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TSX Symbol: CAX

## Candax Reports First Quarter 2011 Results

June 15, 2011 - Toronto, Ontario, Canada – Candax Energy Inc. (“Candax”) [TSX: CAX] reports revenues of \$Nil for the first quarter of 2011, identical to the same period in 2010 as Candax was building its oil production inventory in storage. A lifting occurred on April 26, 2011 generating revenue of US\$2.7 million for Candax which will be reflected in Candax’s second quarter financial statements. Due to the absence of revenues in the first quarter and despite significantly reduced general and administrative expenses, Candax had negative cash flow from its operating activities of \$3.8 million, including changes in working capital, compared to negative cash flow of \$8.8 million for the same period in 2010. Candax recorded a loss of \$0.6 million (\$0.001 per common share) for the three months ended March 31, 2011, compared to a loss of \$3.6 million (\$0.02 per common share) for the same period in 2010.

Candax's net average production for the first quarter of 2011 was 174 boepd, compared to 265 bopd in the same period for 2010. The decrease in production is primarily attributable to the natural depletion of the Ezzaouia field and the disappointing 2010 capital investment program. Production from the Ezzaouia field has recovered since the end of the quarter due to a successful side-track of the Ezzaouia-2 well and optimization of the pumping parameters on the other wells. The current production of the Ezzaouia field, net to Candax, is approximately 320 bopd. The El Bibane field is showing stable production at approximately 150 bopd (gross). As a result, Candax’s current net production is approximately 430 bopd, leading to an enhanced financial situation.

As at March 31, 2011, Candax had cash and cash equivalents of \$3.2 million. The Company had US\$2 million outstanding under its US\$10 million shareholder loan with its majority shareholder, Geofinance N.V. Capital expenditures in the first quarter were \$0.4 million, as the Company is currently undertaking a number of studies to determine the capital programs that should be undertaken. Candax's first quarter 2011 Interim Consolidated Financial Statements and Management's Discussion and Analysis may be viewed under the Candax profile at [www.sedar.com](http://www.sedar.com).

Richard Norris, President and CEO stated:

“The first quarter saw the completion of the previously announced debt restructuring which has provided Candax renewed financial flexibility to study its assets properly in order to design the optimal re-development programs. On Robbana, the pressure data obtained during the first part of the work-over are very exciting, with indications that the volume of oil in place, at 25 million barrels, may be considerably larger than previously expected. We are now starting the re-processing of the 2D seismic, which will be followed by the design of a waterflooding program to maximize the future production of the Robbana field. Production from the El Bibane field is stable and the imminent completion of the full field simulation study will pave the way for the re-development of this important asset. The Ezzaouia field has recently demonstrated it still has very interesting and viable potential, with a total gross production of over 1,000 bopd. In particular, the Ezzaouia-2 well side-track is showing very encouraging production of 400 bopd



with a low water-cut. We are now re-processing the 3D seismic data on Ezzaouia to optimize the placement of future wells and/or side-tracks. Finally, on Madagascar, negotiations are ongoing to enter into a farm-out agreement which, as previously disclosed, would limit the impact on Candax's financial resources while ensuring that the significant potential of the permit is rapidly assessed.

The recent appointments of M'hamed Ali Bouleyemen as Director and Chairman of Ecumed Petroleum, Candax's operating subsidiary in Tunisia, and of Pascal Mirville as Chief Operating Officer and General Manager of Ecumed Petroleum, based in Tunis, further enhances Candax's visibility and presence in Tunisia. These personnel additions along with recent changes within Maretap, an Ecumed Petroleum / ETAP joint venture company, will enhance cooperation and Candax's relationships locally."

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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