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Nextraction Energy Corp.

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TSXV: NE

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Nextraction Announces 2010 Financial and Operating Results, Establishes Initial Year End Reserves and Significantly Increases Net Asset Value

Vancouver, BC – **Nextraction Energy Corporation (TSX-V: NE)** (the "**Company**"), is pleased to announce the financial and operating results for the year ended December 31, 2010 along with the 2010 year end reserves. The Company has filed its annual reserve reports required under Section 2.1 of NI 51-101 (Form 51-101F1), audited consolidated annual financial statements and related management's discussion and analysis for the year ended December 31, 2010 on SEDAR (www.sedar.com) and the Company's website at: www.nextraction.com. All amounts herein are reported in Canadian dollars unless otherwise noted.

Mark S. Dolar, Company President and CEO, summarizes the year in saying, "*2010 resulted in substantial advancement for our Company as we accomplished all of the milestones we set out to achieve. We are in commercial production, we have established our Calgary office, hired a dynamic management team for forward growth, and have acquired production and additional drilling opportunities for oil as we expect to advance our story even further in 2011.*"

Highlights:

- Successfully completed a 13-stage frac in the lower productive zones of the Noble 6-24 well, testing at a 24 hour flow-back of 1 million cubic feet of gas and 30 barrels of condensate a day. The Company entered commercial production in July of 2010, acquired 1,023 acre leaseholds in the North Pinedale Project and earned 100% of a 154 acre pooled area with the completion of the Noble 6-24 well.
- Completed fracing the upper zones of the Noble 6-24 well with an eight-stage program that flowed 3 million cubic feet of gas per day on a 24 hour test using a ½ inch choke.
- Entered into a Seismic Option and Farm-out Agreement with a joint venture partner, whereby Nextraction can earn an interest in 20,000 acres in the Saturn Prospect located in Daniels County, Montana. The property hosts the highly prospective Mission Canyon, McGowan, Bakken and Three Fork formations.
- Closed a private placement whereby the Company issued and sold 4,240,000 units at a price of \$1.00 per unit for aggregate gross proceeds of \$4,240,000. Each unit consisted of one common share and one-half of one common share purchase warrant.
- Shareholders of Nextraction exercised a total of 3,458,713 warrants at an exercise price of \$0.65 per warrant for aggregate gross proceeds to the Company of \$2,248,163.
- Exited the year ended December 31, 2010 with production of 104 boe/d, with average production for the year of 35 boe/d.

- Established proved reserves of 564 Mboe and proved plus probable reserves of 1,175 Mboe effective at December 31, 2010.
- The net present value of Nextraction's proved plus probable reserves at December 31, 2010, at 10% discounted value before tax, is \$9.6 million.

Financial:

	Three Months Ended December 31,		Year Ended December 31,	
	2010	2009	2010	2009
	\$	\$	\$	\$
Petroleum and natural gas sales	118,044	-	439,453	-
Operating netback	(43,495)	-	42,491	-
Net loss	(631,778)	(513,882)	(1,549,572)	(1,021,496)
Basic and diluted loss per share	(0.03)	(0.07)	(0.10)	(0.13)
Oil and gas properties	-	-	9,151,709	1,013,879
Capital expenditures	1,692,984	366,869	8,317,152	664,584
Working capital ¹	-	-	2,457,238	578,993
Securities outstanding:				
Common shares	-	-	20,639,326	11,393,513
Shareholder warrants	-	-	2,120,000	6,643,003
Stock options	-	-	2,110,000	1,695,000

¹Working capital is defined as current assets less current liabilities excluding deferred revenue.

