



TECHNICOIL CORPORATION

1700, 555 – 4th Avenue S.W.
 Calgary, AB, Canada T2P 3E7
 Tel: (403) 509-0700
 Fax: (403) 509-0701
 Email: info@technicoilcorp.com
 Website: www.technicoilcorp.com

NOT FOR DISTRIBUTION INTO THE UNITED STATES OR TO UNITED STATES WIRE SERVICES

Symbol: TEC
 Exchange: Toronto Stock Exchange
 Issued: March 14, 2011

TECHNICOIL CORPORATION REPORTED RECORD FINANCIAL AND OPERATING RESULTS FOR THE THREE MONTHS AND YEAR ENDED DECEMBER 31, 2010 AND PROVIDES 2011 CAPITAL AND OPERATIONS UPDATE

Technicoil Corporation (“Technicoil” or the “Corporation”) is pleased to report record quarterly and annual results for the three and twelve month periods ended December 31, 2010. During 2010, Technicoil continued to leverage the diversity of its service offering, which resulted in record operating hours for the Well Servicing Segment. The Corporation reported EBITDA¹ and net income of \$9.1 million and \$3.5 million, respectively, for the fourth quarter and \$25.8 million and \$10.1 million, respectively, for the fiscal year. The Corporation recorded revenue for 2010 of \$94.6 million, surpassing the prior annual record reported in 2008 by 52%.

Technicoil is an oilfield services company operating in the Western Canadian Sedimentary Basin (“WCSB”). The Corporation’s business is conducted through two segments: Well Servicing and Drilling.

SELECT FINANCIAL & OPERATING INFORMATION

(\$ thousands, except per share data) (quarterly data unaudited)	Three months ended December 31			Year ended December 31		
	2010	2009	% Change	2010	2009	% Change
Revenue	\$31,859	\$15,191	110%	\$94,591	\$45,807	106%
Gross margin	\$10,063	\$3,692	173%	\$29,094	\$10,280	183%
Gross margin %	32%	24%	33%	31%	22%	41%
General and administrative expenses	\$972	\$575	69%	\$3,479	\$2,710	28%
EBITDA ¹	\$9,090	\$3,201	184%	\$25,782	\$7,075	264%
Net income (loss) ²	\$3,545	(\$3,440)	203%	\$10,092	(\$6,377)	258%
Per share – basic	\$0.05	(\$0.05)	200%	\$0.14	(\$0.09)	256%
Per share – diluted	\$0.05	(\$0.05)	200%	\$0.14	(\$0.09)	256%
Adjusted net income (loss) ¹	\$3,545	\$374	848%	\$10,092	(\$2,563)	494%
Per share – basic	\$0.05	\$0.01	400%	\$0.14	(\$0.04)	450%
Per share – diluted	\$0.05	\$0.01	400%	\$0.14	(\$0.04)	450%
Funds flow from operations ¹	\$7,218	\$2,660	171%	\$22,109	\$6,165	259%
Well servicing operating hours	25,547	12,259	108%	77,215	40,201	92%
Drilling operating days	216	177	22%	636	434	47%
				As at December 31,		
				2010	2009	% Change
Total assets				\$104,192	\$91,191	14%
Long-term debt (including current portion)				\$ NIL	\$8,755	(100%)
Debt to equity ratio ¹				-	0.13	(100%)

1. Readers are cautioned that EBITDA, adjusted net income (loss), funds flow from operations and debt to equity ratio are considered to be non-GAAP measures that do not have standardized meanings prescribed by GAAP. See “Definitions of Non-GAAP Measures” for the Corporation’s definitions of these measures.
2. The net loss incurred in 2009 is inclusive of an impairment charge on property, plant and equipment of \$3.8 million, net of tax.

OVERVIEW OF RESULTS

Technicoil achieved record quarterly results in the fourth quarter of 2010, contributing to the Corporation reporting annual financial and operating results that surpassed any previous year. The ability to leverage the versatility and diversity of the Corporation's service offering across the WCSB contributed to the strong results reported throughout 2010. Technicoil's achievements during the fourth quarter and year included:

Fourth Quarter Highlights:

- Achieved record quarterly revenue of \$31.9 million on 25,547 well servicing operating hours and 216 drilling operating days;
- Improved gross margin by 173% in comparison with the fourth quarter of the prior year. Gross margin for the fourth quarter of 2010 was \$10.1 million, or 32% of revenue; and
- Reported EBITDA of \$9.1 million, exceeding the prior record quarterly results reported in the first quarter of 2010.

