



Candax Receives Shareholder Approval in Respect of Private Placement with Geofinance NV

Toronto, Ontario, Canada – Candax Energy Inc. (“Candax”) [TSX: CAX] is pleased to announce that it has received the approval, by way of written consent in accordance with Subsection 604(d) of the Company Manual of the Toronto Stock Exchange (the “TSX”), of a majority of its shareholders, in respect of the private placement (the “Transaction”) by the Corporation of 144,444,444 units of the Corporation (the “Units”) at the price of C\$0.09 per Unit to Geofinance N.V. (“Geofinance”) pursuant to an investment agreement dated January 29, 2010 between the Corporation and Geofinance, as amended on February 12, 2010 (the “Agreement”). Each Unit will be comprised of one common share of the Corporation (“Common Share”) and 0.6 of one common share purchase warrant (each whole warrant a “Warrant”). The Warrants may be exercised for a period of one year from the date of the closing of the Transaction at a price equal to the current market price (calculated on the basis of a five day volume weighted average trading price for the Common Shares on the TSX) on the date of exercise. The Warrants are transferable and contain standard anti-dilution provisions in the event that the Corporation should undertake a share reorganization, a rights offering, a special distribution or a capital reorganization.

The TSX required the Transaction to be approved by a majority of holders of Common Shares, since: (i) the completion of the Transaction will result in a change of control of the Corporation; (ii) and pursuant to the Transaction, the Corporation will issue an aggregate number of Common Shares which is greater than 25% of the currently outstanding number of Common Shares, on a non-diluted basis, at a deemed price per Common Share which is less than the market price (as such term is defined in the TSX Company Manual).

The Transaction is currently scheduled to close on March 18, 2010 (the “Closing”), subject to the satisfaction of certain conditions described in further detail below. Completion of the Transaction is also subject to receipt by the Corporation of all necessary regulatory approvals, including that of the TSX. At Closing, Geofinance will own 144,444,444 Common Shares representing approximately 85% of the number of currently outstanding Common Shares and representing approximately 46% of the number of Common Shares outstanding after giving effect to the Transaction. If all of the Warrants are exercised, and assuming no further issue of securities by the Corporation subsequent to Closing, Geofinance will own 231,111,110 Common Shares representing approximately 137% of the number of currently outstanding Common Shares (on a partially-diluted basis) and representing approximately 58% of the number of Common Shares outstanding after giving effect to the Transaction (on a partially-diluted basis).

The Transaction was negotiated at arm’s-length and the completion of the Transaction will materially affect control of the Corporation.

Additional Terms of the Agreement

The Agreement has the support of the board of directors of the Corporation (the “Board”), Actis, a holder of approximately 33.2% of the outstanding Common Shares, and management, who collectively with Actis own approximately 42% of the outstanding Common Shares.

Additional Information About the Transaction

The completion of the Transaction is subject to the satisfaction of a number of conditions including the following: (i) the Corporation having received the final approval of the TSX for the listing of the Common Shares to be issued or reserved for issue pursuant to the Agreement, (ii) the Corporation having entered into a definitive amended and restated agreement with the Bank of Scotland plc (the “Bank of Scotland”) relating to certain outstanding indebtedness of the Corporation on terms which are acceptable to Geofinance, and (iii) there having been no material adverse change in the Corporation since the date of the Agreement and other customary conditions for this type of transaction.

The proceeds of the Transaction will be used for capital expenditures in respect of certain of the oil and gas assets of the Corporation and to restructure the costs and other liabilities of the Corporation.

About Geofinance

Overview of Geofinance Group

In 1958, Mr. Gaston Rebilly created Geoservices, a reliable and efficient global provider of geological expertise and studies to its customers. Geoservices provides upstream oilfield services and in fiscal 2009, had 5,000 employees in over 50 countries and a turnover of US\$500 million. Geoservices offers high value services during the whole life cycle of an oil or gas reservoir, and specifically, from exploration to development and production. Geoservices is the world leader in 'Mud Logging,' ranked second globally in 'Well Intervention' and is one of the top service providers in 'Field Surveillance'.

