RELEASE — CALGARY, ALBERTA — MAY 11, 2005

TECHNICOIL ANNOUNCES FINANCIAL AND OPERATING RESULTS FOR THE FIRST QUARTER ENDED MARCH 31, 2005

This news release contains forward-looking statements that involve risks and uncertainties. Such information, although considered reasonable by Technicoil at the time of preparation, may prove to be incorrect and actual results may differ, possibly materially, from expectations. The reader should be aware that historical results are not necessarily indicative of future performance.

HIGHLIGHTS

For the three months ended March 31 *($ except as noted)*	**2005**	2004
Number of rigs owned at end of quarter	**9**	9
Average number of rigs available during the quarter	**8.4**	8.3
Revenue	**7,221,915**	5,593,094
EBITDA	**1,583,968**	2,020,323
Net income	**655,916**	958,972
Earnings per share, basic and diluted	**0.01**	0.02
Funds flow from operations	**1,478,572**	1,628,049
Shares outstanding at end of period	**57,109,527**	39,337,122
Weighted average shares – basic	**56,763,206**	39,304,522
Weighted average shares – diluted	**58,646,261**	40,610,571
	March 31, 2005	December 31, 2004
Total assets	**56,086,154**	$56,937,729
Long-term financial liabilities	**–**	–
Debt to equity ratio	**0.16**	0.21

Our revenue increased to $7.2 million in the first quarter of 2005, a 29% increase when compared to the $5.6 million of revenue earned in the first quarter of 2004. The revenue increase resulted from rate and utilization increases for both the drilling and fracturing operations, as well as from providing additional ancillary fracturing services that were not provided in the first quarter of 2004. However, our overhead costs increased at a greater rate than our revenue as we expanded our personnel, infrastructure and systems in preparation for our fleet expansion. Delays in our equipment delivery resulted in high overhead costs without any corresponding revenue, thus negatively impacting our gross margin and our net income. We earned $0.7 million of net income in the first quarter of 2005 compared to $1.0 million in the first quarter of 2004. Our basic and diluted earning per share was $0.01 for the first quarter of 2005 compared to $0.02 for the first quarter of 2004 as the number of shares outstanding increased to 57.1 million from 39.3 million one year ago.

Our 2005 capital expansion produced its first rig in May as Rig 2116, our newest drilling rig, was in the final stages of commissioning as of the date of this report. We have two additional drilling rigs also scheduled for completion in the second quarter of 2005. Cash flow from operations and the proceeds from our two private placements completed in 2004 have been sufficient to finance any required capital payments to date. We are in the final stages of negotiating credit facilities to fund the remaining capital expenditures.

RESULTS OF OPERATIONS

Fracturing Operations

Three months ended March. 31 ($ except as noted)	**2005**	2004	05/04	Change
Fracturing revenue	**4,680,076**	3,278,524	1,401,552	43%
Operating expenses	**2,949,037**	1,691,717	1,257,320	74%
Gross margin	**1,731,039**	1,586,807	144,232	9%
Utilization %	**52%**	45%	7%	16%
Average number of rigs available during the quarter	**6.4**	6.3	0.1	2%
Number of wells completed	**401**	376	25	7%

Our fracturing revenue increased by 43% to $4.7 million compared to the first quarter of 2004. The growth in our fracturing revenue is attributed to higher utilization and rate increases from providing ancillary services to our customers since the middle of 2004. Our utilization rate was 52% in the first quarter of 2005 compared to 45% in the first quarter of 2004 due to a busy February this year. Spring breakup arrived in early March this year, slightly earlier than last year, resulting in low operating hours for March 2005 compared to March 2004.

Our average number of rigs available during the quarter was 6.4, comparable to the 6.3 rigs available during the first quarter of 2004. Rig 2006 completed its conversion to the new tractor/trailer style design on February 28, 2005 after initially suffering damage during transport by a third party carrier in August 2004. A decision was made last fall to convert the rig to the new tractor/trailer style rather than to repair the rig to its original condition. The conversion cost us $0.5 million, with the remainder of the expenditures attributed to repairs and reimbursed by insurance.