Annual Achievements:

- Realized record annual revenue and EBITDA of \$94.6 million and \$25.8 million, respectively;
- Increased utilization across both segments, achieving record annual operating hours by the Well Servicing Segment of 77,215 hours as a result of rigless completions and drilling support for steam assisted gravity drainage ("SAGD") operations by the coiled tubing rig fleet, and conventional well services performed by the Storm Service Rigs fleet;
- Adapted to the shifting focus of exploration and development companies towards oil resulting in 33% of revenue in the Well Servicing Segment being generated in Saskatchewan/Manitoba;
- Reported net earnings of \$10.1 million or \$0.14 per share, exceeding any prior annual results;
- Fully repaid the Corporation's long-term debt and operating facilities, exiting 2010 with positive working capital of \$11.2 million, including \$0.8 million of cash, providing financial flexibility to facilitate capital and other corporate expansion opportunities as they arise;
- Strengthened the Corporation's ability to pursue non-fracturing services with the coiled tubing rig fleet, and to work directly for exploration and production companies and other pressure pumping companies, as a result of the expiration of an operating contract with a pressure pumping company in February 2010;
- Resolved all outstanding patent and related litigation matters in the first quarter of 2010 regarding certain coiled tubing technology without having a material impact on the assets, liabilities, or the current or future prospects of the Corporation;
- Announced a \$7 million capital expansion program to provide complementary pumping services through the Corporation's Well Servicing Segment. By year-end, the Corporation had invested \$3.3 million in this new venture; and
- Continued to focus on safety, with the Corporation's Drilling Segment becoming a recipient of the Safety Leadership Award from the Canadian Association of Oilwell Drilling Contractors in 2010, and all divisions achieving a safety record above industry average.

Drilling activity in the WCSB improved in 2010, with activity increasing primarily in the resource plays and the oil sands. Activity directed towards heavy oil opportunities has also improved as a result of more sustainable oil commodity prices. Wells drilled in the WCSB in 2010 were 12,112 (source: Nickle's Daily Oil Bulletin), an increase from 8,359 during 2009. While the well count increased by 45%, on a "metres drilled" basis activity increased 64%. The type of well being drilled by operators is becoming more important than the total number of wells drilled. Horizontal drilling and multiple fractures in the lateral section of a well continue to dominate activity in the WCSB, which has influenced the increase in meters drilled. With an increasing trend in the number of fracturing stages in the lateral section, the capital and time required to complete the horizontal well increases. The ongoing change in the typical well profile towards horizontal wells with multi-stage fracs will benefit service companies, such as Technicoil, with rig fleets that are capable of servicing these longer reach wells. In 2010, 65% of the Corporation's operating hours generated from the Well Servicing Segment were derived from rigless completions of the lateral section of horizontal wells.

Technicoil's well servicing and drilling profile has become more leveraged towards oil activity, consistent with the shifting focus of developments in the WCSB. Technicoil's balance sheet is strong with no debt and a positive working capital position of \$11.2 million as at December 31, 2010.

2011 Operations Update and Outlook

Activity levels remain robust as the Corporation enters 2011. Technicoil's strong performance in 2010 was driven by the Corporation's ability to capitalize on the changing trends in the WCSB. Exploration and development activity continues to be focused on horizontal wells incorporating multi-stage fracturing completion techniques. The Petroleum Services Association of Canada, an industry group, is forecasting 12,750 wells to be drilled in 2011, with an increasing proportion directed towards horizontal wells. Crude oil commodity prices remain at attractive levels providing for improved industry conditions, a trend expected to continue in 2011. The Corporation remains concerned with the relatively low natural gas prices. However the industry is showing a strong ability to refocus its development plans towards crude oil and liquids-rich natural gas projects.

As a result of these trends, the Corporation anticipates strong utilization levels to continue for its fleet of masted coiled tubing service rigs in 2011, the majority of which are capable of operating 24 hours per day servicing the unconventional light oil plays, such as the Bakken, Shaunavon and Cardium, and the shale gas plays in northeastern British Columbia. The Corporation's conventional service rigs remain highly utilized in the first quarter of 2011, partially as a result of operating in expanding markets, such as the oil sands. Technicoil's fleet of drilling rigs also enter 2011 fully contracted, representing the best start to a calendar year in recent history. A portion of the drilling fleet is performing oil sands coring activities in winter-only access areas. Complementing the increased demand for the Corporation's services in the first quarter of 2011 are higher market rates, a trend that is expected to continue in 2011.

2011 Capital Program

The Corporation's strong balance sheet and available banking facilities has positioned Technicoil to take full advantage of the opportunities presented in 2011 during which the Corporation anticipates that it will invest \$20 million in capital initiatives, including \$12.4 million pertaining to additional pumping equipment to complement the rigless completions activity of the coiled tubing rig fleet. As a result of the continued strong demand and the outlook for the Corporation's equipment, Technicoil is currently assessing additional capital opportunities given the continued strength in operating hours realized by its masted coiled tubing rig fleet.

