



## Candax Engages Scotia Waterous

Toronto, Ontario, Canada – Candax Energy Inc. ("Candax") [TSX: CAX] announced today that it has engaged Scotia Waterous to assist the Company in unlocking the undervalued potential of the Company's shares by examining a range of strategic alternatives, including equity investments and/or various corporate transactions.

The continuing global recession, uncertainty in the capital markets and particularly the lack of liquidity in the junior oil and gas sector of the TSX market has resulted in a share price which is significantly below the underlying net asset value. This is constraining the Company's access to new debt and equity to fully fund the development of its assets in Tunisia and Madagascar, to realize the significant upside in the portfolio and to capitalise on Management's strong relationships in the region. As highlighted in the 2008 Annual Report, the Company has been considering potential business combinations or other transactions which could enhance shareholder value.

Candax is also pleased to announce that it has reached an agreement with Bank of Scotland to waive the June re-determination. Candax will make a voluntary pre-payment in June and a further re-determination will take place as scheduled in December 2009. The capital program for this year includes the two Ezzaouia sidetracks and a workover on El Bibane. Production net to Candax is currently approximately 1,800 boepd.

Michael Wood commented: "Preparations are well underway to undertake Candax's important program of sidetracks and workovers which should result in a considerable boost to the Company's net production in the second half of 2009. The amended terms of the loan facility with Bank of Scotland will enable the Company to complete this program in 2009 with additional flexibility. At the same time we welcome the assistance of specialist oil and gas investment bank, Scotia Waterous, in advising Candax on a range of strategic alternatives to further enhance shareholder value."

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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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.