

THE INFORMATION CONTAINED WITHIN THIS ANNOUNCEMENT IS DEEMED BY SDX TO CONSTITUTE INSIDE INFORMATION AS STIPULATED UNDER THE MARKET ABUSE REGULATION (EU) NO. 596/2014 ("MAR"). ON THE PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE ("RIS"), THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.



20 March, 2017

SDX ENERGY INC.
("SDX" or the "Company")

Commencement of drilling operations at South Disouq

SDX Energy Inc. (TSXV, AIM: SDX), the North Africa focused oil and gas company, is pleased to announce the commencement of drilling operations on the SD-1X well at its South Disouq concession in Nile Delta area of Egypt.

The well is targeting gas in the upper Abu Madi section and oil in the lower AEB & Abu Roash sections. Drilling operations are anticipated to take between 30 and 45 days, depending upon what is encountered in the targeted intervals.

The Company is also pleased to confirm that upon commencement of operations it has been granted a six-month extension to the first exploration period, until 19 September 2017. This will allow sufficient time for the SD-1X well results to be fully evaluated prior to making any decision to enter into the second exploration period at South Disouq.

Paul Welch, President and CEO of SDX, commented:

"We are extremely pleased to announce the start of this drilling campaign, as well as the extension to the exploration period. This is one of several activities, across the expanded SDX portfolio, that has the potential to further increase our reserve base and ultimately add to our high margin production base. We look forward to providing updates over the course of the campaign."

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 Energy 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 Rharb Basin. These producing assets are characterised by exceptionally low operating costs making them particularly resilient in a low oil price environment. SDX Energy's portfolio also includes two high impact exploration opportunities, South Disouq in Egypt and Lalla Mimouna in 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.

Unless otherwise defined, capitalised terms used in this announcement have the same meaning as set out in the Acquisition Announcements.

For further information:

SDX Energy Inc.

Paul Welch
President and Chief Executive Officer
Tel: +44 203 219 5640

Mark Reid
Chief Financial Officer
Tel: +44 203 219 5640

Cantor Fitzgerald Europe (Nominated Adviser)

Sarah Wharry/Craig Francis
Tel: +44 207 7894 7000

GMP FirstEnergy (Joint Broker)

Jonathan Wright/David van Erp
Tel: +44 207 448 0200

Celicourt (PR)

Mark Antelme/Joanna Boon/Jimmy Lea
Tel: +44 207 520 9260

Neither the TSX Venture Exchange nor its Regulation Services Provider (as such term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward-looking Information – This news release contains statements that may constitute "forward-looking information" as such term is used in applicable Canadian securities laws. Forward-looking information reflects management's expectations regarding the future growth, results of operations, and performance of the Company based on information currently available to the Company. These statements relate to analyses and other information that are based upon forecasts of future results, estimates of amounts not yet determinable and assumptions of management. 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 and should be viewed as forward-looking statements. In particular, statements concerning the future prospects and strategy of the Company and its assets, and the results referenced or implied herein should be viewed as forward-looking statements.

Forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks and other factors include, among others, costs and timing of exploration and production development, availability of capital to fund exploration and development and political, social and other risks inherent in carrying on business in Egypt and Morocco. There can be no assurance that such statements will prove to be accurate as actual results and future events could vary or differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements contained in this news release.

Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and the Company undertakes no obligation to update forward-looking statements and if these beliefs, estimates and opinions or other circumstances should

change, except as required by applicable law. Although SDX has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. Investors are cautioned that such forward-looking statements involve risks and uncertainties. Actual results may differ materially from those currently anticipated. SDX's Annual Information Form for the year ended December 31, 2015, filed on the Company's SEDAR profile on April 29, 2016, has a full description of the risks and uncertainties associated with the Company's business, including its exploration activities. Such risk factors and uncertainties, as well as the information set out under the headings "Risk Factors – Risks relating to Egypt" and "Risk Factors – Risks relating to Morocco" in the news release of the Company dated January 24, 2017, which is available on the Company's SEDAR profile, should be referred to and read in their entirety. The forward-looking statements contained herein are expressly qualified by this cautionary statement.