FINANCIAL AND OPERATING RESULTS

FOR THE THREE MONTHS ENDED DECEMBER 31, 2010

REVENUE

The Corporation reported its best ever quarterly revenue of \$31.9 million in the fourth quarter of 2010, an increase of 110% compared with revenue of \$15.2 million for the same period of the prior year. Both the Well Servicing Segment and the Drilling Segment contributed to the improvement, recording increases of 124% and 45% respectively. Revenue rates during the quarter averaged \$1,091 per operating hour for the Well Servicing Segment and \$18,514 per operating day for the Drilling Segment, an increase of 8% and 19%, respectively, in comparison with the fourth quarter of the prior year.

The Well Servicing Segment achieved record quarterly operating hours of 25,547, more than doubling the operating hours recorded in the same period of the prior year of 12,259. The significant increase in operating hours is primarily a result of improved utilization of the coil tubing service rig fleet providing rigless completions and support for steam assisted gravity drainage (“SAGD”) drilling operations. The utilization of this fleet improved as a result of increased penetration in the key resource plays across the WCSB, including the Bakken, Shaunovan and Cardium oil plays, and continued operations in the Montney gas play, combined with an increased proportion of the fleet operating 24 hours per day. The operations of the coil tubing service fleet continues to trend toward oil opportunities as exploration and development companies shift their resources to oil developments. Complementing the coil tubing service rigs was a 17% improvement in the utilization rate of the Corporation’s conventional service rig fleet in the fourth quarter in comparison with the same period of the prior year. The activity base of the conventional rig fleet has also shifted, which now services more oil than gas wells, including completion operations in the oil sands operating 24 hours per day. Technicoil’s equipment in the Well Servicing Segment is adaptable to service opportunities across the entire WCSB. Activity levels improved more modestly for the Drilling Segment which recorded 216 operating days in the fourth quarter of 2010 in comparison with 177 operating days for the same period of the prior year. The Corporation had all five of its hybrid drilling rigs contracted at the end of 2010.

GROSS MARGIN

Technicoil realized a record gross margin of \$10.1 million in the fourth quarter of 2010, an increase of 173% in comparison with the same period of the prior year. The improvement in gross margin is a result of higher operating hours across both the Well Servicing and the Drilling segments. As a percentage of revenue, gross margin improved to 32% from 24% in the same period of the prior year.

GENERAL AND ADMINISTRATIVE EXPENSE AND STOCK-BASED COMPENSATION

General and administrative (“G&A”) expense was \$1.0 million for the three months ended December 31, 2010 in comparison with \$0.6 million for the comparable period of the prior year. The variance is primarily attributable to an increase in compensation expense. Compensation expense increased as a result of higher short-term incentive program provisions, and incremental staffing levels necessary to support both the growing complexity of work performed and the expanding operational footprint of the Corporation. As a percentage of revenue, G&A expense decreased from 4% of revenue in the fourth quarter of 2009 to 3% in the current quarter.

The Corporation recorded a stock-based compensation charge of \$1.4 million in the fourth quarter of 2010 as a result of the significant appreciation of the Corporation’s share price. As at December 31, 2010, the Corporation had 3,890,666 options outstanding, of which 1,970,014 were exercisable at the end of the year.

EBITDA

The impact of the above items resulted in the Corporation achieving record quarterly EBITDA of \$9.1 million in the fourth quarter of 2010, or 29% of revenue, an increase from \$3.2 million, or 21% of revenue, for the same period of the prior year.

DEPRECIATION, AMORTIZATION AND IMPAIRMENT CHARGES

Depreciation and amortization expense was \$2.2 million in the fourth quarter of 2010, a decrease from \$2.4 million for the same period of the prior year. The decrease is a result of intangible assets becoming fully amortized in the third quarter of 2010, and lower depreciation expense on older equipment more than offsetting the impact on depreciation of the net capital expenditure programs from 2009 and 2010. In the fourth quarter of 2009, the Corporation recorded a pre-tax impairment charge of \$5.1 million pertaining to older generation coil tubing service and hybrid drilling rigs. No such charge was recorded in 2010.

OTHER ITEMS

Interest on long-term debt was \$0.1 million in the fourth quarter of 2010, a decrease of 72% in comparison with the same period of the prior year. The reduction is primarily a result of the Corporation having fully repaid its long-term debt facility in May 2010. The interest charge relates primarily to standby fees on the unutilized portion of the banking facilities and amortization of the annual facility renewal costs.

The Corporation recorded income tax expense of \$1.9 million in the fourth quarter of 2010 in comparison with a recovery of \$1.1 million in the comparable period of the prior year. The effective tax rate for the quarter of 35% is higher than the statutory rate primarily as a result of non-deductible permanent differences, including the stock-based compensation charge.

