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CNNMoney.com Features Theater Xtreme's "Big-Screen Magic" -- Article Cites the Appeal of the Company's Moderately Priced In-Home Theaters Despite Slump in Housing and Credit Markets --

NEWARK, DE, 8/27/07 -- Theater Xtreme Entertainment Group, Inc., (OTCBB: TXEG), a nationwide retailer and installer of real movie theaters for the home, is featured on CNNMoney.com.

The article discusses Theater Xtreme's ability to market successfully and sell its in-home movie theaters, despite the current slump in the housing and credit markets. Scott Oglum, CEO of Theater Xtreme, noted that the market for home theater projectors is growing at 32 percent a year.

The article highlights Theater Xtreme's position as a niche retailer in the home theater segment of the front projector industry. The company's moderately priced real movie theaters for the home are reasonable home improvement options for mid-income families. Mr. Oglum explained that the stores cater to consumers who've lived an average of five years in their current home.

The article also notes that the company has already seen fast growth. In 2004, the company's first year in business, it sold 200 movie theater packages. Sales have now topped 2,000 packages. Mr. Oglum also noted that as a niche player, Theater Xtreme is more sheltered from rival retailers and big-box stores, which, unlike Theater Xtreme, primarily sell flat-panel televisions at far lower margins.

View the entire CNN Money article at

http://money.cnn.com/2007/08/24/news/companies/theater_extreme/index.htm

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 5 company owned stores and 10 franchises in 11 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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