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July 2, 2008 – Canext closes property disposition, expands budget and provides operational update.

Calgary, Alberta - Canext Energy Ltd. (“Canext” or the “Company”) (TSXV – CXZ) is pleased to provide the following operational update.

Property Dispositions

The Company is pleased to announce the final closing of its non-core property disposition as announced on May 26, 2008. The Company closed the sale of its Retlaw and Hines Creek properties which, when combined with three other minor properties, resulted in net proceeds of 6.1 MM\$. Following the property dispositions the Company’s bankers have advised there will be no change to the bank line of 12.5 MM\$.

Expanded 2008 Capital Program

Canext announces it has increased its capital budget for 2008 to 24 MM\$ from the previously announced 16 MM\$. Drilling for the full year will be expanded to 24 (15.5 net) wells up from 15 (9.3 net). The expanded budget includes additional horizontal and vertical wells at Pouce Coupe and two more light oil targets in the Clear Prairie / Sweeney area. Also, based on higher gas prices, the Company has decided to drill four (3.1 net) additional wells at Birch Wavy this fall. The expanded budget still leaves room for an active winter drilling program in 2009.

Operational Update

The Company has enjoyed early success with its summer drilling and recompletion program. The first recompletion at Pouce Coupe (65% working interest) resulted in a gas well testing at rates up to 3,000 mscf/d. The well was placed on production at 2,000 mscf/d in June (net 215 boepd). This well is expected to replace most of the production sold in June. The second recompletion at Pouce Coupe is a non-operated Montney well (24% working interest). Completion and testing operations are currently underway. Canext is moving a rig to begin its summer drilling program at Pouce Coupe. The first well (50% working interest) is targeting gas in the Lower and Upper Montney with secondary targets in the Basal and Upper Kiskatinaw, Halfway and Doig formations. All six zones have shown commercial production within a few miles of this prospect. Canext’s first Montney horizontal well (25% working interest) at Pouce Coupe will be operated by ARC Energy Trust. It is anticipated this well will be completed with multiple fracs. Canext has been advised drilling operations will commence in July. The Company’s second Montney horizontal well (50% working interest) will be operated by Canext and is expected to commence drilling late July or early August. Canext is in the planning stages for its third Montney horizontal and anticipates a September or October drilling date.

At Sweeney (formerly disclosed as Clear Prairie), the Company has reactivated its 60% working interest light oil discovery which was previously shut-in for spring breakup. The well has come back on production late in June at 90 bopd plus solution gas. In addition, Canext recently received regulatory approval to drill two (1.2 net) more wells offsetting the discovery well. These wells will target two new quarter sections. The Company is currently upgrading the lease and access road and

anticipates drilling in late July weather permitting. Additional wells at Clear Prairie (North) and Sweeney are planned for later in the year.

Summer drilling has commenced at Birch Wavy. The Company has drilled three (2.5 net) wells resulting in two (1.9 net) potential gas wells and one (0.6 net) dryhole. Canext is currently drilling the fourth well. Completion operations are expected to commence within two weeks with tie-in operations to start shortly thereafter.

Outlook

The recent financing and non-core property disposition have strengthened the Company's balance sheet. Canext estimates positive working capital in excess of 5 MM\$ and no debt as of June 30, 2008.

The Company is targeting an exit rate of 1,400 – 1,500 boepd for 2008. This represents a 25-35% growth from the first quarter of this year despite the property dispositions of 220 boepd.

Canext is well positioned for future growth balanced between light oil at Sweeney and natural gas on the Montney-Doig resource play at Pouce Coupe. In addition, the large undeveloped land base along with the strong inventory of exploration prospects provides a framework for continued 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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