Our fracturing gross margin increased by 9% in the first quarter of 2005 compared to the first quarter of 2004 despite a 43% growth in revenue over the same period. Gross margin as a percentage of revenue was 37% in the first quarter of 2005 compared to 48% in the first quarter of 2004. Our labour costs were much higher this quarter than in the first quarter of 2004 as we continued to overstaff our fracturing crews in order to train additional personnel for our 11 new fracturing rigs coming into service. Our operations overhead costs were also higher this quarter than in the first quarter of 2004 as we increased our field and office staff in anticipation of supporting our new rigs. A delay in our fracturing equipment delivery, however, has resulted in increased overhead costs without the benefit of increased revenue.

Drilling Operations

Three months ended March. 31 ($ except as noted)	**2005**	2004	05/04	Change
Drilling revenue	**2,541,839**	2,314,570	227,269	10%
Operating expenses	**2,025,190**	1,564,090	461,100	29%
Gross margin	**516,649**	750,480	(233,831)	(31%)
Utilization %	**74%**	73%	1%	1%
Average number of rigs available during the quarter	**2.0**	2.0	–	–
Number of wells completed	**46**	69	(23)	(33%)

Our drilling revenue increased by 10% to $2.5 million compared to the first quarter of 2004 due to an increase in drilling rates. Our 74% utilization rate in the first quarter of 2005 was consistent with the 73% utilization rate in the first quarter of 2004. Both of our drilling rigs worked in the northern part of Alberta for most of the quarter. The arrival of spring breakup in early March shut down one of our drilling rigs for most of March. Our second drilling rig was able to work in northern Alberta until the latter part of March before being shut down.

Our drilling gross margin decreased by 31% in the first quarter of 2005 compared to the first quarter of 2004 despite a 10% increase in revenue over the same period. The low gross margin compared to the prior year is a result of high repairs and maintenance and operating overhead costs in 2005. Much of our annual preventative maintenance plan is completed during the spring breakup period each year. Spring breakup arrived slightly earlier in 2005 than in 2004, shifting some preventative maintenance costs that were incurred in the second quarter of 2004 into the first quarter of 2005. The costs of our preventative maintenance and annual certifications were also higher in 2005 compared to 2004 as the drilling rigs had just completed major retrofits late in 2003 and required only minimal expenditures during the 2004 spring breakup period. Our operations overhead costs were also higher this quarter than in the first quarter of 2004 as we increased our field and office staff in anticipation of supporting our new rigs. Similar to our fracturing operations, a delay in our drilling equipment delivery has resulted in increased overhead costs without the benefit of increased revenue.

General and Administrative Expenses

Our general and administrative expenses increased by 86% to $0.7 million in the first quarter of 2005 from $0.4 million in the first quarter of 2004. Almost half of the increase over the prior year is attributed to an increase in stock-based compensation expense relating to both stock options issued to employees, officers and directors in November 2004 and shares that were issued to outside directors in the first quarter of 2005. We issued 10,707 shares valued at $3.00 per share, the fair market value on the grant date, to outside directors in March 2005 for services rendered in the first quarter of 2005 and the fourth quarter of 2004. Each outside director is entitled to receive 1,000 shares per quarter, to be issued on the last market trading day of the quarter, for services rendered as part of the ongoing Board compensation package.

Our legal expenses were also higher in the first quarter of 2005 compared to the first quarter of 2004 due to obtaining legal advice regarding several lawsuits we have initiated. Our general and administrative expenses also rose slightly as we upgraded our infrastructure and systems in preparation for our fleet expansion. Our general and administrative employee count has not changed from the first quarter of 2004 to the first quarter of 2005.

Depreciation and Gain on Sale of Assets

Depreciation expense increased by 23% over the first quarter of 2004, comparable to the increase in depreciable assets over the same period. Significant capital items being depreciated in the first quarter of 2005 that were not depreciated in the first quarter of 2004 include the conversion costs for our three newly converted fracturing rigs, and a general increase in our office furnishings, computer hardware and computer software in order to support our expansion.

We realized a small gain on the sale of assets as we assigned certain technology and patent rights pertaining to methods for drilling, fracturing and servicing oil and gas wells with coiled tubing to an unrelated company for nominal cash proceeds and a royalty-free perpetual license to continue to use the technology and intellectual property.

Interest, Foreign Currency and Taxes

We had no interest expense in the first quarter of 2005 as we had no debt outstanding. We earned $0.1 million in interest income from investing our excess funds during the quarter as payment terms for our newly ordered equipment, combined with equipment delays, did not necessitate a use for our funds this quarter.

Our foreign exchange loss is due to an unfavourable decline in the exchange rate at a time when we had some unhedged U.S. dollar denominated payables outstanding related to equipment purchases.

