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17 April 2017

SDX ENERGY INC.

(**"SDX"** or the **"Company"**)

Update on SD-1X well

Gas discovery at initial target depth, drilling continues to lower horizon

SDX Energy Inc. (TSXV, AIM: SDX) ("**SDX**"), the North Africa focused oil and gas company, announces that drilling on the carried SD-1X well at its South Disouq concession, where it holds a 55% equity interest and is operator in the Nile Delta area of Egypt has reached its first target depth.

The SD-1X well is targeting gas in the upper Abu-Madi section, and oil from the deeper Abu Roash and AEB horizon.

To date the well has been drilled to a total depth of 7,777 ft. reaching its first target depth in the Abu Madi. The Company is pleased to announce that during drilling, conventional natural gas bearing horizons were encountered in the Abu Madi. The well encountered 65 ft. of net pay section with an average porosity of 25%. The results are in line with pre-drill estimates. Additional evaluation work is currently underway to provide an accurate recoverable volume estimate which will be the subject of a subsequent release.

Drilling will now continue to the deeper Abu Roash and AEB sections, targeting oil. SDX will provide further updates on the drilling campaign in due course.

Paul Welch, President and CEO of SDX, commented:

"It is clearly very encouraging to have made a gas discovery at the first of SD-1X's target intervals. The 3D seismic data acquired and interpreted over the South Disouq concession has provided a very accurate view of the subsurface as the target interval has come in on prognosis. This provides us with additional encouragement for the deeper horizons where we are targeting oil. Any production testing of the Abu Madi or one of the deeper horizons will be undertaken after drilling operations have been completed and the rig has moved off location.

"South Disouq is one strand in the SDX story. We have a diverse portfolio of assets in Egypt and Morocco, including further exploration opportunities. Irrespective of whether we have further success at SD-1X in the deeper horizon, this gas discovery and the ongoing development and facilities upgrades across our asset portfolio mean that we remain on track to build our production profile and maximise the value from our producing, development and exploration asset base. I am optimistic about our ability to deliver for our shareholders and also in the deeper sections of this well and look forward to reporting on our results in due course."

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.

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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

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 future drilling and results thereof at the SD-1X well and the production of a volume estimate should be regarded a 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 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).