Technicoil recorded net income of \$3.5 million, or \$0.05 per share, for the three months ended December 31, 2010 in comparison with a net loss of \$3.4 million for the same period of the prior year. Excluding the impairment charge on older generation equipment, adjusted net income in the fourth quarter of 2009 was \$0.4 million. The significant improvement in comparison with the same period of the prior year is primarily a result of the record quarterly operating hours achieved by the Well Servicing Segment.

FOR THE YEAR ENDED DECEMBER 31, 2010

REVENUE

The Corporation generated record annual revenue of \$94.6 million for the year ended December 31, 2010, surpassing the prior annual record reported in 2008 by 52%. In comparison with the same period of the prior year, revenue more than doubled with both segments contributing to the improvement. The Corporation realized average revenue per operating hour of \$1,081 for the Well Servicing Segment and \$17,519 per operating day for the Drilling Segment, representing improvements from the same period of the prior year of 12% and 9%, respectively.

The increase in revenue is primarily attributable to the record operating hours generated by the Well Servicing Segment. Operating hours for this segment increased from 40,201 in 2009 to 77,215 in the current year. The increase is primarily a result of improved utilization of the coil tubing service rigs. The activity base for this equipment is predominantly rigless completions across the WCSB. The Corporation exited 2010 with 15 of its 17 coil tubing service rigs capable of operating 24 hours per day. The operating footprint of this fleet spans the entire WCSB, the majority of which currently service oil opportunities, including the oil sands. The Corporation's conventional service rigs realized higher utilization levels in 2010, with a shifting focus towards oil activities including operations in the oil sands. Similarly, activity levels increased significantly for the Drilling Segment which recorded a 47% increase in operating days to 636 days in 2010 compared to 434 days in the prior year. The drilling rigs

provided surface-hole drilling programs for SAGD operations, heavy oil drilling, oil sands coring and shallow gas drilling during the year.

GROSS MARGIN

The Corporation recorded a gross margin of \$29.1 million, or 31% of revenue, for the year ended December 31, 2010 in comparison with a gross margin of \$10.3 million, or 22% of revenue, for the same period of the prior year. The improvement in gross margin is primarily a result of higher rig utilization by both the Well Servicing and Drilling segments.

Technicoil's variable cost structure and focus on cost management enabled the Corporation to reduce consolidated costs per operating hour, excluding third-party pass through charges, fuel, subsistence and overhead, by 12% in comparison to the prior year. The Corporation's fixed overhead costs increased during 2010 in comparison with the same period of the prior year primarily as a result of an increase in the staff complement to support the increased volume and complexity of the Well Servicing Segment's operations. Overhead costs per-operating hour decreased by 28% in 2010 compared with the prior year.

GENERAL AND ADMINISTRATIVE EXPENSE AND STOCK-BASED COMPENSATION

General and administrative expense was \$3.5 million for the year ended December 31, 2010, an increase from \$2.7 million in comparison with 2009. A reduction in legal costs as a result of the patent and civil litigation settlement in the first quarter of 2010 was more than offset by higher compensation and consulting charges during the period. The same factors affecting compensation expense in the fourth quarter impacted year-to-date results. As a percentage of revenue, G&A expense decreased from 6% in 2009 to 4% in the current year.

The Corporation recorded a charge for stock-based compensation of \$2.0 million for the year ended December 31, 2010 in comparison with \$0.1 million in the prior year. The increase is a result of the significant appreciation of the Corporation's share price relative to the prior year.

EBITDA

The impact of the above items resulted in the Corporation reporting record EBITDA of \$25.8 million in 2010, an increase of 264% in comparison with the prior year. The primary driver of the improvement in EBITDA is the continued geographic expansion of rigless completions by the coil tubing service rigs, operating 24 hours per day, resulting in higher operating hours. Improved utilization of both the conventional service rigs and drilling rig fleet also contributed to the improvement.

DEPRECIATION, AMORTIZATION AND IMPAIRMENT CHARGES

The Corporation recorded depreciation and amortization expense of \$8.7 million in 2010 in comparison with \$9.6 million for the same period of the prior year. The decrease is a result of intangible assets becoming fully amortized during the third quarter of 2010, and lower depreciation expense on older equipment more than offsetting the impact on depreciation expense of the net capital expenditure programs from 2009 and 2010.

OTHER ITEMS

Interest on long-term debt was \$0.4 million for the year ended December 31, 2010, a decrease of 44% in comparison with the same period of the prior year. The decrease in interest expense is primarily attributable to the Corporation having fully repaid its long-term debt facility in May 2010, combined with limited drawings against the operating facility during 2010. The interest charge relates primarily to standby fees on the unutilized portion of the facility and amortization of annual renewal fees.

Income tax expense for the year ended December 31, 2010 was \$4.5 million in comparison with an income tax recovery of \$2.1 million for the same period of the prior year. The effective tax rate of 31% is higher than the statutory rate primarily as a result of non-deductible permanent differences.