Our effective tax rate was 37.2% for the first quarter of 2005 compared to 30.8% for the first quarter of 2004. The effective tax rate increase over the prior year is due to an increase in stock-based compensation expense, which is a non-deductible expense for tax purposes, and due to a reduction in enacted tax rates in the first quarter of 2004. Our current tax rate will decrease throughout the year as our new rigs are put into service and become depreciable assets for tax purposes.

SUMMARY OF QUARTERLY RESULTS

	2003*				2004				2005
Three months ended ($)(unaudited)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	**Q1**
Revenue	5,864,483	2,330,845	5,586,539	4,877,232	5,593,094	5,020,651	6,598,166	8,685,577	**7,221,915**
Net income	70,073	(607,149)	1,256,661	587,747	958,972	781,356	1,360,090	1,629,030	**655,916**
Basic earnings per share	$0.00	$(0.02)	$0.03	$0.01	$0.02	$0.02	$0.03	$0.03	**$0.01**
Diluted earnings per share	$0.00	$(0.02)	$0.03	$0.01	$0.02	$0.02	$0.03	$0.03	**$0.01**

* *Restated for change in inventory accounting policy.*

As an oilfield services company, we are dependent on the capital spending of our customers, with the whole industry dependent on the current and anticipated future crude oil and natural gas prices.

We are also subject to seasonality throughout the year, as are all companies in the oil and gas industry, due to restrictive weather conditions. Our third quarter is normally our busiest quarter for fracturing and drilling operations due to historically favourable weather conditions in Alberta, our primary operating area. Many wells are fractured with water-based fluid carrying sand that limits the ability to perform fracturing work in temperatures below approximately -25ºC. As a result, our fracturing revenue can often vary from year-to-year in the first and fourth quarters depending on the favourability of weather conditions. Coal bed methane wells, however, are fractured with nitrogen instead of water, which does not freeze in cold weather. We expect that the growth of CBM production will help to mitigate the seasonality of our fracturing operations in the future.

Both our drilling and fracturing rigs are subject to road bans during the spring. As the warmer weather returns in the spring, the winter's frost comes out of the ground rendering many secondary roads incapable of supporting the weight of heavy equipment until they have thoroughly dried out. The duration of the road bans during "spring breakup" impacts our, and industry activity levels each spring. This causes our second quarter revenue to often be our lowest quarter of the year. Despite lower revenue, the second quarter does not always see a corresponding decrease in costs as we use the spring breakup period to perform major repairs and maintenance to our equipment and to train our field employees.

2005 First Quarter Results

The high crude prices realized throughout 2004 continued into the first quarter of 2005. Industry demand for our drilling rigs remained strong for January and February and our rigs worked steadily throughout the first two months. Spring breakup arrived in early March this year, with road bans sporadically in effect throughout the province for the entire month. One of our drilling rigs was shut down for most of March as a result of the road bans, with our second drilling rig also being shut down for the latter portion of March.

Industry demand for our fracturing rigs also remained strong, similar to the second half of 2004. Unfortunately, weather issues limited our ability to maximize our fracturing operations in the first quarter of 2005. Cold weather during parts of January limited our ability to perform fracturing work on non-CBM wells. Warm weather at the end of February and early March caused sporadic spring-breakup like conditions, resulting in less than full utilization during this period. By the middle of March, road bans were pervasive throughout the province. We were able to keep one fracturing rig working in the Suffield Block in southern Alberta throughout the road ban period, but were unable to repeat the 2004 spring-breakup activity level when we had the equivalent of up to six rigs (two rigs working 24 hours a day) working in the Suffield Block.

Despite increases in both our drilling and fracturing revenue, our net income was hindered by high overhead costs as we expanded our personnel, infrastructure and systems in preparation for our fleet expansion. Delays in our equipment deliveries resulted in high costs without any corresponding revenue. Our profitability is expected to improve once our new rigs start field operations.

Summary of 2004 Quarterly Results

The 2004 year was impacted by record high crude prices, resulting in very strong industry demand. Our rigs were in high demand by our customers throughout the year, with weather acting as the main lever affecting our financial results.

