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20 November 2017

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

#### **Updates on the Sebou and Gharb Centre permits**

SDX Energy Inc. (TSXV, AIM: SDX), the North Africa focused oil and gas company, is pleased to announce an update on its KSR-14 and KSR-15 development wells on the Sebou permit in Morocco (SDX 75% working interest). KSR-14 and KSR-15 are the first two wells of a nine well drilling programme on the Company's Sebou, Gharb Centre and Lalla Mimouna permits in Morocco.

Further to the update on 13 November, the KSR-14 well has now been tested and has recorded an average flow rate conventional natural gas into the sales line of 6.4MMscfd. The well will remain on production for an extended period prior to being shut in for a pressure build-up as part of the year end reserve estimate process.

At the KSR-15 development well the completion equipment has been run and connection to the nearby infrastructure is now underway. Completion of the well is expected to occur within three weeks of rig departure with flow testing targeted for early December 2017. The rig move to the next location, KSR-16, has now commenced.

On the Gharb Centre exploration permit, the seismic tender for 240km<sup>2</sup> of new 3D seismic has been completed and the contract awarded to CGG, a market leading seismic provider. The seismic acquisition is expected to commence at the end of Q2 2018.

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

*"This is further positive newsflow from our active Moroccan drilling campaign. In particular, the KSR-14 test results are ahead of our internal expectations, especially in light of the fact that we are only flowing from the Hoot sand, as opposed to both the Hoot and Guebbas. Despite this, the well still managed to produce at a rate that would allow it to meet our entire daily sales commitment by itself. This increases our confidence that we can reliably increase our production rates to meet additional customer demands based upon the results of the current program as we target an increase in our sales volumes by 50% in 2018.*

*"Overall, we are moving forward with the campaign apace and are pleased with the progress to date. We look forward to providing further updates 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 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 Gharb 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 (South Disouq) and Morocco (Gharb Centre and Lalla Mimouna).

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 the

Company's plans at the KSR-14 well, the timing of completion of, and flow rate testing at, the KSR-15 well, the timing of seismic acquisition at Gharb Centre and the Company's ability to meet customer demands and increase its sales volumes in Morocco, 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 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.

### **Oil and Gas Advisory**

Certain disclosure in this news release constitute "anticipated results" for the purposes of National Instrument 51-101 of the Canadian Securities Administrators because the disclosure in question may, in the opinion of a reasonable person, indicate the potential value or quantities of resources in respect of the Company's resources or a portion of its resources. Without limitation, the anticipated results disclosed in this news release include flow rates attributable to the resources of the Company. Such estimates have been prepared by management of the Company and have not been prepared or reviewed by an independent qualified reserves evaluator or auditor. Anticipated results are subject to certain risks and uncertainties, including those described above and various geological, technical, operational, engineering, commercial and technical risks. In addition, the geotechnical analysis and engineering to be conducted in respect of such resources is not complete. Such risks and uncertainties may cause the anticipated results disclosed herein to be inaccurate. Actual results may vary, perhaps materially.

### **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).*