

## **PRESS RELEASE**

### **APEX CAPITAL CORP. UPDATE REGARDING PROPOSED ACQUISITION OF TRAXION ENERGY INC.**

#### **For Immediate Release Not for Dissemination in the United States**

Calgary, Alberta  
August 29, 2007

Further to its press release dated September 27, 2006, Apex Capital Corp. (TSXV – AAX.P) ("Apex") is pleased to announce that it plans to proceed with the acquisition of all of the issued and outstanding shares of Traxion Energy Inc. ("Traxion"), a private Alberta corporation active in the oil and gas industry (the "Acquisition"). The Acquisition is intended to constitute the "Qualifying Transaction" of Apex within the meaning of Exchange Policy 2.4. A Filing Statement dated today's date has been accepted by the TSX Venture Exchange for filing, and has will be available for review on the SEDAR website at [www.sedar.com](http://www.sedar.com).

Apex will acquire, by way of exempt takeover bid, all of the issued and outstanding shares of Traxion for aggregate consideration of approximately \$4,865,702 to be paid entirely by way of the issuance of 12,164,256 common shares in the capital of Apex at a deemed value of \$0.40 per share. Assuming completion of the proposed Qualifying Transaction, Traxion will be a wholly owned subsidiary of Apex which is hereinafter called the "Resulting Issuer". On a non-diluted basis, it is anticipated that there will be 20,494,256 Resulting Issuer Shares issued and outstanding, 12,164,256 of which will be held by Traxion Shareholders immediately following completion of the Qualifying Transaction, representing approximately 59.35% of the issued and outstanding Resulting Issuer Shares. Current Apex Shareholders will hold approximately 8,330,000 Resulting Issuer Shares, on a non-diluted basis, immediately following completion of the Acquisition, representing approximately 40.65% of the issued and outstanding Resulting Issuer Shares.

The following is a brief updated summary of Traxion's principal properties:

#### *Graindale Area - Twp. 25/26 Rge. 1 W4*

Traxion holds a 100% working interest ("W.I.") in 1,280 acres of land in the Graindale area of Alberta. Traxion had purchased a wellbore in section 35-25-1 W4 and subsequently re-completed it to produce a flowing Viking gas well. The well began to produce water and a pump was installed, but the well currently produces too much water to be economic. The performance profile of this well indicates a possible wellbore mechanical failure and that the well contains remaining gas, making it a re-drill candidate.

Seismic purchased over the area indicates an additional Viking drill location, on section 2-26-1 W4, which was purchased by Traxion at a Crown sale. No reserves or resources have been assigned to the 2-26 well in the Chapman Report (as herein defined). Pending financing and a seismic program, Traxion's plan is to exploit this area in the summer of 2007. Potential cost for

two wells is approximately \$350,000 to \$400,000 per well, one of which is discussed in the Chapman Report.

*Josephine Area, Saskatchewan - Twp. 24, Rge. 28/29 W3*

Traxion holds 3,200 acres of land (100 % W.I.) purchased in a Saskatchewan Crown sale in June of 2003. One line of seismic has been purchased over the area, and a comprehensive seismic program is necessary to better delineate the lands. This land contains potential multi-zone gas in relatively shallow horizons. Pipeline infrastructure is undeveloped in the immediate area, the closest tie-in point being six miles away, but activity in the area is rising with a growing number of drilled and cased wells in the area. This area is not covered by the Chapman Report. No reserves or resources have been assigned to this area, and it is considered a prospect or unproved land.

*Pakowki Area, Alberta - Twp. 4, Rge. 7 W4*

Traxion has secured two option agreements on a total of 1,280 acres of land containing potential oil and gas. Traxion maintains a 75% W.I. upon completion and tie-in of each proposed well. Two potential drill locations have been identified; both being Sunburst sand prospects at approximately 1,000m depth. An existing well, 6-22 will be offset and re-drilled for by-passed Sunburst gas, based on two lines of seismic purchased over the area. The Sunburst sand in the 6-22 well tested 2.4 MMcf/d. A second Pakowki well will be drilled for by-passed pay, as identified on the offset well, 7-13, which tested 200 ft oil and 150 ft water. Total cost for these two locations is \$1,150,000 allocated \$650,000 to the 6-22 well and \$500,000 to the 7-13 well. Only the 6-22 well is discussed in the Chapman Report. This well will be drilled when financing is available. The well on section 13 is conditional upon completion of a successful seismic program and financing. No reserves or resources have been assigned to the 7-13 well area, and it is considered a prospect or unproved land.

*Comrey Area - Twp. 2, Rge. 6 W4*

Traxion has a 50% W.I. in a 2,560 acre block in the Comrey area on which it shot 21km of seismic to identify at least two drill locations targeting Bow Island gas at a depth of 850 meters. Uphole gas exists in the 2nd White Specks, Medicine Hat, and Milk River zones. Traxion drilled and cased a potential Bow Island and Milk River gas well in January of 2007. On July 4, 2007 Traxion farmed out the other 50% of the working interest in the 4 section block to an arm's length party in exchange for the farmee drilling a location in section 20. The farmee has drilled and cased a well for potential Bow Island gas production, but the well has not yet been completed or tested.

*Granlea Area - Twp. 8, Rge.9 W4*

Traxion has earned a 37.5% working interest in 640 acres of land by drilling and completing a Sawtooth gas well in this area. Prior to shutting in this well for build-up, the well flowed gas from the Sawtooth zone at a rate of 42 103m<sup>3</sup> through a 5.56 mm choke with 300 ppm H<sub>2</sub>S. Stabilized flow rates were not achieved. Upon successful completion of financing, this well will be tied in at an approximate cost to Traxion of \$131,000. Uphole potential exists in this well in the Milk River formations.