The year 2004 started with fairly typical winter weather for January and February. Spring break-up arrived in early March, shutting down our drilling operations in the second week of March until the last week of April. Our fracturing operations were not shut down entirely during this period as several of our fracturing rigs were able to work on the Suffield Block in southern Alberta throughout the breakup period resulting in above average results for April. Despite the early end to spring breakup, bouts of rain continued throughout May and June causing sporadic work stoppages for both drilling and fracturing rigs and lower than anticipated utilization. The rain continued into the third quarter, with parts of southern Alberta experiencing their wettest year in over half a century. The rain limited both the drilling and fracturing activity for parts of July, most of August and the first half of September. Nevertheless, our third quarter results were still better than the prior year as only one drilling rig was working at any time in the third quarter of 2003 due to the ongoing retrofits. The sun returned in the fourth quarter producing ideal weather conditions for both drilling and fracturing operations. Moderate winter weather allowed our fracturing rigs to work throughout November and December, resulting in a strong fourth quarter.

LIQUIDITY AND CAPITAL RESOURCES

Cash Flow From Operating, Investing and Financing Activities

We ended the first quarter of 2005 with $9.8 million in cash after spending $6.2 million on capital expenditures primarily related to our new rigs under construction.

Cash flow from operating activities (including the net change in non-cash working capital) resulted in a $0.3 million outflow of cash in the first quarter of 2005 compared to a $1.1 million inflow in the first quarter of 2004. The difference year over year is attributed to the $1.8 million income tax payment that was made in the first quarter of 2005 related to the 2004 tax year. Our corresponding tax payment made in the first quarter of 2004 was $0.1 million as low taxable income in the 2003 tax year resulted in low income tax installments being due throughout 2004.

A large portion of our accounts payable at March 31, 2005 related to capital projects. The net change in accounts payable and other working capital items that related to the purchase of capital assets was separated and reported under investing activities on the Statement of Cash Flows.

Proceeds from the exercise of stock options also provided $0.3 million of cash in the first quarter of 2005. As at March 31, 2005, we had 57,109,527 common shares issued and outstanding. We also had 2,413,335 stock options issued and outstanding as of March 31, 2005 of which 1,175,762 were vested. We did not issue any new stock options during the first quarter of 2005. We did issue 25,000 stock options in April 2005, subsequent to the quarter end.

Cash Requirements and Resources

Our growth capital program, totaling $50 million, to build 15 new rigs by the end of 2005 is our predominant cash need. Cash flow from operations and proceeds from our two private placements completed in 2004 have been sufficient to finance any required capital payments to date. These sources of cash, however, will not be sufficient to finance our entire capital expansion.

We are in the final stages of negotiating credit facilities to finance our remaining capital expenditures. The peak amount of debt related to our current capital expansion, not including any draws on our operating line of credit, is expected to approximate $17 million. We will also be increasing our operating line of credit to $2 million in order to finance ongoing working capital requirements that may arise.

We believe that we have sufficient liquidity to operate our business and execute our strategic plan for the foreseeable future.

RISKS AND UNCERTAINTIES

Like any company in a growth mode, we are subject to a number of risks and uncertainties that could have negative consequences for our company.

We are subject to the normal cycles of the oil and gas industry. While a downturn in the oil and gas market would hurt most companies in our industry, our exposure may be greater over the next year due to our capital commitments and forthcoming debt obligations. Given that downturns in the industry are rarely predicted in advance, management is addressing this risk on an ongoing basis by keeping debt to manageable levels, structuring costs so that they are variable instead of fixed where possible and attempting to diversify our customer base. As well, the fracturing and drilling operations have slightly different operating cycles throughout the year, which helps to mitigate some of the seasonality risk prevalent in the oil and gas industry.

A shortage of skilled labour in the industry also poses a potential risk for our company as we more than double the size of our fleet. Management is aware of this risk and has been training additional personnel on our current rigs for several months in order to meet the demand for our new rigs. The additional training has resulted in, and will continue to result in, higher operating costs over the next few months but is necessary in order to ensure the efficient and safe operation of the new rigs. As well, we believe the coil drilling and coil fracturing rigs have several design advantages over conventional rigs in the industry, making them more appealing to employees. The design of our new rigs only enhances these advantages and has helped to attract new skilled labour to our company.

We noted in our 2004 Annual Report that access to capital and the cost of that capital posed potential risks for our company since we are planning to finance a portion of our capital growth through bank debt. We have been approved for bank debt and are in the final stages of negotiations. Both the interest rate and the repayment terms appear to be favourable. The final amount of debt financing that we will require in 2005 is dependent on the timing of equipment delivery and our ability to generate operating cash flow. Our maximum debt level in 2005, not including any draws on our operating line of credit, is expected to approximate $17 million. We will continue to focus on the importance of project management in order to meet our capital budgets and minimize the amount of debt required.