Operating¹:

	Three Months Ended December 31,		Year Ended December 31,	
	2010	2009	2010	2009
	\$	\$	\$	\$
Daily Production:				
Petroleum and NGL (bbls/d)	4.5	-	4.0	-
Natural gas (mcf/d)	186	-	185	-
Oil equivalent (boe/d @ 6:1)	36	-	35	-
Revenue:				
Petroleum and NGL (\$/bbl)	71.29	-	67.37	-
Natural gas (\$/mcf)	3.37	-	3.64	-
Oil equivalent (\$/boe @ 6:1)	36.10	-	34.44	-
Royalties				
\$ per boe	(7.31)	-	(6.60)	-
Operating costs				
\$ per boe	(42.08)	-	(24.50)	-
Netback				
\$ per boe	(13.29)	-	3.34	-

¹Barrels per day conversions have been calculated over the full calendar period for the three months ended and year ended periods. However, actual production days realized by the Company were 55 days for the three months ended December 31, 2010 and 155 days for the year ended December 31, 2010.

Reserves:

The Company's reserves were independently evaluated by GLJ Petroleum Consultants ("GLJ") as at December 31, 2010. The Company's Form 51-101F1 Statement of Reserves Data and Other Oil and Gas Information effective as of December 31, 2010, and GLJ's Form 51-101F2 Report on Reserves Data, has been filed on www.sedar.com. The forecasts of product prices used in this evaluation were based on GLJ's December 31, 2010 price forecasts, as adjusted for commodity price differentials and transportation specific to the Company's production, as detailed below:

	Light oil (C\$/bbl)	Residue Gas ¹ (C\$/Mcf)	Exchange rate (US\$/CAN\$)
2011	79.80	4.94	0.98
2012	80.82	5.69	0.98
2013	81.84	6.37	0.98
2014	83.88	6.94	0.98
2015	87.11	7.51	0.98
2016	89.54	7.91	0.98
2017	92.31	8.17	0.98
2018	94.84	8.33	0.98
2019	97.60	8.50	0.98
2020	99.76	8.68	0.98
2021	101.95	8.68	0.98
2022	104.19	9.04	0.98
Thereafter	+ 2.0%/yr	+ 2.0%/year	

¹The Company's estimate of future prices on residue gas includes forward commodity pricing estimates for both natural gas and natural gas liquids.

Summary of Company Gross Reserves¹

	As at December 31, 2010 ²			As at December 31, 2009
	Petroleum and NGLs (Mbbbl)	Natural Gas (MMcf)	Total (Mboe)	
Proved Producing	23	1,132	211	-
Proved Undeveloped	38	1,889	353	-
Total Proved	60	3,021	564	-
Probable	65	3,274	611	-
Total Proved Plus Probable	126	6,295	1,175	-

Summary of Before Tax Net Present Values (\$M)³

	As at December 31, 2010 ²					As at
	0%	5%	10%	15%	20%	December 31, 2009
Proved Producing	5,251	3,691	2,791	2,226	1,845	-
Proved Undeveloped	5,127	2,307	776	(152)	(762)	-
Total Proved	10,377	5,998	3,567	2,073	1,083	-
Probable	15,260	9,096	6,070	4,329	3,202	-
Total Proved Plus Probable	25,637	15,094	9,636	6,402	4,286	-

Notes:

- 1 Gross Company reserves are the Company's total interest share before the deduction of any royalties and without including any royalty interest of the Company.
- 2 Based on GLJ December 31, 2010 estimated price forecast.
- 3 The net present values of future net revenue do not represent fair market value.

Outlook:

In the fourth quarter of 2011, the Company advanced the development of its existing projects and entered into a Seismic Option and Farmout Agreement with a third party to develop the Bakken Shale in the Saturn Project located in the northwestern Williston Basin in Daniels County, Montana. Prior to year end, the Company also successfully fraced and completed the upper eight zones in the Noble 6-24 well on the Pinedale Anticline in the Upper Lance and Tertiary formations, and conducted propellant fracing operations in two vertical wells in the Appalachian Basin Chattanooga Shale. The acquisition of the Saturn Project with light oil potential moved the Company closer to its goal of producing both light oil and liquids-rich natural gas.

The Company is excited about its future prospects, including its emerging Viking light oil play within the Provost Acquisition and Development Project.

