



## **Candax Closes Private Placement with Geofinance NV and Finalizes Facility Restructuring with Bank of Scotland**

Toronto, Ontario, Canada – Candax Energy Inc. (“Candax”) [TSX: CAX] is pleased to announce that the private placement (the “Transaction”) by the Company of 144,444,444 units of the Company (the “Units”) at the price of C\$0.09 per Unit for gross proceeds of C\$13,000,000 to Geofinance N.V. (“Geofinance”) pursuant to an investment agreement dated January 29, 2010 between Candax and Geofinance, as amended from time to time (the “Agreement”) and announced in press releases of the Company dated February 1, 2010 and March 10, 2010 closed effective March 31, 2010. Each Unit is comprised of one common share of the Company (“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 Company should undertake a share reorganization, a rights offering, a special distribution or a capital reorganization. The securities issued pursuant to the Transaction are subject to a four month hold period and receipt of final approval from the Toronto Stock Exchange.

In support of Candax and concurrent with the closing of the Transaction, Geofinance has agreed to provide up to €2,000,000 to be available to Candax in the form of a subordinated working capital loan to be drawn upon at the request of Candax and provided at the discretion of Geofinance. The Board and Bank of Scotland have approved in principle the entering into of a subordinated working capital loan. Formal documentation has not been drafted and completion is subject to applicable securities laws and regulatory approval.

### **Bank of Scotland**

Candax has concluded an Amendment and Restatement Agreement (the “Agreement”) with the Bank of Scotland in relation to its Borrowing Base Facility. The Agreement provides for the extension of the final maturity date of the facility to June 30, 2014 and rescheduling of repayments while splitting outstanding amounts into two tranches; the Borrowing Base Amount and an Excess Tranche. Interest on the Borrowing Base Amount is calculated at US\$ LIBOR plus 4% and on the Excess Tranche at US\$ LIBOR plus 9.5%. Restructuring fees of US\$900,000 are expected to be payable on December 31, 2010. The timing of the repayment obligations of the Company which amount to US\$8 million for the next 12 months will be dependent upon cash flow generated from operations but are required to be paid, in any case, no later than December 31, 2010.

### **Board of Directors**

As part of the additional terms of the Transaction, John Cullen, Adrian Jackson and Michael Wood have tendered their resignations as directors of Candax. New members of the board are Thomas Rebilly, Dr. Richard Norris and Stephen Drinkwater. Biographies of the new directors were disclosed in the Company’s press release of March 10, 2010. Messrs. Adrian Loader, Murray Grant and Christopher Irwin will remain on the board of directors of Candax.

### **Candax Management**

Management changes include the resignations of Don Munn, Executive Vice President, Business Development, John Willis, Chief Operating Officer, and David Wilson, Executive Vice President, Technical. Michael Wood, President & Chief Executive Officer and Hywel John, Chief Financial Officer have agreed to resign following the filing of year-end reporting documents. All resigning management members have entered into settlement agreements with Geofinance and have agreed to assist with the transition for a period of time. New members of management are Dr. Richard Norris, who will replace Michael Wood as President & Chief Executive Officer, Matthieu Milandri who will replace Hywel John as Chief Financial Officer and Bertrand Launois, who will replace John Willis as Chief Operating Officer. Biographies of the new members of Candax management were disclosed in the Company’s press release of March 10, 2010.

Adrian Loader, Chairman of Candax stated:

"I am delighted with the investment in Candax by Geofinance which will enhance Candax's prospects by strengthening the balance sheet and bringing additional technical support to the Company. I would like to thank the departing directors and the outgoing management team for their contribution and commitment, especially in recent months, and to wish them well for the future. At the same time I would like to extend a warm welcome to the incoming directors to the Board and management team, and to wish them every success in their new roles."

Thomas Rebilly, Director stated:

"Geofinance is very pleased to enter into the capital of Candax as a new shareholder. The injection of new equity is a means not only to resume necessary activity, but also to revalue the portfolio of assets. Candax has clear potential for growth that needs to be nurtured and encouraged. We look forward to supporting the new management who by focusing on pragmatic and achievable steps can develop this value for all shareholders."

### **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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