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18 September 2017

**SDX ENERGY INC.**

("SDX" or the "Company")

**Spud of KSR-14 development well, Morocco**

SDX Energy Inc. (TSXV, AIM: SDX), the North Africa focused oil and gas company, is pleased to announce the spud of its KSR-14 development well on the Sebou permit in Morocco.

This is the first of a nine well drilling programme on the Company's Sebou, Gharb Centre and Lalla Mimouna permits in Morocco. The campaign follows extensive technical work from which the optimal drilling locations were identified. The Company is targeting an increase in its local gas sales volumes in Morocco by up to 50% and an increase in its reserves by more than 100% through this drilling campaign.

SDX expects to announce the drilling results at KSR-14 in mid-October. On success, the well will be completed, flow tested and connected to the existing infrastructure. These activities are anticipated to be carried out within 30 days of the drilling rig departing the location.

**Paul Welch, President and CEO of SDX, commented:**

*"This is the start of what will be a very busy period for the Company. In Morocco, we are looking forward to commencing this nine well programme which will allow us to begin to address a portion of the local demand that we have identified.*

*"In Egypt, we continue to make progress at South Disouq, where we plan to drill the Kelvin-1X and Bragg-1X exploration wells, targeting 150 Bscf of resources, in conjunction with two development wells in Q1 2018.*

*"I look forward to reporting on the results of this first well for SDX in Morocco and the progress we are making on our South Disouq development in future releases."*

**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 Rharb 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](http://www.sdxenergy.com) or the Company's filed documents at [www.sedar.com](http://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 Company’s plans to increase gas sales volumes and its reserves in Morocco, the expected timing of drilling results for KSR-14 and the Company’s plans at South Disouq should all 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 labor and services.

All timing given in this announcement, unless stated otherwise is indicative and while the Company endeavors to provide accurate timing to the market, it cautions that due to the nature of its operations and reliance on third parties this is subject to change often at little or no notice. If there is a delay or change to any of the timings indicated in this announcement, the Company shall update the market without delay.

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](http://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.

**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).*

**Standard**

*The Company's internal estimates of resources contained in this announcement were prepared in accordance with Canada's National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities.*

**Glossary**

<b>"Bscf"</b>	<i>billion cubic feet of natural gas;</i>
<b>"Prospective Resources"</b>	<i>the estimated volumes associated with as yet undiscovered accumulations of hydrocarbons</i>