



Candax Reports 2009 Results

Toronto, Ontario, Canada - Candax Energy Inc. (TSX: CAX) today announced its financial results for the year ended December 31, 2009. The financial results are presented in accordance with Canadian GAAP and the reporting currency is Canadian dollars.

Revenues for the year were \$28.1 million compared to \$34.8 million in 2008. The decrease in revenue was due to lower average oil prices in 2009 compared to 2008 although net sales volumes were higher in 2009 than in 2008. In 2009, 423,882 barrels of oil were sold at an average price US\$52.25 compared to 317,296 barrels at an average price of US\$95.86. Production decreased in 2009 to 818 bopd from 2008 of 1,056 bopd as a result of production problems on the offshore El-Bibane field.

The Company generated positive cash flow from its operating activities of \$11.7 million in 2009 as compared to \$13.6 million in 2008.

Candax reports a loss for 2009 of \$61.2 million (\$0.36 per common share) compared to a loss of \$13.1 million (\$0.08 per common share) for 2008. The 2009 loss includes a charge for depletion, depreciation and amortization (DD&A) of \$45.6 million (2008 - \$25.7 million). The significant increase in DD&A in 2009 over 2008 is due primarily to a higher unit of production rate resulting from a downward revision to proven reserves as at December 31, 2009 as compared to the position at December 31, 2008. As well, a non-cash asset impairment charge of \$20.6 million was taken after giving consideration to the carrying cost of certain exploration and appraisal assets as well as a general asset impairment charge. Capital additions in 2009 were \$7.3 million, compared to \$66.2 million in 2008.

As at December 31, 2009, Candax held cash and cash equivalents of \$9.8 million. The amount drawn down by the Company under its borrowing base facility was \$46.1 million at December 31, 2009 of which \$8.4 million is classified as current.

Candax has filed its audited financial statements and accompanying notes for the financial year ended December 31, 2009 and related management's discussion and analysis with the Canadian securities regulatory authorities. Copies of these disclosure documents may be obtained under the profile of Candax at www.sedar.com.

Year End Reserves

Candax also announces an update to its net reserves as of December 31, 2009, with total Proven plus Probable Reserves (2P) of oil 3.5 MMbbls (2008 – 3.9 MMbbls) and 4.6 MMboe. Proved Reserves of oil were 1.1 MMbbls (2008 - 2.0 MMbbls) and 1.5 MMboe. The reduction in Proved Reserves is largely due to the production of reserves during the year and the underperformance of certain Ezzaouia wells, the delay in the drilling programs of the Ezzaouia and Robbana sidetracks and the continuing technical difficulties in the El Bibane wells.

The net present value (NPV) of the future cash flows (escalated price forecast, after tax and discounted at 10%) attributable to the 2P reserves is valued at \$138.5 million (compared to \$165.5 million in 2008). An independent engineering report was prepared by Ryder Scott Company Petroleum Consultants for all of Candax's producing properties in Tunisia. The report was prepared in accordance with NI 51-101 guidelines and more details on the reserves and valuations will be available in the Company's Annual Information Form which will be filed on SEDAR.

The Contingent Resources have not been updated from those reported in Company's AIF filed on SEDAR on April 8, 2008.

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.

For further information, please contact:

Charlotte May, Corporate Secretary, Candax at 416 364 3353 or cmay@candax.com.

Jeanny So, Account Manager, CHF Investor Relations at 416 868 1079 ext. 225 or jeanny@chfir.com.

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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, 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.