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5 May, 2017

SDX ENERGY INC.

("SDX" or the "Company")

Completion of drilling campaign at successful SD-1X well

SDX Energy Inc. (TSXV, AIM: SDX), the North Africa focused oil and gas company, announces that drilling on the SD-1X well at its South Disouq concession in the Nile Delta area of Egypt has now reached its second target depth.

Following the significant natural gas discovery in the upper Abu-Madi section, where the well encountered 65 ft. of net pay section with an average porosity of 25%, drilling continued with the SD-1X well which was subsequently targeting oil from the deeper Cretaceous horizons.

The well has now been drilled to a total depth of 11,068 ft. Hydrocarbons were present in the deeper intervals, which indicates a working petroleum system within this section. Additionally, the well confirmed both the presence and quality of the reservoir intervals within this section. However, there was not a sufficient amount of hydrocarbons present to justify completing this interval. The well will now be completed in the Abu-Madi, after which the rig will be released. A detailed testing program will be undertaken after the rig has been moved off location. The well has provided important new information about the Cretaceous horizons in this area, which will allow SDX and its partners to further explore its potential within the large 1,275 km² South Disouq concession.

As previously announced, SDX will provide further updates on the Abu-Madi section gas discovery, and associated recoverable volume estimates, in due course.

Paul Welch, President and CEO of SDX, commented:

"Whilst it is disappointing not to have made a second commercial discovery in SD-1X's deeper target, evidence of a working petroleum system within this interval is extremely important to the prospectivity of the concession. The Cretaceous units are laterally extensive within the block and we have already identified several locations where this potential can be further tested. Meanwhile, we have an excellent gas discovery in our primary target, the Abu-Madi, and view the well results as a very significant success. Our objectives now are to test this upper interval and then get the field developed and on production in the shortest possible time frame."

"We are excited about this discovery, which adds a new asset to SDX's growing portfolio. Success here, combined with the extension of several of our permits in Morocco, where further drilling will take place later this year, puts us in a strong position to grow our production base in the near term. We remain firmly on track to deliver additional shareholder value in 2017 and beyond."

About SDX

SDX is an international oil and gas exploration, production and development company, headquartered in London, England, UK, with a principal focus on North Africa. In Egypt, SDX has a working interest in two producing assets (50% North West Gemsa & 50% Meseda) located onshore in the Eastern Desert, adjacent to the Gulf of Suez. In Morocco, SDX has a 75% working interest in the Sebou concession situated in the Rharradj Basin. These producing assets are characterised by exceptionally low operating costs making them particularly resilient in a low oil price environment. SDX's portfolio also includes high impact exploration opportunities in both Egypt and Morocco.

For further information, please see the website of the Company at www.sdxenergy.com or the Company's filed documents at www.sedar.com.

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Forward-Looking Information

Certain statements contained in this press release may constitute "forward-looking information" as such term is used in applicable Canadian securities laws. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or are not statements of historical fact should be viewed as forward-looking information. In particular, statements regarding the discovery at the Abu-Madi section should be regarded as forward-looking information.

The forward-looking information contained in this document is based on certain assumptions and although management considers these assumptions to be reasonable based on information currently available to them, undue reliance should not be placed on the forward-looking information because SDX can give no assurances that they may prove to be correct. This includes, but is not limited to, assumptions related to, among other things, commodity prices and interest and foreign exchange rates; planned synergies, capital efficiencies and cost-savings; applicable tax laws; future production rates; the sufficiency of budgeted capital expenditures in carrying out planned activities; and the availability and cost of labour and services.

Forward-looking information is subject to certain risks and uncertainties (both general and specific) that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. Such risks and other factors include, but are not limited to political, social and other risks inherent in daily operations for the Company, risks associated with the industries in which the Company operates, such as: operational risks; delays or changes in plans with respect to growth projects or capital expenditures; costs

and expenses; health, safety and environmental risks; commodity price, interest rate and exchange rate fluctuations; environmental risks; competition; ability to access sufficient capital from internal and external sources; and changes in legislation, including but not limited to tax laws and environmental regulations. Readers are cautioned that the foregoing list of risk factors is not exhaustive and are advised to reference SDX's Management's Discussion & Analysis for the three and twelve months ended December 31, 2016, which can be found on SDX's SEDAR profile at www.sedar.com, for a description of additional risks and uncertainties associated with SDX's business, including its exploration activities.

The forward-looking information contained in this press release is as of the date hereof and SDX does not undertake any obligation to update publicly or to revise any of the included forward-looking information, except as required by applicable law. The forward-looking information contained herein is expressly qualified by this cautionary statement.

Risks and Uncertainties

There is still a +/-50% uncertainty concerning the volume of the encountered section at Abu-Madi due to

- 1) the lateral extent of the accumulation
- 2) the quality of the reservoir section that would be encountered away from the current location
- 3) The thickness of the reservoir section away from the current location
- 4) The hydrocarbon composition of the natural gas encountered and its resulting liquid yield

Additional wells will need to be drilled and tested to reduce the levels of uncertainty required to properly classify the discovered hydrocarbons under National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities*.

Competent Persons Statement

In accordance with the guidelines of the AIM Market of the London Stock Exchange the technical information contained in the announcement has been reviewed and approved by Paul Welch, President and Chief Executive Officer of SDX. Mr. Welch, who has over 30 years of experience, is the qualified person as defined in the London Stock Exchange's Guidance Note for Mining and Oil and Gas companies. Mr. Welch holds a BS and MS in Petroleum Engineering from the Colorado School of Mines in Golden, CO. USA and an MBA in Finance from SMU in Dallas, TX USA and is a member of the Society of Petroleum Engineers (SPE).