



## **Candax Provides Operations Update**

Toronto, Ontario, Canada – Candax Energy Inc. ("Candax") [TSX: CAX] reports that the work-over intended to reconnect the parted tubing on the El Bibane 3 (EBB-3) well has been completed. The work-over commenced on March 19 and the jack-up barge was released on April 2.

The work-over successfully retrieved the parted tubing from the well and it was determined that a packer failure and slippage of the entire down-hole production string had occurred which caused the original tubing break. After repair, the well was initially restarted under gas-lift on April 12, with evidence of liquids coming to surface, but this was curtailed by surface valve problems. Once the surface valve was reopened the gas-lift pressure remained low and no further liquids were seen on surface. Subsequent tests indicate that the replaced tubing failed, most likely at approximately the same depth as the original break. Although this result is clearly disappointing, the reconnection work-over was always considered to be a temporary fix to the existing tubing configuration, and it was recognized from the outset that further work would be required for a permanent solution, which work is planned for Phase 2 of the well interventions.

Candax is now focused on planning of Phase 2 of the EBB-3 and EBB-4 well interventions that will replace the entire damaged tubing string and reduce water production with the objective being the restoration of oil production to levels at or above those last experienced in mid-2009. Phase 2 will be a rig-based intervention that is expected to commence mid-year and until the well interventions are undertaken, wells EBB-3 and EBB-4 will remain shut-in. Candax is approaching the design and implementation of Phase 2 with due care and attention, in consultation with partners and other stakeholders.

On the Ezzaouia field, production has resumed at normal levels on EZZ-17 following four days shut-in due to flow-line problems. EZZ-17 continues to produce over 200 bopd on natural flow. Candax also reports that the rig which will be used for the side-track campaign on EZZ-2 and EZZ-5 arrived in Zarzis on Thursday, April 15, and mobilization to the EZZ-5 well location was completed over the weekend. The rig-up is expected to be completed by Sunday, April 25 at which time the rig will undergo a final inspection prior to commencing work.

### **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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