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**August 27, 2007 – Canext announces second quarter results and operational update.**

Calgary, Alberta - Canext Energy Ltd. (“Canext” or the “Company”) (TSXV – CXZ) is pleased to announce its operating and financial results for the three months ended June 30, 2007. On June 22, 2007 Canext completed its amalgamation with Trimox Energy Inc and Tasman Exploration Ltd. These results reflect only nine days of production and revenue from the combined entity but include the full debt at the end of the quarter.

**Highlights:**

- Production increased 29% from the first quarter of the year,
- Successfully completed the amalgamation with Trimox Energy Inc. and Tasman Exploration Ltd. creating a larger entity with a stronger production base, prospect inventory and balance sheet,
- Undeveloped land increased to 109,769 net acres, up 214% from the previous quarter,
- Additional exploration acreage under option expanded to 14,720 net acres

The following table summarizes some of the key financial results. Interim financial statements with accompanying notes along with management’s discussion and analysis have been filed on SEDAR ([www.sedar.com](http://www.sedar.com)).

	Three Months Ended		% Change
	June 30, 2007	March 31, 2007	
Production (boe/d)	427	332	29%
<b>Highlights (\$000's)</b>			
Revenue	1,804	1,442	25%
Cash flow	619	629	(2%)
Net income/(loss)	(556)	(249)	123%
Capital spending	562	4,913	(89%)
Acquisitions	51,703	0	
<b>Per Diluted Common Share</b>			
Cash flow	0.02	0.02	
Earnings	(0.02)	(0.01)	
<b>Balance Sheet at period end (\$ 000's)</b>			
Property, plant and equipment	71,879	20,800	246%
Working capital deficiency including debt	6,494	803	709%
Shareholders’ equity	61,122	19,866	208%
Wt average shares 000's	33,236	28,389	
Diluted shares 000's	33,236	28,389	

Revenue \$/boe	46.47	48.26	-4%
Royalty \$/boe	(10.72)	(11.94)	-10%
Opcost \$/boe	(10.57)	(9.05)	17%
Transportation \$/boe	(0.05)	(0.05)	0%
Operating Netback \$/boe	25.13	27.22	-8%
G&A	(8.87)	(7.40)	20%

## Operations Update

During the quarter Company efforts were concentrated on successfully completing the amalgamation with Trimox and Tasman and as a result, field operations were minimal.

Subsequent to the end of the second quarter, Canext has reached agreement to dispose of its interests in 100 boepd of production at Teepee and three other non-core properties. Total proceeds of \$2,280,000 will be applied initially to reduce the debt and will provide additional resources to fund the capital program. Proven and probable reserves totaling 50.8 mstboe were sold for proceeds of \$44.85/boe.

## Pouce Coupe

The summer program began in July and to date the Company has re-completed three (1.5 net) wells. Two (0.5 net) wells tested a combined rate of 1,700 mscf/d (430 mscf/d or 72 boepd net) on extended flow tests. One (0.25 net) well is expected to be tied-in during the third quarter while tie-in of the other well is pending higher gas prices. These wells were part of an acquisition done by Canext in 2006 and have proven up additional development locations on company held land.

Production has been hampered by limited interruptible third party gas processing in the Pouce Coupe area. The Company's best wells have been operating at 50 – 75% on-stream efficiency since June. A new third party gas plant expected to be on-stream mid October will allow Canext to nominate for firm capacity. With potential for plant capacity and following on recent success, the company will continue with its plan to drill four wells the first of which should spud within a week. The first well is an exploration well targeting an untested Montney tight gas accumulation.

## Worsley

The Company has commenced drilling its 2200 m Devonian play at Worsley with the first of two (1.0 net) wells. The first well is expected to reach total depth shortly. Contingent on the results, Canext plans to shoot additional 3D seismic and drill on its recently expanded land base on this prospect.

## Retlaw

The Company has reallocated a portion of its budget and now plans on drilling two 100% wells at Retlaw in Southern Alberta. The wells are targeting oil and solution gas as step outs from recent discoveries. Drilling is expected to commence within two weeks. If successful, the Company anticipates tying in the production early in the fourth quarter to a Canext operated oil battery.

## Outlook

As a result of property dispositions, restrictions at Pouce Coupe and delays starting the summer drilling program, the Company is lowering its Q3 guidance from a range of 1550 – 1650 boepd to a revised target of 1350 boepd.

Canext plans to have three drilling rigs operating in three different core areas in September. The Company is still planning to drill 12 – 14 (7 – 8 net) wells during the second half of 2007. Production increases are expected throughout the fourth quarter therefore, the Company is maintaining its target exit rate of 1700 – 1800 boepd.

A general reduction in industry activity due to the short term decline in natural gas prices has resulted in a substantial drop in drilling and servicing costs. Canext is well positioned to take advantage of this opportunity. The Company has the balance sheet strength and prospect inventory to continue to grow its operations. Third and fourth quarter drilling activity combined with production already tested should ensure steady production growth.

### *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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