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Theater Xtreme Unveils Next Generation Retail Outlet in Wilmington, Del.

Newark, DE, 3/13/07 -- Theater Xtreme Entertainment Group Inc. (OTCBB: TXEG), a nationwide seller and installer of home cinema systems, today announced the opening of its latest version retail store in Wilmington, Del.

Stemming from the popularity of its ten forerunner locations in nine states, Theater Xtreme's newly redesigned retail space greatly enhances the customer's buying experience.

"The fresh floor plan boasts several improvements, including racetrack-style corridors with cinema rooms along the path," said the company's Chairman and CEO Scott Oglum.

Theater Xtreme aims to deepen the customer's shopping experience, especially in terms of experiencing as many products as possible in a short period of time. "We've added six more cinema rooms--eleven total--to the design," said Ken Warren, President and Chief Operating Officer.

"Thrilling, amazing, impressive," said company Design Consultant Lawrence Gibson when describing what customers are saying about the new store concept.

An expanded line of furnishings and interior decor products share the spotlight with the company's distinctive theater rooms. New items include the RowOne® Colonnade, Cinema Credenza, CineCenter, and DoubleVision entertainment unit which houses both a projection screen and flat panel television. The company is also offering modular risers for second-row seats, of which there are eleven styles. Said Oglum: "The whole room is our target, not just audio and video components."

Theater Xtreme's predecessor locations are located mostly in sub-regional sites, thus making the Wilmington design center the first of its kind in a so-called regional power center.

“Our choice for Concord Square Shopping Center along Route 202 is paying off even in these first few days of operation,” said Warren. “We’re seeing a significant increase in floor traffic and high interest levels in our core as well as expanded lines of products.”

According to Bill Coggshall of industry tracker Pacific Media Associates, the number of consumers interested in front-projection home theaters is expected to grow 60% in 2007.

“It’s a new era in the front projection business and Theater Xtreme is the one to watch,” said Coggshall. “Their conceptual approach is in line with what consumers want in today’s home entertainment marketplace.”

To learn more about this and other Theater Xtreme locations, visit TheaterXtreme.com

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

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 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 which are available at www.sec.gov.

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