



FOR IMMEDIATE RELEASE

CONTACT:

Justin Schakelman
Theater Xtreme Entertainment Group
+1 302-455-1334
Email: justin@theaterxtreme.com
Website: theaterxtreme.com

Theater Xtreme franchise coming to Seattle area

NEWARK, DE, 1/9/07— Theater Xtreme Entertainment Group (OTCBB: TXEG), a Newark, DE-based home cinema retailer and franchisor of home cinema design and installation centers, today announced that it has approved a Seattle, WA franchise territory for Fehr Enterprises, Inc, a Washington corporation. Its owner is Scott Fehr of Snohomish, WA.

The franchise is expected to be located in Lynnwood, a northern suburb of Seattle. Market research points to excellent consumer demand for Theater Xtreme's products in the greater Seattle area.

"Seattle is ready for Theater Xtreme," said Fehr, a veteran technical sales engineer with a former post at a Fortune 500 company. "This business reflects my passion for home theater and convergence technology. The time is right and I can't wait to get our location's doors open."

Said Scott Oglum CEO Theater Xtreme Entertainment Group: "Mr. Fehr is a welcome addition to the Theater Xtreme family of franchisees. He is a man of integrity and a natural leader."

Site selection for the design center is underway. It will feature five home cinema rooms. A grand opening is expected in May 2007.

"Scott Fehr told me that there's nothing like Theater Xtreme in the entire Puget Sound area—and he's right," said Ken Warren President and COO Theater Xtreme Entertainment Group. "He's our first west coast franchise. It's a milestone for both of us and we expect his location to do quite well, particularly because he'll be the first of his kind in Seattle," he added.

Visit TheaterXtreme.com for more information about this and other locations.

To be added to Theatre Xtreme's investor contact lists, please contact Haris Tajyar at htajyar@irintl.com or 818-382-9700.

ABOUT THEATER XTREME ENTERTAINMENT GROUP, INC. -- Theater Xtreme designs, sells, and installs affordable, large-format, front projection home cinemas. Its home cinema packages feature OneView(tm), a media controller that combines on-screen movies, music, photos, games,

and Internet access with the touch of a button. The company focuses on middle-income consumers in the home entertainment marketplace, emphasizing value and performance across its line of home cinema audio, video, furnishings, and accessories.

SAFE HARBOR STATEMENT -- Some of the information presented in this press release constitutes forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements represent the Company's judgment regarding future events, and are based on currently available information. Although the Company believes it has a reasonable basis for these forward-looking statements, the Company cannot guarantee their accuracy and actual results may differ materially from those the Company anticipated due to a number of known and unknown uncertainties, of which the Company is not aware. Factors which could cause actual results to differ from expectations include, among others, the ability of the Company to sell franchises, success of the franchise stores, location of stores, delay or loss of key products from vendors, disruption of product delivery from overseas suppliers, changes in regard to significant customers or suppliers, increased competition from companies with more expertise or experience, technological improvements in the home theater market which may render the Company's offerings obsolete, less competitive, or too expensive, material reduction in the demand for home theaters, and lack of sufficient capital to allow the Company to achieve its strategic objectives. For additional information concerning these and other important factors that may cause the Company's actual results to differ materially from expectations and underlying assumptions, please refer to the reports filed by the Company with the Securities and Exchange Commission.

###