Our business relies, in part, on the use of our proprietary intellectual property. In the ordinary course of business there may be challenges to our intellectual property rights. An impairment in our ability to use our intellectual property rights may have an adverse effect with respect to certain aspects of our business. In recent months we initiated two lawsuits related to intellectual property. In March 2005, we commenced proceedings in conjunction with an unrelated company to impeach the validity of a patent recently granted to a company with respect to certain coiled tubing technology. In April 2005, we commenced proceedings in conjunction with an unrelated company against the same company named in the first lawsuit, as well as against that company's wholly owned subsidiary and two former Technicoil employees for misappropriation of coiled tubing technology. The company named in both lawsuits also commenced proceedings against us in March 2005 for an alleged patent infringement. Subsequent to the quarter end, we became aware that the same company, and one of its wholly owned subsidiaries, have also filed a claim against us and others regarding a breach of a confidentiality agreement by another party and taking issue with our assignment of certain intellectual property to another party. The outcome of these claims and any resulting consequences are not determinable at this time.

OUTLOOK AND FUTURE RISKS

As an oilfield services company, we are dependent on the capital spending of our customers, with the whole oil and gas industry dependent on the current and anticipated future crude oil and natural gas prices. Early in 2005, industry watchers had anticipated that the record setting crude oil and natural gas prices present in 2004 would likely subside somewhat in 2005, although the prices were still expected to remain strong compared to past years. As of the middle of May, the industry has not experienced any significant decline in crude oil or natural gas prices compared to 2004. Industry analysts are now predicting that prices may not subside in 2005, but will remain strong for the rest of the year. The high prices will likely mean high capital spending by our customers, which should result in a ready market for our 15 new rigs coming into service this year.

Our first new drilling rig is in the final commissioning stages as of the date of this discussion and is expected to start field operations shortly. Two additional drilling rigs rigs are also scheduled for completion in the second quarter. We have eight rigs scheduled for completion in the third quarter (one drilling rig and seven fracturing rigs), with the remaining four fracturing rigs scheduled for completion in the fourth quarter of 2005.

Our April 2005 results were well below our April 2004 results as we were unable to repeat our prior year's activity level in the Suffield Block. Road bans were in effect for most of April 2005 as periods of warm, dry weather were repeatedly interrupted with sporadic rain showers. May appears promising due to high demand, forecasted dry weather and the addition of Rig 2116, our newest drilling rig, to our fleet.

We believe the demand for both coil drilling and coil fracturing rigs is sufficient to support our capital additions, especially with coil drilling and coil well servicing becoming more of a proven alternative to conventional drilling and well servicing. Coal bed methane production in western Canada is also quickly becoming more established as a valuable resource to our customers. CBM wells require fracturing, with coil fracturing established as the preferred and most economical method. Our equipment is ideally suited for both the drilling and fracturing of coal bed methane wells. In the first quarter of 2005, we revised a previous operating agreement with one of our customers to give our customer the right of first refusal on 12 of our fracturing rigs by the end of 2005. This agreement is partially in response to the growth of CBM, and should help to facilitate high utilization for our new fracturing rigs over the term of the agreement.

Our long-term vision is to create shareholder value through growth, as we increase our profitability by capturing efficiencies. Our 15 new rigs will be the first step in our strategic plan to create shareholder value. We expect that our fleet expansion will continue beyond our 15 new rigs in 2005, with more modest growth predicted for the next couple of years. CBM production is expected to provide additional opportunities for us in the long term, which could justify the addition of both coil drilling and coil fracturing rigs in the years to come.

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEETS

As at	March 31, 2005 *(unaudited)*	December 31, 2004 *(audited)*
Assets		
Current assets:		
Cash and cash equivalents	$ 9,825,986	$ 15,807,019
Accounts receivable	3,178,786	3,744,809
Inventory	327,106	292,096
Prepaid expenses	161,674	201,324
	13,493,552	20,045,248
Capital assets under construction	17,859,067	12,659,255
Capital assets	24,674,780	24,233,226
	$ 56,027,399	$ 56,937,729
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	4,260,781	4,649,352
Income taxes payable	94,049	1,768,984
	4,354,830	6,418,336
Future income taxes	3,371,656	3,291,473
Contingencies and subsequent events		
Shareholders' equity:		
Share capital	37,857,842	37,572,585
Contributed surplus	449,669	317,849
Retained earnings	9,993,402	9,337,486
	48,300,913	47,227,920
	$ 56,027,399	$ 56,937,729