Technicoil generated record net income of \$10.1 million, or \$0.14 per share, for the year ended December 31, 2010 in comparison with a net loss of \$6.4 million, or \$0.09 per share, for the same period of 2009. Adjusting for the impairment charge on older generation equipment, the adjusted net loss for 2009 was \$2.6 million. The significant improvement in net income is primarily a result of the record well servicing operating hours achieved and higher drilling rig utilization.

SEGMENTED RESULTS

WELL SERVICING SEGMENT

The Well Servicing Segment provides coiled tubing and conventional service rigs to the WCSB. Well Servicing is the largest segment of the Corporation. The key performance indicators for this segment include rig utilization, revenue and gross margin percentage. At December 31, 2010, the Corporation had a modern rig fleet comprised of 17 coil tubing service rigs and nine conventional service rigs, with an average age of approximately five years. In addition, the Corporation has two TMX Xcelerator units. The Xcelerator units are used to pull and replace continuous rod strings in wells. The operational footprint of the Well Servicing Segment spans the key resource plays in the WCSB from northeastern British Columbia to southwestern Manitoba.

In the fourth quarter of 2010, the Corporation commenced a capital expansion program to provide a fleet of complementary pumping services. The new service offering will initially complement the Corporation's rigless completion activities performed by the coiled tubing service rigs in the resource plays. The deployment of these pumps commenced in the first quarter of 2011.

The Corporation's coil tubing service rigs are capable of servicing the horizontal wells that are beginning to dominate activity in the WCSB. This equipment provides services such as "rigless" completions and various other well services performed on new oil and gas wells, such as the setting of plugs, perforations and drill outs. The Corporation also deploys its coil tubing service rigs in SAGD drilling operations in addition to offering the traditional fracturing through coil applications. The Corporation's modern fleet of conventional service rigs provides services such as completions, production work, remedial work and abandonments.

<i>Year ended December 31</i> <i>(\$ thousands except for revenue per operating hour)(unaudited)</i>	2010	2009	Variance	% Change
Well servicing revenue	\$83,449	\$38,818	\$44,631	115%
Operating expenses	56,129	29,115	27,014	93%
Gross margin	\$27,320	\$9,703	\$17,617	182%
Gross margin %	33%	25%	8%	32%
Operating hours	77,215	40,201	37,507	92%
Revenue per operating hour	\$1,081	\$966	\$115	12%
Number of wells serviced during the period	1,826	1,348	478	35%

The Well Servicing segment generated record revenue of \$83.4 million for the year ended December 31, 2010, an increase of 115% in comparison with the same period of the prior year. On a per hour basis, revenue increased by 12% to \$1,081, with the majority of the increase attributable to higher pass through cost items.

The significant improvement in revenue is largely attributable to a 92% increase in operating hours. 2010 was a break-out year for the Well Servicing Segment, and in particular the coil tubing service fleet. The coil tubing service fleet exited 2010 with 15 of its 17 rigs capable of operating 24 hours per day. The rigs expanded their geographic footprint to include the key oil resource

plays in the WCSB, such as the Bakken, Shaunavon and Cardium oil plays, provided support for SAGD drilling operations, and introduced a new clean-out tool through an operating arrangement with a private company. Technicoil remains active in servicing the Montney and Horn River gas resource plays in northeastern British Columbia. With a growing demand to provide a more full service to customers, Technicoil commenced a capital program to introduce complementary pumping equipment. This equipment, scheduled for deployment in the first quarter of 2011, will displace third party service providers currently utilized by Technicoil in performing rigless completions. Technicoil's conventional service rig activity also improved in 2010 compared with the same period of the prior year, with utilization for this fleet increasing by 15%. Annual revenue generated from outside of Alberta for the Well Servicing segment accounted for 63%, including 30% in British Columbia and 33% from the combined Saskatchewan and Manitoba region.

Technicoil recorded a gross margin of \$27.3 million or 33% of revenue for the Well Servicing Segment for the year ended December 31, 2010 in comparison with \$9.7 million or 25% for the same period of the prior year. The improvement in the gross margin percentage is a result of a 12% decrease in per hour operating costs, excluding third party pass through items, combined with higher average revenue rates. Operating costs per hour were reduced as a result of more efficient crew staffing and crew changes, which account for the majority of direct variable costs, general cost management, and a higher activity base over which to absorb fixed overhead costs.

DRILLING SEGMENT

The Drilling Segment provides hybrid drilling rigs to the WCSB. Results of the Drilling Segment tend to be more volatile than the Well Servicing Segment due in part to seasonal restrictions on moving equipment and fluctuations in drilling programs of exploration and production companies. The key performance indicators for this segment include rig utilization, revenue and gross margin percentage. At December 31, 2010, the Corporation had five drilling rigs available with an average age of approximately five years. The Corporation's hybrid drilling rigs are capable of drilling with both jointed pipe or coiled tubing. The majority of activity for these rigs is drilling shallow natural gas wells, heavy oil wells, oil sands coring and shallow directional drilling.

