



## Candax Provides Business and Operational Update

Toronto, Ontario, Canada – Candax Energy Inc. ("Candax" or "the Corporation") [TSX: CAX] is pleased to provide an update on its business activities to investors.

Equipment is being mobilized for a work program on the El Bibane offshore field to re-connect the production tubing on the EBB-3 well and restart production. The program which is scheduled to start in the second half of March is expected to take approximately two weeks. Additionally, a rig contract between Maretap (the Operator of the onshore Tunisian Ezzaouia oil field) and Ulysse Petroleum has been signed. The rig is being mobilized from the USA and is expected to commence a multi-well side-track and work-over program in the Ezzaouia field in May 2010.

In line with the recently announced update for the transaction with Geofinance N.V., Candax and the Bank of Scotland have agreed a waiver extension to March 18, 2010 which is the date when the transaction is expected to close, unless extended by agreement by both parties.

As previously reported in the interim financial statements, the Corporation had made certain provisions for Tunisian back-taxes based on preliminary findings for the period 2004 through 2007. The initial assessment by the Tunisian tax authorities was Tunisian Dinar (TD) 10.7 million. As a result of additional submissions by the Corporation, the Tunisian tax authorities have issued their final tax assessment for approximately TD 1.5 million (US\$1.1 million). Candax has made the payment of this amount as full and final settlement on this matter.

Michael Wood, CEO commented: "Candax is continuing to focus its investment on enhancing production and reserves in Tunisia and it is planned that a more extensive program for El Bibane will be implemented later in the year following the current EBB-3 intervention. Candax is also pleased that the long awaited enhancement program for the Ezzaouia field is moving ahead. The anticipated equity investment by Geofinance along with the Bank loan restructuring and the recent settlement of the tax matters referred to above will significantly enhance the financial strength of the Corporation."

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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