In parallel with the development of Geoservices, in 1993, Mr. Gaston Rebilly founded Geopetrol S.A. ("Geopetrol") in order to invest in the French upstream oil and gas business, creating a fully fledged E&P company. Simultaneously, affiliate companies were founded for investment in the same sector with an international focus. Currently, Geopetrol owns and operates mature oil fields in France with a daily production around 900 bopd.

Geofinance was incorporated in 1990 to act as a holding company and is registered in Amsterdam. Currently, Geofinance holds, directly or indirectly, a 38.5% interest in Geoservices and a 99% interest in Geopetrol.

Mr. Thomas Rebilly, Managing Director of Geofinance and Chairman of Geopetrol, has 11 years of experience in the oil and gas sector (specifically, E&P and oil services). Since 1997, he has been working for Geoservices holding various positions, including Base Manager in Russia. Mr. Thomas Rebilly joined Geopetrol in 2006. He is educated as a Geologist (Nice University), holds an engineering degree from the ENSPM (IFP School) and followed a business school program in 2001 at La Sorbonne.

The goal of the Geopetrol group is to become a robust international production entity (with expertise in mature oil fields), coupled with reasonable exposure to development and exploration risks. The Geopetrol group and its qualified management team aim to continuously execute a strategy prioritizing the development of production to maximize shareholder return and asset value.

The Geopetrol group currently has operations and assets in four geographical areas: France, India, Vietnam and Yemen. The existing daily production of the group is around 6,000 bopd from both operated and non-operated assets. Additionally, the Geopetrol group is working towards further developing its international presence by increasing its participating interests and assets in E&P.

This growth strategy was strengthened in mid fiscal 2009 by the creation of a dedicated team of key personnel. Coupled with the support of international experts, this team has conducted a strategic market review where the Corporation was identified as a target with viable potential assets in attractive countries.

Geofinance, with the support of holders of Common Shares, intends to focus on current production issues including as a first step, the restoration of past levels of production and subsequently on new developments (organically or through selective acquisitions) to build a balanced portfolio of mature cash flow positive assets associated with some "development plays". At the same time, Geofinance expects to conduct a review of strategic objectives with respect to exploration assets. To support these initiatives, Geofinance expects to initiate a restructuring plan in order to materialize the requisite conditions for the next steps of development. This plan includes, but is not limited to, changes to management, cost restructuring and potentially, portfolio rationalization.

Geofinance will fund the proposed investment in the Corporation from its cash/capital reserves held on its balance sheet.

Biographies

The Agreement provides for the resignation of Mr. Michael Wood as President, CEO and director of the Corporation at Closing. Dr. Richard Norris, who is currently employed by an affiliate of Geofinance, will be appointed President and CEO of the Corporation at Closing. Geofinance and the Corporation have also agreed to nominate Mr. Matthieu Milandri as the new CFO and Mr. Bertrand Launois as the new COO of the Corporation.

Under the Agreement, Geofinance will have the right to nominate two of the six directors to the Board from time to time and Mr. Thomas Rebilly and Dr. Richard Norris will initially be the nominees of Geofinance to the Board.

Under the Agreement, Geofinance and the Corporation also agreed to appoint Mr. Stephen Drinkwater as a director to the Board.

Dr. Richard Norris

Dr. Richard Norris has most recently been General Operations Manager for Geopetrol, overseeing operated and non-operated assets in four countries. His professional career started with Elf Aquitaine (subsequently Total) covering upstream operations, reserves, new ventures and economic strategy over a ten year period in France and Angola. Four years in Angola were spent on deep-water exploration, appraisal and development of Block 17 as well as production management on Block 3. This upstream experience has been complemented by seven years of experience at BNP Paribas in Oil and Gas Project Finance (Reserves Based Lending).