<i>Year ended December 31</i> <i>(\$ thousands except for revenue per operating day)(unaudited)</i>	2010	2009	Variance	% Change
Drilling revenue	\$11,142	\$6,989	\$4,153	59%
Operating expenses	9,368	6,412	2,956	46%
Gross margin	\$1,774	\$577	\$1,197	207%
Gross margin %	16%	8%	8%	100%
Utilization % ¹	35%	20%	15%	75%
Operating days	636	434	202	47%
Revenue per operating day	\$17,519	\$16,104	\$1,415	9%
Number of wells drilled during the period	248	185	63	34%

¹ Utilization % for the Corporation's drilling rigs is defined as the number of spud to rig release days for the period divided by the number of rig days for the period calculated from the date of possession. Utilization is computed over the Corporation's five actively marketed drilling rigs.

Drilling activity improved in 2010, although an extended seasonal spring break-up and wet weather conditions in the third quarter impacted activity. Drilling rig utilization for the industry as reported by the CAODC averaged 41% in 2010, an increase from 24% in comparison with 2009, resulting in 12,112 wells drilled (source: Nickle's Daily Oil Bulletin) in the WCSB. The majority of drilling activity in the WCSB continues to be directed towards deeper horizontal wells that the Corporation's rigs are not capable of performing which contributed to the Corporation's utilization rate being lower than industry average. Development

activity directed towards oil, including heavy oil and oil sands coring programs, are increasing as a result of more sustainable oil commodity prices. These markets are serviced by the Corporation's drilling rigs.

Technicoil recorded \$11.1 million in revenue for the Drilling Segment in 2010, an increase of 59% in comparison with the same period of the prior year. The improvement in revenue is primarily attributable to an increase in operating days. Revenue per operating day increased from \$16,104 to \$17,519. The Corporation's revenue per operating day includes revenues from supporting services, many of which are pass-through cost items charged to the customer such as fuel and crew subsistence. The Corporation recorded a gross margin of \$1.8 million or 16% of revenue in comparison with \$0.6 million or 8% of revenue for the same period of the prior year. A 47% increase in operating days and a decrease in per hour operating costs contributed to the improvement in gross margin and gross margin percentage. The Corporation had all five rigs contracted at the end of the year at base day rates higher than what was realized in the first quarter of 2010.

LIQUIDITY AND CAPITAL RESOURCES

The Corporation's primary sources of liquidity and capital resources are funds generated from continuing operations and banking facilities. The Corporation expects to generate sufficient cash from operations to fund liabilities as they become due and finance planned investing activity throughout 2011. Additional liquidity, if necessary, is available under the Corporation's credit facilities.

The Corporation's credit facilities are comprised of a \$4 million revolving operating facility and a \$21 million revolving term facility. The credit facilities mature on May 27, 2011 and are extendable at the banks' option in May of each year. To the extent the revolving term facility is not renewed, the outstanding balance becomes repayable over a two year period, based on a two year amortization schedule. The financial terms of the facilities enable the Corporation to borrow by either floating prime rate based advances or through Bankers' Acceptances in Canadian dollars. Depending on certain financial ratios, the facilities bear interest at the bankers' prime rate plus 1.00% to 3.00% or the bankers' acceptance rate plus a stamping fee of 2.50% to 4.25%. The credit facilities require the Corporation to maintain certain covenants. The Corporation was in compliance with the covenants at December 31, 2010 and as at March 14, 2011.

Technicoil's financial position continued to strengthen in 2010. The Corporation's long-term debt as at December 31, 2009 was fully repaid in May 2010. As at December 31, 2010, the Corporation had no borrowings against either the operating or term facility. As at March 14, 2011 Technicoil had 72,755,515 common shares issued and outstanding and 3,869,999 options outstanding.

Operating Activities

The Corporation generated cash flow from operating activities of \$15.1 million in 2010 compared with \$13.2 million for the same period of the prior year. Adjusting for changes in non-cash working capital, the Corporation generated \$22.1 million in funds flow from operations in 2010, an increase from \$6.2 million in the comparable period of the prior year. Record operating hours by the Well Servicing Segment contributed to the improvement.

Financing Activities

During the first and second quarters of 2010, the Corporation retired the \$8.8 million of long-term debt that was outstanding as at December 31, 2009. The Corporation issued 61,667 shares upon the exercise of stock options during 2010 for proceeds of \$35,400.

Investing Activities

The Corporation invested \$8.2 million in property, plant and equipment during 2010. The capital expenditures included \$3.8 million pertaining to maintenance capital requirements, \$3.3 million related to the pumping services capital program, and other expansion capital initiatives of \$1.1 million. During 2010, the Corporation disposed of underutilized and redundant assets, generating proceeds of \$1.1 million.

