



## **Candax Provides Update**

Toronto, Ontario, Canada – Candax Energy Inc. ("Candax") [TSX: CAX] is pleased to provide an update on the various strategic and operational matters to shareholders.

### **Bank of Scotland**

The Bank of Scotland ("Bank") has agreed to waive the repayment of loan principal due on January 1, 2010 subject to Candax entering into a revised Facility Agreement with the Bank no later than January 31, 2010 and payment of a waiver fee of US\$223,500. The terms of revised Facility Agreement will be announced in due course.

### **Strategic Process**

As previously reported, the Company is undertaking a strategic review process with Scotia Waterous as advisors. The process is ongoing and the Company expects to be able to make an announcement in due course.

### **Operations**

Production for December has averaged approximately 1,140 bopd gross, 420 bopd net (750 boed net). An equity crude tanker lifting of approximately 115,000 bbls was completed on December 21<sup>st</sup>.

There has been significant progress in planning for the 2010 work programs. On the El Bibane Field, a program to re-connect the production tubing on EBB-3 and re-start production is targeted for late January 2010. This program will also incorporate sophisticated logging on both production wells, EBB-3 and EBB-4, to identify the optimum location for the placement of packers to curtail water production. On the Ezzaouia field, Candax is awaiting confirmation from the operator that the rig inspection has been completed successfully and that the rig mobilization for the Ezzaouia program has commenced. Candax will provide further updates on these programs as they develop.

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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