Dr. Richard Norris holds a BSc in Geology as well as an MSc in Petroleum Geology and a PhD in Petroleum Engineering (Imperial College, London, funded by BP (previously called British Petroleum)). Dr. Richard Norris is an active member of the Society of Petroleum Engineers and has co-authored several papers on Reservoir Characterization, Geostatistics as well as Multi-phase Flow-Metering.

Matthieu Milandri

Mr. Matthieu Milandri has been Business Development and Financing Manager at Geopetrol since May of 2009. In this position, he has spearheaded the due diligence process related to the investment in the Corporation and has thereby gained an in-depth knowledge of Candax.

Prior to joining Geopetrol, Mr. Matthieu Milandri spent ten years with BNP Paribas in five different geographical locations (Frankfurt, Paris, New York, Houston and Geneva) in the oil and gas or commodities groups, providing him with a detailed understanding of junior oil and gas companies across the world. Notably, Mr. Milandri spent three years in Houston in the group responsible for Reserves Based Lending for North and South American junior upstream companies. Between 2008 and May, 2009, he worked for BNP Paribas in Geneva as a relationship manager covering oil and gas companies in Eastern Europe and the Former Soviet Union. In such position, he structured and negotiated corporate and reserve-based loans as well as currency, interest rate and crude oil hedging transactions.

Mr. Milandri graduated from ESSEC Business School in 1998 with a degree equivalent to an MBA with a specialization in finance.

Bertrand Launois

Mr. Bertrand Launois has been the General Manager of Geopetrol since 1993. He has significant experience on mature fields which require a specific and reasonable approach in order to maintain and/or develop the reservoirs. Mr. Launois has conducted an efficient strategy based on cash flow optimization and high level of return for shareholders. Prior to joining Geopetrol, he spent 30 years in the well logging and geothermal sector holding various positions, including management positions, with different companies.

Thomas Rebilly

Mr. Thomas Rebilly, Managing Director of Geofinance and Chairman of Geopetrol, has 11 years of experience in the oil and gas sector (specifically, E&P and oil services). Since 1997, he has been working for Geoservices (oilfield services) holding various positions, including Base Manager in Russia. Mr. Rebilly joined Geopetrol in 2006 as Chairman. He is educated as a geologist (Nice University), holds an engineering degree from the ENSPM (*École Nationale Supérieure du Pétrole – Institut Français du Pétrole*) and followed a business school program in 2001 at La Sorbonne.

Stephen Drinkwater

Mr. Stephen Drinkwater has a broad range of upstream well operations experience gained over a 30 year period in Africa, Europe, the Middle East, and both North and South America while working for both service and operating oil & gas companies. His roles have ranged from Base Manager with Flopetrol Limited Schlumberger, where Mr. Drinkwater more than doubled operating revenues, to global Service Line Manager and later Business Development Manager for Well Intervention services with Geoservices, where he contributed significantly to the rapid expansion of his business segment. Technical roles have included Well Service Supervisor with BP Exploration Colombia in Colombia and Well Service Superintendent with Total Argentina in Argentina. Mr. Drinkwater also gained valuable skills in contract negotiation and management with

BP Exploration Colombia. Mr. Drinkwater is a member of the Society of Petroleum Engineers and the Canadian Society of Safety Engineering, and currently operates a cost reduction consultancy for ERA Canada in Vancouver, Canada.

Proposed New Board of the Corporation

Mr. Adrian Loader as Chairman;
Dr. Richard Norris, (also CEO);
Mr. Thomas Rebilly;
Mr. Murray Grant;
Mr. Chris Irwin; and
Mr. Stephen Drinkwater.

Messrs Loader, Grant and Irwin are currently directors of the Corporation. With the new organization and management team of the Corporation, Geofinance is confident that the strategic objectives can be achieved (in the interests of all holders of Common Shares) in a reasonable time frame.

