



Candax Provides Update on Chaal Permit

Toronto, Ontario, Canada – Candax Energy Inc. (“Candax”) [TSX: CAX] announces that Falcan Chaal Petroleum Limited (“Falcan Chaal”), a 100% owned subsidiary of Candax, and the operator of the Chaal Permit (the “Permit”) has received notification from Tunisia’s Directeur Général de l’Energie that its request for an extension to the Permit has not been accepted and that the Permit has been canceled. Having requested a one year extension with the intention of testing the commerciality of the Chaal-1 gas discovery, Candax and its partners contest this decision which, if upheld, may result in penalties being incurred.

Richard Norris, President & CEO commented:

“Given the hard work and good faith shown by all parties in concluding the farm-out with SacOil Holdings Limited as announced on May 11, which guaranteed sufficient funds to perform the side-track and test the Chaal-1 discovery, we are disappointed by the current decision of the Directeur Général de l’Energie. With the support of the existing Partners we were anticipating a rapid spud of the proposed side track which was planned to confirm the commerciality of the Chaal-1 discovery. Although the refusal of the extension is clearly an unexpected and discouraging development, we intend to pursue all avenues open to us to reinstate the Permit to enable planned operations on Chaal.”

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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