



Candax Reports First Quarter 2010 Results

Toronto, Ontario, Canada – Candax Energy Inc. (“Candax”) [TSX: CAX] reports revenues of \$Nil for the first quarter of 2010 compared to \$8.3 million for the same period in 2009. Due to the lack of revenues in the first quarter, the Company had negative cash flow from its operating activities of \$8.8 million compared to positive cash flow of \$5.1 million for the same period in 2009. Candax recorded a loss of \$3.6 million (\$0.02 per common share) for the three months ended March 31, 2010, compared to a loss of \$13.9 million (\$0.08 per common share) for the same period in 2009. The loss was substantially less for the first quarter of 2010 compared to the same period in 2009 as there was no depletion charge related to oil sales in the first quarter of 2010.

Candax's net average production for the first quarter of 2010 was 265 boepd, compared to 1,651 boepd in the same period for 2009. Production was comprised of 265 bopd compared to 1,063 bopd and 3.5 mmcf/d in 2009. The decrease in production is primarily attributable to the current shut-in of the El Bibane field pending the Phase 2 workover which is scheduled for the second quarter 2010. Production from Ezzaouia in the first quarter of 2010 was also lower than in 2009 due to the natural depletion of the field and the absence of capital expenditures while waiting for a suitable workover rig to arrive in Tunisia.

As at March 31, 2010, Candax had cash and cash equivalents of \$1.8 million which amount was increased to \$14.8 million on April 1, 2010 when the \$13.0 million in proceeds from the issuance of common shares to Geofinance NV were received. The Company had utilized US\$43.9 million of its US\$45.0 million credit facility as at March 31, 2010. Capital expenditures in the first quarter were \$1.3 million. Candax's first quarter 2010 Interim Consolidated Financial Statements and Management's Discussion and Analysis may be viewed under the Candax profile at www.sedar.com.

Richard Norris, President & CEO stated: “While expected, these results show that there is a lot of work to be done to reestablish Candax as a sound and forward-looking oil and gas company. We are focused on improving production with the second phase of the program on El Bibane to perform workovers on wells EBB3 and EBB4 and the work plan on Ezzaouia, which will commence shortly now that the rig has been installed on the field. In parallel, to allow the Company to progress its other assets, Candax has executed a farm-out agreement with SacOil Holdings Limited (“SacOil”) on the Chaal Permit (as announced on May 11, 2010), which remains subject to conditions precedent, including the approval of a one-year extension of the license. If approved, this farm-out agreement provides that SacOil will carry Candax on the sidetrack to be drilled (up to a gross amount of US\$8 million). On Madagascar, we have entered into a heads of agreement with our partner in the block, EAX, to assign 40% of our 60% working interest to EAX, in exchange for a carry on the first well. We expect to enter into a binding farm-out agreement shortly.”

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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