

January 22, 2007 – Canext Updates Drilling and Production Results

Calgary, Alberta - Canext Energy Ltd. (“Canext” or “the Company”) (TSXV – CXT) is pleased to update the results of its drilling program and update production information.

During 2006, in its first seven months of operations the Company successfully drilled and cased 5 wells (3.1 net). All wells were operated by Canext. Three of the wells (1.6 net) are now on production with a fourth well (60 boepd net) waiting on regulatory approval expected by the end of the first quarter. Completion operations are pending on the fifth well.

As a result of the drilling and completion program, production has steadily increased from June 2006 initial production of 100 boepd to the current field estimate of 385 boepd.

The Company has commenced its winter drilling and completion program in the Clear Prairie, Clear Hills and Worsley areas of northwest Alberta. In January 2007, the Company drilled a 60% working interest 3000 m well at Clear Hills. The well was drilled ahead of schedule and under budget however, the primary target had poor reservoir quality and the well was plugged back and cased for two shallow gas horizons. Completion and testing operations are expected to commence shortly. The well earned Canext a 60% working interest in nine sections of land. These lands are covered by proprietary 3D seismic on which the Company has identified several additional drilling prospects.

Canext also drilled and cased its first well (60% working interest) at Clear Prairie. Completion operations are expected to start within a week and the Company is accelerating a seismic program to confirm additional opportunities. Canext has a 60 – 100% interest in eight offsetting sections of undeveloped land.

Outlook

Canext is currently drilling its third well this month and expects to drill another three to five wells before the end of March. The Company has a strong balance sheet with sufficient cash on hand to complete its winter drilling and completion program.

Canext has an experienced technical team which evaluates 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.

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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