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TSX Symbol: CAX

Candax Receives Shareholder Approval of Private Placement at Special Meeting

February 17, 2012 - Toronto, Ontario, Canada – Candax Energy Inc. (“Candax”) [TSX: CAX] is pleased to announce that it has obtained approval of holders of common shares (“Shareholders”) on a disinterested basis with respect to a previously announced private placement (the “Private Placement”) of up to 214,363,636 units (the “Units”). At a special meeting of Shareholders today, 64,538,695 votes were cast approving the Private Placement representing 99.6% of the disinterested Shareholders who voted. As a result of the Private Placement, Candax expects to raise an aggregate of \$11,790,000, of which \$9,790,000 will be invested by International Finance Corporation (“IFC”) a member of the World Bank Group and \$2,000,000 will be invested by certain directors and senior management of Candax.

Each Unit will be issued at a subscription price of \$0.055, and will be comprised of one common share of Candax (the “Common Shares”) and one Common Share purchase warrant (a “Warrant”). Each Warrant will entitle the holder thereof to purchase one Common Share at an exercise price of \$0.08 for 3 years following the closing date of the Private Placement. The Warrants issuable to IFC will be subject to a right of first refusal by Geofinance N.V., the largest Shareholder and also to the right of Candax to accelerate expiry of the Warrants in certain circumstances. If all the Warrants issued pursuant to the Private Placement are exercised, such exercise would result in additional funds of over \$17,149,000 to Candax. Closing is expected to occur on or about February 24, 2012.

About IFC

IFC, a member of the World Bank Group, is the largest global development institution focused exclusively on the private sector. IFC helps developing countries achieve sustainable growth by financing investment, providing advisory services to businesses and governments, and mobilizing capital in the international financial markets. In fiscal 2011, amid economic uncertainty across the globe, IFC helped clients create jobs, strengthen environmental performance, and contribute to their local communities—all while driving the investments to an all-time high of nearly \$19 billion. For more information, visit www.ifc.org.

About Candax

Candax 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 in Tunisia and holds an interest in an exploration permit in Madagascar.

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This news release includes "forward looking statements", within the meaning of applicable securities legislation, which are based on the opinions and estimates of management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. Such risks and uncertainties include, but are not limited to, risks associated with the oil and gas industry (including operational risks in exploration development and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the ability of Candax to continue to service its debt; the uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of Candax to obtain all permits, consents or authorizations required for its operations and activities; and health safety and environmental risks), the risk of commodity price and foreign exchange rate fluctuations, the ability of Candax to fund the capital and operating expenses necessary to achieve the business objectives of Candax, the uncertainty associated with commercial negotiations and negotiating with foreign governments and risks associated with international business activities, as well as those risks described in public disclosure documents filed by Candax. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of Candax should not place undue reliance on these forward-looking statements.