



**Not for Dissemination in the United States  
News Release**

**For Immediate Release**

**TSX Venture Exchange: TXE**

**Traxion Energy Inc Announces Financing**

December 11, 2008 – Calgary Alberta – Traxion Energy Inc. ("**Traxion**" or the "**Corporation**") is pleased to announce that it has retained Northern Securities Inc. (the "**Agent**") to act as agent, on a commercially reasonable efforts basis, in connection with the offering for sale by way of TSX Venture Exchange Short Form Offering Document 12,500,000 units (the "**Units**") at a price of \$0.10 per Unit, and up to 6,800,000 units on a "flow through" basis ("**Flow Through Units**") at a price of \$0.125 per Flow Through Unit, to raise a maximum of \$1,250,000 (the "**Short Form Offering**"). Each Unit will consist of one common share ("**Common Share**") of Traxion and one-half of one transferable common share purchase warrant. Each whole warrant (a "**Warrant**") will entitle the holder to purchase one Common Share at an exercise price of \$0.17 for a period of 12 months following the closing of the Short Form Offering, provided that if for 30 consecutive trading days following the expiry of the four month and one day hold period, the closing price of the Common Shares on the TSX Venture Exchange (the "**Exchange**") exceeds \$0.30, then the exercise period of the Warrants will be shortened to a period of 30 days. Each Flow Through Unit consists of one Common Share issued on a "flow through" basis under the *Income Tax Act* (Canada) (a "**Flow Through Share**") and one-half of one Warrant.

In addition to the Short Form Offering, the Corporation may raise up to an additional \$500,000 under a concurrent private placement (the "**Concurrent Private Placement**") by selling up to an additional 5,000,000 Units at \$0.10 per Unit, 4,000,000 Flow Through Units at \$0.125 per Flow Through Unit, or any combination thereof. Aggregate gross proceeds from the Short Form Offering and the Concurrent Private Placement will be a minimum of \$500,000, with at least 10% of such gross proceeds being raised through the sale of Units, with the balance being raised from the sale of either Units or Flow Through Units.

The offering is being made in reliance upon exemptions from the prospectus and registration requirements, including up to \$1,250,000 by way of a Short Form Offering Document in accordance with Exchange Policy 4.6. It is anticipated that the Short Form Offering Document will be filed on the SEDAR website at [www.sedar.com](http://www.sedar.com) in the near future. The Agent will receive a commission equal to 10% of the gross proceeds raised, a corporate finance fee of \$15,000 and reimbursement of expenses incurred. Upon closing, the Agent will also receive a non-transferable option to acquire that number of Units equal to 10% of the number of Units and Flow Through Units sold exercisable at \$0.10 per Unit for a period of 12 months from the date of closing.

Completion of the Offering is subject to, among other things, the Corporation receiving and accepting subscriptions for a minimum of \$500,000 and the receipt of all required regulatory approvals. Proceeds of the financing will be used for exploration and development of Traxion's south-west Saskatchewan Bakken play and for general corporate purposes.

Traxion is a Calgary, Alberta based Corporation engaged in the exploration, development and production of petroleum and natural gas. The Corporation's common shares are listed on the TSX Venture Exchange under the trading symbol "TXE".

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*The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.*

## **CAUTION REGARDING FORWARD LOOKING STATEMENTS**

*Certain statements contained herein constitute forward-looking statements. The Corporation does not undertake any obligation to publicly update or revise any forward-looking statements.*

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