### *3D Seismic Joint Venture*

Traxion has secured a 3D seismic joint venture with a publicly traded royalty trust to evaluate 20 sections of 3D seismic covering potential Devonian Arcs and Mississippian oil. Upon evaluating and interpreting the 3D seismic, Traxion will post and bid on Crown acreage, carrying the joint venture partner for 35% of the land costs. Traxion will then have a 65% W.I. in the property, with the potential to farm-in on the remaining 35%.

Chapman Petroleum Engineering Ltd. ("Chapman"), an independent qualified reserves evaluator, has prepared an updated report (the "Chapman Report") in respect of certain of Traxion's properties (specifically, the Comrey, Graindale, Granlea and Pakowki Lake Areas) entitled "Reserve and Economic Evaluation Gas Properties" dated June 22, 2007 with an effective date of June 1, 2007 (May 31, 2007), mechanically updated on August 22, 2007 for an effective date of August 1, 2007 (as at July 31, 2007) to take into account (i) the farmout in the Comrey Area discussed above; and (ii) \$380,000 spent on drilling; both of which occurred subsequent to June 1, 2007. The Chapman Report complies with the requirements of National Instrument 51-101 as adopted by the Canadian securities regulators. A summary of certain portions of the Chapman Report is as follows:

Summary of Oil and Gas Reserves  
as of July 31, 2007

Net to Appraised Interest

Constant Prices and Costs (CDN\$)

Reserves Category	Reserves					
	Light and Medium Oil		Sales Gas		Natural Gas Liquids	
	Gross (MSTB)	Net (MSTB)	Gross (MMscf)	Net (MMscf)	Gross (Mbbbls)	Net (Mbbbls)
Proved Undeveloped	0	0	636	500	0	0
Probable	0	0	2,379	1,699	0	0
<b>Total Proved Plus Probable</b>	<b>0</b>	<b>0</b>	<b>3,014</b>	<b>2,199</b>	<b>0</b>	<b>0</b>

Net Present Values Of Future Net Revenue  
Including Alberta Royalty Tax Credit

Net to Appraised Interest

Constant Prices and Costs (CDN\$)

Reserves Category	Before Income Taxes Discounted at (%/Year)			After Income Taxes Discounted at (%/Year)		
	0	10	15	0	10	15
	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)	(M\$)
Proved Undeveloped	1,468	947	779	1,153	735	600
Probable Undeveloped	6,490	3,324	2,642	4,611	2,317	1,820
<b>Total Proved Plus Probable</b>	<b>7,958</b>	<b>4,271</b>	<b>3,421</b>	<b>5,764</b>	<b>3,052</b>	<b>2,420</b>

Readers are cautioned that the estimated values disclosed do not represent "fair market value". In preparing the foregoing, Chapman used a constant price for natural gas of \$5.44 per MMBTU based in the AECO spot price as at July 31, 2007. For clarification on this point and other matters, the foregoing should be read in conjunction with the full Chapman Report which will be available on the SEDAR website at [www.sedar.com](http://www.sedar.com).

Based on audited financial statements as at December 31, 2006 Traxion had net assets of \$833,403 a working capital deficit of \$106,314 and \$43,428 in long term debt. The following is a summary of selected financial data in respect of Traxion for the fiscal years ended December 31, 2005 and 2006 (audited) and for the three months ended March 31, 2007 (unaudited), respectively:

The following is a summary of selected financial data for the fiscal periods indicated:

<b>Selected Financial Information</b>	<b>Year ended December 31, 2005 (audited) (\$)</b>	<b>Year ended December 31, 2006 (audited) (\$)</b>	<b>Three month period from January 1, 2007 to March 31, 2007 (unaudited) (\$)</b>
Total Revenue	264,465	131,942	2,773
Expenses	360,744	517,432	55,367
Net Loss	96,279	373,207	1,980
Total Assets	938,354	1,166,563	1,123,512
Total Liabilities	494,558	333,160	361,501
Working Capital Surplus (Deficit)	149,889	275,381	(106,314)
Dividends	Nil	Nil	Nil

For further information concerning the Acquisition and this Press Release, please contact Burkhard Franz, President of Apex Capital Corp., or James Ehret, President of Traxion Energy Inc., as follows:

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*Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable pursuant to Exchange Requirements, the approval of the disinterested shareholders of Apex. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of a capital pool company should be considered highly speculative.*

*Certain statements contained in this press release may contain words such as "could", "should", "expect", "believe", "will" and similar expressions and statements relating to matters that are not historical facts are forward-looking statements. Such forward-looking statements are subject to both known and unknown risks and uncertainties which may cause the actual results, performances or achievements of Apex to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Such factors include, among other things, the receipt of required regulatory approvals, the availability of sufficient capital, the estimated cost and availability of funding for the continued exploration and development of Apex's prospects, political and economic conditions, commodity prices and other factors.*

*Readers are cautioned that estimates of future net revenue, whether calculated without discount or using a discount rate, do not represent fair market value of reserves. Natural gas volumes have been converted to barrels ("bbl") of oil equivalent ("boe") using six thousand cubic feet ("Mcf") of natural gas equal to one boe. This conversion conforms to NI51-101. Use of the term boe may be misleading, particularly if used in isolation. A boe conversion ration of 6 Mcf to 1 bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.*

***The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release. The TSX Venture Exchange Inc. has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.***