Geofinance Upstream Assets

France

Geopetrol commenced operations in France in 1993 on oil fields. It owns 100% of the producing assets, and thereby, is the operator. Geopetrol produces oil from four different areas within France: Paris Basin, Alsace, Champagne and the Aquitaine Basin. Despite aging fields, Geopetrol is actively engaged in a cost-efficient management of each mature field, using appropriate and modern technology. Its strategy focuses mainly on the existing producing assets investing well-balanced capex, commensurate with the age of fields. Thus, Geopetrol sustains a low declining profile of its production with economic success. It is expected that redevelopment wells will be drilled on two fields having undeveloped potential. In addition to its production, Geopetrol holds exploration acreage in France (approximately 1,400 km²) under various stages of advancement, including a geothermal exploration block. The exploration portfolio is diversified and scaled to the Geopetrol size. Net production for Geopetrol from the France assets is currently 900 bopd.

Vietnam

Geopetrol is one of the partners in Block 15-1 located in the Cuu Long basin, offshore Southeast Vietnam, operated by Cuu Long Joint Operating Company. Four hydrocarbon fields (three oil and one gas and condensate) were discovered in the block, and accumulations are contained in reservoirs including Fractured Basement, Lower Miocene and Oligocene Sands.

The first oil discovery, Su Tu Den, was made in August 2000 and first oil was achieved in October 2003. The north east part of the field is currently being developed with first oil expected in mid-2010.

The second oil discovery, Su Tu Vang, was made in October 2001 and first oil was achieved in October 2008.

The third discovery, Su Tu Trang, a gas and condensate accumulation, was made in November 2003. The field is being appraised and a long production test is programmed and is expected to produce its first gas in 2012.

The next oil discovery, Su Tu Nau, was made in September 2005 and is currently being appraised with first oil tentatively scheduled for 2014.

As of January, 2010, approximately 180 MMstb of oil has been recovered from Block 15-1. Average oil production in 2009 was over 100,000 bopd and is expected to be substantially similar in 2010.

India

Geopetrol commenced operations in India in 1995 through its ownership and 50% participation in a joint venture with GeoEnpro Petroleum Limited. GeoEnpro operates the Kharsang held in the Assam in the Northeast of India. The field currently produces 2200 bopd as a result of a successful 14-well development program conducted in 2008 and 2009 that included drilling and workovers. This field contains significant exploration potential and current plans are to drill an exploration well in 2010.

Yemen

Geopetrol is currently participating in four onshore exploration blocks. All four blocks are located within known and productive basins, three in the Masila Basin, and one in the Marib Al Jawf Basin.

The Masila Basin Blocks (Blocks 33, 45 and 47) cover a total of 22,453 km², and the Marib Al Jawf Basin Block (Block 41) covers a total area of 5600 km². In addition, within each block there are multiple productive horizons and targets and active exploration programs are underway in each block. There was a commercial discovery in 2008 on Block 47 and ongoing appraisal work has included the acquisition of 3D seismic data which commenced in 2009 and an appraisal well is expected to be drilled in 2010. Significant additional structures and plays have been identified on this block. Block 41 also has a discovery well, but additional work is required. In addition, Blocks 33 and 45 have exciting exploration potential.

About Candax Energy Inc.

Candax Energy Inc. is an international energy company with its head office in Toronto and offices in London, 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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This press 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, the risk that the conditions precedent (some of which are beyond the control of the parties) for completion of the transaction with Geofinance will not be satisfied or waived, 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 uncertainty of reserve estimates; the uncertainty of estimates and projections in relation to production, costs and expenses; the uncertainty surrounding the ability of Candax Energy Inc. 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 Energy Inc. to fund the capital and operating expenses necessary to achieve the business objectives of Candax Energy Inc., 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 Energy Inc. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of Candax Energy Inc. should not place undue reliance on these forward-looking statements. Statements in relation to "reserves" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the reserves described can be profitably produced in the future.