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Theater Xtreme to Open Store in New Jersey's Moorestown Mall

Newark, DE, 1/15/08 -- Theater Xtreme Entertainment Group, Inc. (OTCBB: TXEG), a nationwide seller and installer of real movie theaters for the home, will open a store in the Moorestown Mall, part of the East Gate Shopping Complex in Moorestown, NJ, a growing suburb fifteen miles east of Philadelphia. The property is owned by Philadelphia-based Pennsylvania Real Estate Investment Trust (PREIT), a REIT that invests primarily in retail shopping malls and power centers. The location is expected to open in the first half of 2008.

Timothy Rubin, PREIT's Executive Vice President of Leasing said, "Theater Xtreme has emerged as an excellent solution to PREIT's ongoing quest to differentiate its assets and provide customers with vibrant and unique merchandising stores. We expect that consumers will share in our enthusiasm for this creative home theater concept."

"The Moorestown Mall exemplifies the type of location that we believe will maximize our exposure to a premier market," said Theater Xtreme Entertainment Group CEO Scott Oglum. "PREIT is visionary in the way that it creates and transforms properties into highly-desirable shopping destinations. We are energized to be its newest tenant, and we have high expectations for this location."

Visit TheaterXtreme.com for a complete list of locations.

To be added to Theatre Xtreme's investor contact list, please contact Justin Schakelman at jschakelman@theaterxtreme.com.

ABOUT THEATER XTREME ENTERTAINMENT GROUP, INC.

Theater Xtreme Entertainment Group, Inc (OTCBB: TXEG) is a specialty retailer of real movie theaters for the home. The Company's 80" to 120" front projection systems deliver an authentic movie theater experience, as an increasingly popular alternative to flat panel televisions. Its cinema packages, featuring brand names and factory direct products, are simple to use and cost significantly less than traditional A/V dealer offerings. It operates 3 company owned stores and 11 franchises in 12 states.

SAFE HARBOR STATEMENT

Some of the information presented in this letter 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, the ability to find suitable locations for new corporate and franchise stores, delay or loss of key products from vendors, the ability to maintain margin and sales growth rate, disruption of product delivery from overseas suppliers, changes in regard to significant suppliers, increased competition from companies with more expertise, experience, or financial resources, technological changes 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 corporate store opening goal. 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 available at www.sec.gov.

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