DEFINITIONS OF NON-GAAP MEASURES

This news release contains references to certain financial measures and associated per share data that do not have any standardized meaning prescribed by Canadian GAAP and therefore may not be comparable to similar measures presented by other issuers. These measures are computed on a consistent basis for each reporting period and include EBITDA, adjusted net income (loss), funds flow from operations, and debt to equity ratio. These non-GAAP measures are identified and defined as follows:

“**EBITDA**” is a measure of the Corporation’s operating profitability. EBITDA provides an indication of the results generated by the Corporation’s principal business activities prior to how these activities are financed including the impact of stock-based compensation charges, assets are depreciated, amortized or impaired, or how the results are taxed. The Corporation calculates EBITDA as follows:

<i>(\$ thousands)(quarterly data unaudited)</i>	<i>Three months ended</i>		<i>Twelve months ended</i>	
	<i>December 31</i>		<i>December 31</i>	
	2010	2009	2010	2009
Net income (loss) before income tax	\$5,465	(\$4,581)	\$14,618	(\$8,517)
Add: Depreciation and amortization	2,157	2,401	8,740	9,615
Impairment of property, plant and equipment	-	5,085	-	5,085
Interest on long-term debt	55	198	445	794
Stock-based compensation	1,413	98	1,979	98
EBITDA	\$9,090	\$3,201	\$25,782	\$7,075

“**Adjusted net income**” is used by management to analyze net income prior to the after-tax effect of the impairment of property, plant and equipment and goodwill, and is not intended to represent net income (loss) as calculated in accordance with Canadian GAAP. The Corporation calculates adjusted net income (loss) as follows:

<i>(\$ thousands)(quarterly data unaudited)</i>	<i>Three months ended</i>		<i>Twelve months ended</i>	
	<i>December 31</i>		<i>December 31</i>	
	2010	2009	2010	2009
Net income (loss)	\$3,545	(\$3,440)	\$10,092	(\$6,377)
Add (deduct):				
Impairment of property, plant and equipment	-	5,085	-	5,085
Tax impact of impairment charge	-	(1,271)	-	(1,271)
Adjusted net income (loss)	\$3,545	\$374	\$10,092	(\$2,563)

“**Funds flow from operations**” is defined as cash from operating activities before changes in non-cash working capital from operating activities. Management believes funds flow from operations is a measure that provides investors additional information regarding the Corporation’s liquidity and its ability to generate funds to finance its operations. The Corporation calculates funds flow from operations as follows:

(\$ thousands)(quarterly data unaudited)	Three months ended December 31		Twelve months ended December 31	
	2010	2009	2010	2009
Cash flow from operating activities	\$1,777	\$1,461	\$15,088	\$13,185
Add (deduct):				
Net change in non-cash working capital from operations	5,441	1,199	7,021	(7,020)
Funds flow from operations	\$7,218	\$2,660	\$22,109	\$6,165

“**Debt to equity ratio**” is defined as long-term debt, including the current portion, divided by shareholders’ equity. Management believes the debt to equity ratio provides investors additional information regarding how the assets of the Corporation are financed. The Corporation calculates the debt to equity ratio as follows:

(\$ thousands)	As at December 31, 2010	As at December 31, 2009
Long-term debt (including current portion)	\$ NIL	\$ 8,755
Shareholders’ equity	\$75,884	\$65,713
Debt to equity ratio (total long-term debt divided by shareholders’ equity)	0.00:1	0.13:1

FORWARD-LOOKING STATEMENTS

This news release contains certain forward-looking information (referred to herein as "**forward-looking statements**") within the meaning of applicable Canadian securities laws. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "plan", "intend", "estimate", "expect", "may", "will", "should", or similar words suggesting future activities or outcomes. In particular, this news release refers to forward-looking statements: (i) by analysts relating to forecast natural gas prices and drilling activity in the WCSB; and (ii) relating to the Corporation's business plan and operational outlook.

Forward-looking statements respecting analysts' forecasts of natural gas prices and drilling activity in the WCSB are based on assumptions made by such analysts that are unknown to the Corporation.

Forward-looking statements respecting the Corporation's business plan and operational outlook are based on various assumptions and factors, including: (i) that the sources of funding which Technicoil has relied upon in the past will continue to be available to it on acceptable terms, (ii) the absence of material changes in economic and operating conditions, including, but not limited to, commodity prices, (iii) the availability and cost of labour, and (iv) no material changes in currency exchange rates, interest rates, the regulatory framework regarding oil and natural gas royalties, environmental legislation and weather conditions.