Provost Viking Oil Acquisition and Development Project

In the first quarter of 2011, the Company entered into a Joint Venture Agreement to acquire properties located in the Provost Field of eastern Alberta. The Provost Field is known for its prolific Viking A formation.

The acquisition includes production of 30 barrels of oil per day (gross) from four producing wells and 3.25 sections of undeveloped leasehold with the potential to drill 12-21 horizontal wells in the defined pool.

The Company plans to re-enter existing wellbores to frac and complete less productive wells in the field by applying advanced completion technologies, or to frac non-productive intervals in the Viking sand formation to establish new producing horizons. The Company also plans to drill and complete two horizontal wells, the first well to commence before July 2011.

Measurements:

Boe figures and similar units of equivalency may be misleading, particularly if used in isolation. References herein to “**boe**” mean barrels of oil equivalent and are calculated by converting gas to oil in the ratio of six thousand cubic feet (“**mcf**”) of natural gas to one barrel of oil. This conversion ratio is based upon an energy equivalent conversion method primarily at the burner tip and does not represent equivalence at the wellhead. Furthermore, this conversion ratio is not intended to represent commodity price equivalents between natural gas and oil.

About Nextraction Energy Corp.

Nextraction Energy Corp. is a Canadian junior oil and gas company engaged in the exploration and development of oil and gas resources in North America. Nextraction targets projects along trends with known reserves that provide low risk, high return development opportunities in both conventional and unconventional resource projects, where our technical expertise can be applied to enhance production. The Company is also evaluating further acquisitions that fit the model of the “next round of extraction on known plays.” Nextraction is headquartered in Vancouver, BC, Canada, with an operations office in Calgary, Alberta and Golden, Colorado, USA.

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READER ADVISORY

Certain statements made and information contained herein may constitute “forward-looking statements” or “forward-looking information” within the meaning of applicable securities legislation. These statements relate to future events or the Company’s future performance. Often, but not always, forward-looking statements or information can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes” or variations of such words and phrases or words and phrases that state or indicate that certain actions, events or results “may”, “may have”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Although management believes that the assumptions made and the expectations represented by such statements or information are reasonable, there can be no assurance that a forward-looking statement or information herein will prove to be accurate. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These statements speak only as of the date of this Press Release and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this Press Release contains forward-looking statements, pertaining to the anticipated benefits resulting from our various Farm-in and Joint Venture Agreements relating to the Company’s projects; oil and gas resource estimates, future production and future net revenue; the Company’s future capital and other expenditures and requirements; results of exploration and development activities and dates by which certain areas may be developed or may come on-line; the Company’s future financing and capital activities, contingent liabilities and environmental matters; and expectations regarding the Company’s ability to obtain additional financing on satisfactory terms.

The Company’s actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below herein pertaining to general economic conditions; volatility in the market prices for oil and gas; stock market volatility; uncertainties associated with estimating resources; geological, technical, drilling and processing problems; ability to explore, develop, produce and transport crude oil and natural gas to markets; title to oil and gas leases; dependence upon farm-out and joint venture partners; liabilities and risks,

including environmental liabilities and risks, inherent in the oil and gas industry; fluctuations in currency and interest rates; economic conditions in the countries and regions in which the Company carries on business; competition for, among other things, capital, acquisition of reserves, equipment, undeveloped lands and skilled personnel; lack of availability of additional financing and unpredictable weather condition.

Should one or more of these risks and uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements and information.

Although the Company has attempted to identify factors that may cause actual actions, events or results to differ materially from those described in forward-looking statements and information, there may be other factors that cause actual results, performances, achievements or events to not be as anticipated, estimated or intended. Also, many of the factors are beyond our control. As actual results and future events could differ materially from those anticipated in such statements and information, readers should not place undue reliance on forward-looking statements or information. Except as may be required by law, the Company undertakes no obligation to publicly update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise.

The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

Neither the TSX Venture Exchange nor its Regulations Services Provider have reviewed this release and do not accept responsibility for the adequacy or accuracy of this release.