(See accompanying note to the consolidated financial statements)

Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

Three months ended March 31, (unaudited)	2005	2004
Coil tubing service and drilling revenue	**$ 7,221,915**	$ 5,593,094
Expenses:		
Operating	**4,974,227**	3,255,807
General and administrative	**663,720**	356,872
Bad debt recovery	**–**	(39,908)
Depreciation	**585,548**	474,785
(Gain) loss on sale of capital assets	**(8,233)**	111,097
Interest on long-term debt	**–**	65,012
Other interest income	**(68,427)**	(9,084)
Foreign exchange loss (gain)	**31,222**	(7,567)
	6,178,057	4,207,014
Net income before income tax	**1,043,858**	1,386,080
Income tax expense		
Current	**307,759**	369,845
Future	**80,183**	57,263
	387,942	427,108
Net income	**655,916**	958,972
Retained earnings, beginning of period	**9,337,486**	4,608,038
Retained earnings, end of period	**$ 9,993,402**	$ 5,567,010
Earnings per share		
Basic	**$ 0.01**	$ 0.02
Diluted	**$ 0.01**	$ 0.02

(See accompanying note to the consolidated financial statements)

Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

Three months ended March 31, (unaudited)	2005	2004
Cash provided by (used in):		
Operating activities:		
Net income for the period	$ 655,916	$ 958,972
Add non-cash items:		
Depreciation	585,548	474,785
(Gain) loss on sale of capital assets	(8,233)	111,097
Stock-based compensation expense	133,037	25,932
Shares issued to directors	32,121	–
Future income tax	80,183	57,263
Funds flow from operations	1,478,572	1,628,049
Net change in non-cash working capital	(1,805,195)	(545,210)
Cash (used in) provided by operating activities	(326,623)	1,082,839
Financing activities:		
Common shares issued	251,919	14,000
Repayment of long-term debt	–	(282,795)
Cash provided by (used in) financing activities	251,919	(268,795)
Investing activities:		
Acquisition of capital assets	(6,243,681)	(533,713)
Proceeds on sale of capital assets	25,000	76,000
Net change in non-cash working capital from the purchase of capital assets	312,352	(306,920)
Cash (used in) investing activities	(5,906,329)	(764,633)
Net (decrease) increase in cash and cash equivalents	(5,981,033)	49,411
Cash and cash equivalents, beginning of period	15,807,019	2,640,536
Cash and cash equivalent, end of period	$ 9,825,986	$ 2,689,947
Interest paid	– $	57,109
Income taxes paid	$ 1,983,420	$ 153,134

(See accompanying note to the consolidated financial statements)

Note to the Consolidated Financial Statements

Note 1. SEGMENTED INFORMATION (000's)

The Company operates in two areas in the oil and gas service industry – well fracturing (servicing) and drilling. The same accounting procedures and policies are applied to well fracturing and drilling segments.

	Three months ended March 31, 2005			Three months ended March 31, 2004		
$000's	**Servicing**	**Drilling**	**Total**	Servicing	Drilling	Total
Revenue from external customers	**4,680**	**2,542**	**7,222**	3,278	2,315	5,593
Operating costs	**2,949**	**2,025**	**4,974**	1,692	1,564	3,256
	1,731	**517**	**2,248**	1,586	751	2,337
Non-operating costs and taxes			**1,592**			1,378
Net income			**656**			959

	As at March 31, 2005			As at March 31, 2004		
$000's	**Servicing**	**Drilling**	**Total**	Servicing	Drilling	Total
Capital assets under construction	**6,869**	**10,990**	**17,859**	247	114	361
Capital assets:						
Rigs and equipment	**10,604**	**12,541**	**23,145**	9,203	12,898	22,101
Shared assets			**1,530**			1,257
			24,675			23,358

TECHNICOIL CORPORATION

1510 Selkirk House

555 – 4th Avenue SW

Calgary, Alberta, Canada T2P 3E7

Tel: (403) 509-0700

Fax: (403) 509-0701

Email: info@technicoilcorp.com

Website: www.technicoilcorp.com

INVESTOR RELATIONS

Arthur E. Dumont

Chairman & Chief Executive Officer

Tel: (403) 509-0705