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TheaterXtreme opens its tenth location, Lewis Center, Ohio

NEWARK, DE, 8/1/06 -- Theater Xtreme Entertainment Group (OTCBB: TXEG), a Newark, DE-based home cinema retailer and franchisor of home cinema design and installation centers, announced today the grand opening of its newest franchised design center located in Lewis Center, Ohio, a suburb of Columbus.

The store's owner, John Macko of Powell, OH purchased the franchise territory rights in November 2005. The location will serve about 250,000 consumers in the greater Columbus area.

"It's been a thrill to get to this point," said Macko. "Columbus is sprawling with new homes and new construction, and we can't wait to introduce this market to TheaterXtreme."

The design center is the tenth location of 24 total stores in various stages of opening and operation. It features five home cinema showrooms against the backdrop of the company's distinctive retail environment.

"Macko is a determined individual with real passion and enthusiasm for his store and our products," said Scott Oglum, CEO of TheaterXtreme Entertainment Group. "We feel confident in his ability to succeed."

"John is a first-rate franchise owner," said Ken Warren, President and Chief Operating Officer, TheaterXtreme Entertainment Group. "Running a TheaterXtreme franchise requires focus and energy; two things that John has plenty of."

TheaterXtreme of Lewis Center is located at 1216 E. Powell Rd., Lewis Center, OH, 43035. Call 614-848-8585 for directions and store hours.

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

ABOUT THEATER XTREME ENTERTAINMENT GROUP, INC.—Theater Xtreme designs, sells, and installs affordable, large-format, front projection home cinemas through both its

company-owned design centers and through franchised design and installation centers. 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 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.

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