



NEWS RELEASE

Corporate Office West

3710 Westwinds Dr NE, Bay 24
Calgary, AB T3J 5H3
Tel: 403-537-1001
Fax: 403-270-4398

Corporate Office East

8000 Jane A, Suite 401
Concord, ON L4K 5B8
Tel: 416-633-4646
Fax: 416-633-4643

Xentel Inc.

101 NE Third Ave, Suite 203
Ft. Lauderdale, FL 33316
Tel: 954-522-5200
Fax: 954-524-5183

Investor Relations

Caren Holtby
Tel: 866-204-9861
Fax: 416-633-4643
Email: carenh@xentel.com

XENTEL ANNOUNCES NORMAL COURSE ISSUER BID

Calgary, Alberta – October 7, 2008: **Xentel DM Incorporated** (TSXV: XDM) a North American specialty entertainment and relationship marketing company, announces it has filed a notice of intention with the TSX Venture Exchange (the "Exchange") relating to the repurchase by the Corporation of certain of its issued and outstanding common shares pursuant to a normal course issuer bid undertaken in accordance with the rules and policies of the Exchange. All purchases of common shares will be effected through the facilities of the Exchange and all common shares purchased will be cancelled.

Currently, there are 26,194,455 common shares of the Corporation issued and outstanding. In connection with the normal course issuer bid, the Corporation may purchase up to 1,309,722 common shares (or 5% of the total number of common shares currently outstanding) until October 1, 2009, subject to the rules and requirements of the Exchange. The Corporation has not purchased any common shares during the preceding 12 months. The common share purchases will be made through Acumen Capital Finance Partners Limited.

In the opinion of the board of directors of the Corporation, the market price of the common shares does not accurately reflect the underlying value of those shares. As a result, the common shares may become available for purchase at prices which make them an attractive investment and an appropriate use of the Corporation's funds. It is anticipated that the purchase of common shares will benefit the remaining shareholders by increasing their equity interest in the Corporation's assets.

Xentel is one of North America's leading relationship-marketing concerns and producers of cause-related entertainment events. The Corporation's success is attributable to proprietary sales tools including technologically advanced teleservices and sophisticated customer databases. Xentel has over 400 clients and 2,100 employees in over 30 offices across North America.

Certain statements in this press release may constitute "forward looking statements" and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation to be materially different from any performance or achievement expressed or implied by such "forward looking statements".

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.