

**November 22, 2006 – Canext announces results for interim period ended September 30, 2006**

Calgary, Alberta - Canext Energy Ltd. (“Canext” or “the Company”) (TSXV – CXT) is pleased to announce its operating and financial results for its first full quarter of operations. The Company was very active kicking off a drilling program and completing a strategic acquisition which includes lands directly offsetting its recently drilled locations. Also, the Company further strengthened its balance sheet to fuel its next phase of exploration and development in its core winter operational areas.

**Highlights**

- Completed a \$10,087,000 private placement comprised of 4,500,000 common shares at \$1.35/share and 2,360,000 flow-through shares at \$1.70/share;
- Increased daily production by 50% to average 166 boepd for the quarter with September averaging 240 boepd;
- Drilled and cased its first three (1.6 net) wells at Pouce Coupe for 100% success. Subsequent to the quarter the wells have been completed and tested in excess of 250 boepd net to Canext;
- Closed a \$3,388,000 acquisition on September 29<sup>th</sup>, comprised of 45 boepd (not included in the current period production) and 7,680 net acres of undeveloped land;
- Created a fourth operated core area at Clear Prairie covering 14 sections of land at an average working interest of 72%;
- Increased the net undeveloped land to 33,000 net acres up 65% since inception;
- Ended the quarter with \$6,965,000 of positive working capital.

The following table summarizes some of the key financial results. Since this is Canext’s first full quarter of operations comparative financial statements are not applicable. Complete financial statements with accompanying notes along with management’s discussion and analysis have been filed on SEDAR ([www.sedar.com](http://www.sedar.com)) and the Company’s website ([www.canextenergy.com](http://www.canextenergy.com)).

## Three months ended September 30, 2006

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Production (boe/d)	166
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### **Highlights (\$000's)**

Net Production Revenue	521
Cash Flow	216
Net Loss	(181)
Capital Spending	6,362

### **Per Common Share**

Cash Flow	\$0.01
Net Loss	(\$0.01)

### **Balance Sheet (\$000's)**

Property, Plant & Equipment	13,390
Working Capital	6,965
Shareholders' Equity	21,270

Wt Avg Common Shares (000's)	21,945
Outstanding at period end (000's)	27,538

### **Per BOE (\$/boe)**

Revenue	\$43.84
Royalty	\$9.76
Opcost	\$9.02
Transportation	\$0.04
Operating Netback	\$25.02
G&A	\$13.99

## **Operational Update**

The Company commenced pipelining operations on its three Pouce Coupe wells to tie-in approximately 200-250 boepd. Two of the wells should be on-stream by the end of November and the third will require regulatory approval estimated late in the first quarter of 2007.

Canext has commenced its winter program with the initial construction phase well underway. The Company anticipates spudding the first well within a couple of days. Current plans are for 12 (6 net) wells to be drilled and evaluated over the next four months. The most significant well is a 3,100 m (60% working interest) operated exploration well at Clear Hills which should spud in December. The well will drill through nine prospective zones and is expected to cost \$1,200,000 net.

In addition, the Company anticipates starting completion operations in early December on wells drilled last winter. No additional production is forecasted from these wells for this year.

## **Outlook**

Canext has a strong technical team and balance sheet with significant cash on hand. The Company is evaluating opportunities to expand its prospects for continued strong growth through additional farm-ins and/or strategic acquisitions which complement its planned drilling program.

*Reader advisory:*

*The term “BOE” may be misleading, particularly if used in isolation. In accordance with NI 51-101, a BOE conversion ratio for natural gas of 6 mscf: 1 bbl has been used which is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.*

*Management uses cash flow or funds from operations (before changes in non-cash working capital) to analyze operating performance and leverage. Cash flow or funds from operations as presented does not have any standardized meaning prescribed by Canadian GAAP and therefore it may not be comparable with the calculation of similar measures for other entities.*

*Investors are cautioned that the preceding statement of the Company may include certain estimates, assumptions and other forward-looking information. The actual future performance, developments and/or results of the Company may differ materially from any or all of the forward-looking statements, which include current expectations, estimates and projections, in all or part attributable to general economic conditions and other risks, uncertainties and circumstances partly or totally outside the control of the Company, including natural gas/oil prices, reserve estimates, drilling risks, future production of gas and oil, rates of inflation, changes in future costs and expenses related to the activities involving the exploration, development and production of gas and oil hedging, financing availability and other risks related to financial activities.*

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

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