Management of the Corporation believes that such forward-looking statements are subject to certain risks, including unanticipated changes to geopolitical conditions, economic conditions, fluctuations in currency exchange and interest rates, weather conditions, the production and storage levels of natural gas, the level of consumer demand, the price and availability of alternative fuels, the effect of energy conservation measures and government regulations.

The forward-looking statements contained in this news release are made as of the date hereof and the Corporation does not undertake any obligation to publicly update or revise any of the included forward-looking statements, except as required by applicable Canadian securities law. Forward-looking statements are based upon the opinions and expectations of management of the Corporation as at the effective date of such statements and, in some cases, information supplied by third parties. Although the Corporation believes that the expectations reflected in such forward-looking statements are based upon reasonable assumptions and that information received from third parties is reliable, it can give no assurance that those expectations will prove to have been

correct. Forward-looking statements are subject to certain risks and uncertainties that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. Accordingly, readers should not place undue reliance upon the forward-looking statements contained in this news release and such forward-looking statements should not be interpreted or regarded as guarantees of future outcomes.

For further information, please contact:

Marvin D. Clifton
President & Chief Executive Officer
T: 403 509-0702
E: mclifton@technicoilcorp.com

Robert W. Sprinkhuysen
Chief Financial Officer
T: 403 509-0711
E: rsprinkhuysen@technicoilcorp.com

TECHNICOIL CORPORATION

Consolidated Balance Sheets

As at December 31, 2010 and 2009

(Thousands)	2010	2009
Assets		
Current assets:		
Cash	\$ 837	\$ -
Accounts receivable	26,011	11,562
Income taxes receivable	-	134
Inventory	1,593	2,231
Prepaid expenses and other current assets	536	579
	28,977	14,506
Intangible assets	-	369
Property, plant and equipment	75,215	76,316
	\$104,192	\$91,191
Liabilities and Shareholders' Equity		
Current liabilities:		
Bank indebtedness	\$ -	\$740
Accounts payable and accrued liabilities	14,627	6,828
Income taxes payable	3,131	-
Current portion of long-term debt	-	2,554
	17,758	10,122
Long-term debt	-	6,201
Future income taxes	10,550	9,155
	28,308	25,478
Shareholders' equity:		
Share capital	51,570	51,491
Contributed surplus	2,197	2,197
Retained earnings	22,117	12,025
	75,884	65,713
	\$104,192	\$91,191

TECHNICOIL CORPORATION

Consolidated Statements of Operations and Retained Earnings

Years ended December 31, 2010 and 2009

(Thousands, except per share data)	2010	2009
Revenue	\$94,591	\$45,807
Operating expenses	65,497	35,527
Gross margin	29,094	10,280
General and administrative expenses	3,479	2,710
Bad debt (recovery) expense	(41)	662
Stock-based compensation	1,979	98
Depreciation and amortization	8,740	9,615
Impairment of property, plant and equipment	-	5,085
Gain on sale of assets	(97)	(216)
Interest on long-term debt	445	794
Other (revenue) expenses	(29)	49
Net income (loss) before income tax	14,618	(8,517)
Income tax expense (recovery):		
Current	3,131	(100)
Future	1,395	(2,040)
	4,526	(2,140)
Net income (loss) and comprehensive income (loss)	10,092	(6,377)
Retained earnings, beginning of year	12,025	18,402
Retained earnings, end of year	\$22,117	\$12,025
Earnings (loss) per share:		
Basic	\$0.14	\$(0.09)
Diluted	\$0.14	\$(0.09)

TECHNICOIL CORPORATION

Consolidated Statements of Cash Flows

Years ended December 31, 2010 and 2009

(Thousands)	2010	2009
Cash provided by (used in):		
Operating activities:		
Net income (loss) for the year	\$10,092	\$(6,377)
Add (deduct) non-cash items:		
Depreciation and amortization	8,740	9,615
Impairment of property, plant and equipment	-	5,085
Gain on sale of assets	(97)	(216)
Stock-based compensation	1,979	98
Future income tax expense (recovery)	1,395	(2,040)
	22,109	6,165
Net change in non-cash working capital from operations	(7,021)	7,020
Cash flow from operating activities	15,088	13,185
Financing activities:		
Common shares issued	35	-
Net repayment of revolving term loans	(8,755)	(13,545)
Cash flow from financing activities	(8,720)	(13,545)
Investing activities:		
Acquisition of property, plant and equipment	(8,236)	(3,477)
Proceeds on sale of property, plant and equipment	1,063	2,255
Net change in non-cash working capital from the purchase of property, plant and equipment	2,382	(356)
Cash flow from investing activities	(4,791)	(1,578)
Net increase (decrease) in cash	1,577	(1,938)
Cash (bank indebtedness), beginning of year	(740)	1,198
Cash (bank indebtedness), end of year	\$837	\$(740)
Cash income taxes recovered	\$134	\$5
Cash interest paid	\$129	\$542