

## Tristone Capital Morning Notes – July 31, 2008

All currencies US\$ unless otherwise stated

### International Research:

#### **Candax Energy (CAX CN; C\$0.77): EI Bibane 3 Cleaning up, Ezzaouia 17 Encouraging (OP; C\$1.40 target), Peter Nicol**

- CAX has completed the hook-up of EBB-3 development well in the EI Bibane field (73.8% WI) offshore Tunisia and the well is currently flowing 1.0 mb/d of oil and cleaning up.
- The onshore Ezzaouia 17 well (31.4 % WI, C\$0.06 risked C\$0.15 un-risked, 4.2 mmb) is currently being completed after encountering 20m of net oil pay in the Jurassic zones. Temporary testing and production equipment to enable fast track production has been mobilized.
- CAX is aiming for 3.0 to 3.5 mb/d of oil and ~ 30mmcf/d of gas from two production wells on the EI Bibane field which should generate significant cashflow. We await the clean up of the EBB-3 well, which is vital to reach the production target.

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