



## Candax Commences Work-over at El Bibane and Provides Update

Toronto, Ontario, Canada – Candax Energy Inc. ("Candax") [TSX: CAX] is pleased to announce the commencement of the planned work-over on the El Bibane 3 well on the Candax operated El Bibane field, located offshore Tunisia. The jack-up rig Ensco 85 has been moved on-site to pull and replace the damaged production tubing, extend the new tubing into the reservoir and, if hole-conditions allow, obtain open-hole logs of the original well, the data from which will be utilized for reservoir analysis to assist in planning the work-over for the El Bibane 4 well and to better understand the production system on the El Bibane 3 well. The El Bibane 3 work-over is expected to take approximately 20 days to complete and is being undertaken to resume production from El Bibane 3. Prior to the failure of the production tubing in August 2009, the El Bibane 3 well was producing approximately 900 bopd (650 bopd net).

**Ezzaouia** -- On the Maretap-operated Ezzaouia field, onshore Tunisia, the Ezzaouia 5 sidetrack was hooked-up on July 22<sup>nd</sup> and is currently cleaning-up. Open-hole log data showed the reservoir intervals to have lower than expected oil saturations. The rig has now been moved to perform a work-over on the Ezzaouia 1 well with the objective of replacing the production tubing and jet pump. The sidetrack on the Ezzaouia 2 well which was announced in the Company's press release of June 14, 2010 will be initiated directly after the Ezzaouia 1 work-over.

**Madagascar** - Candax is very pleased to announce that a one year extension to July 30, 2011 has been granted by the Government of Madagascar for the first exploration period on Block 1101 in Madagascar. Preparations for the drilling of an exploration well within this period are being actively progressed.

In other news, Candax reports that Mr. Claude Seiler has been appointed General Manager of Candax's Tunisian operating subsidiary, Ecumed Petroleum Limited, following the resignation of Mr. Karim Gaoua. Candax would like to thank Mr. Gaoua for his long and steadfast service to Ecumed and to wish him well in his future endeavours. Mr. Seiler was previously General Manager of Geopetrol in India and has extensive managerial experience in the upstream oil industry.

Candax Energy Inc. is an international energy company with its head office in Toronto and offices in, Tunis and Madagascar. The Candax group is engaged in exploration and the production of oil and gas and power generation in Tunisia and holds an interest in an exploration permit in Madagascar.

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