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News Release**

For Immediate Release

TSX Venture Exchange: TXE

Traxion Negotiates Joint Venture, Private Placement

May 12, 2009 – Calgary Alberta – Traxion Energy Inc. ("**Traxion**" or the "**Corporation**") is pleased to announce it has reached an agreement in principle with Oil Reserve Corp. ("**ORC**") with respect to a joint venture and private placement. Pursuant to the joint venture, ORC has agreed (i) to acquire a 49% working interest in all of Traxion's oil and gas assets in exchange for \$686,000 cash; and (ii) to spend \$800,000 in order to drill, complete, and equip two locations on the Corporation's Saskatchewan oil bearing properties. ORC's working interest in the two 40 acre spacing units drilled will be 70%. Traxion will be the operator of all joint venture properties.

ORC is a private Alberta corporation beneficially owned and controlled by Todd Montgomery. In connection with the subject joint venture, Mr. Montgomery has also agreed to either purchase, or arrange for the purchase, of 1,000,000 common shares of the Corporation to be issued by way of private placement on a "flow-through" basis at \$0.12 per share for proceeds to Traxion of \$120,000.

No commissions or finder's fees are payable in connection with any of the foregoing. Proceeds of the aforementioned transactions will be used by Traxion to repay existing indebtedness to Soto Enterprises Ltd. (see press release of March 30, 2009) and for general corporate purposes. Closing of the transactions is conditional upon the execution of formal documentation and the receipt of all required regulatory approvals.

Traxion currently holds 5,595 net acres of potential Bakken, Viking, and Mannville oil bearing acreage in Saskatchewan and an additional 2,160 net acres of potential gas bearing lands in Alberta. Within its Saskatchewan lands, Traxion has identified an additional six drilling locations, most of which are seismically defined. It is anticipated that a seismic program will be required to further define potential drilling locations on the Corporation's acreage.

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". For further information please contact:

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Neither the TSX Venture Exchange nor its Regulation Services Provide (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

CAUTION REGARDING FORWARD LOOKING STATEMENTS

Certain statements contained herein constitute 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

the Corporation to be materially different from any future results, performances or achievements expressed or implied by such forward-looking statements. Except as required by law, the Corporation does not undertake any obligation to publicly update or revise any forward-looking statements.

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