

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.



23 January 2018

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

### **Gas discovery at ONZ-7 well, Morocco**

SDX Energy Inc. (TSXV, AIM: SDX), the North Africa focused oil and gas company, is pleased to announce that a gas discovery has been made at its ONZ-7 development well on the Sebou permit in Morocco.

The ONZ-7 well was drilled to a total depth of 1,167 meters with 5 meters of net conventional natural gas pay in the Hoot formation. The well came in on prognosis but reservoir quality exceeded initial expectations, encountering porosity in the pay section of 35.3%.

The well will now be completed, tested and connected to existing infrastructure. SDX expects to provide a further update on testing results in early February.

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

*"We are very excited to be able to announce another discovery, the fourth from five wells drilled to date in our nine well Moroccan campaign.*

*For this well we used our own high resolution 3D seismic data, as we have for the other successful wells and as we will for the remainder of the campaign.*

*We look forward to updating all our stakeholders on the progress of our KSS-2 prospect, the next well to be drilled."*

#### **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).

**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

**Stifel Nicolaus Europe Limited (Nominated Adviser and Joint Broker)**

Callum Stewart  
Nicholas Rhodes  
Ashton Clanfield  
Tel: +44 (0) 20 7710 7600

**Cantor Fitzgerald Europe (Joint Broker)**

David Porter  
Tel: +44 207 7894 7000

**GMP FirstEnergy (Joint Broker)**

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

**Celicourt (PR)**

Mark Antelme/Jimmy Lea/Ollie Mills  
Tel: +44 207 520 9261

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 completion, testing and connection of the ONZ-7 well to existing infrastructure, as well as the Company's plans to provide further updates on the ONZ-7 well and the KSS-2 prospect, 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.

All timing given in this announcement, unless stated otherwise is indicative and while the Company endeavours 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 nine months ended September 30, 2017, 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 constitutes "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 net conventional natural gas pay estimates 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.