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 March 2018

SDX ENERGY INC

("SDX" or the "Company")

SDX ENERGY INC. ANNOUNCES FOURTH QUARTER AND YEAR-END 2017 FINANCIAL AND OPERATING RESULTS AND PROVIDES GUIDANCE FOR 2018

SDX Energy Inc. (TSXV, AIM: SDX), the North Africa focused oil and gas company, is pleased to announce its financial and operating results for the three months and year ended December 31, 2017 (with full year results prepared on an audited basis). The Company's full annual audited financial statements and annual report have been published on the Company website at www.sdxenergy.com and on SEDAR at www.sedar.com. All monetary values are expressed in United States dollars net to the Company unless otherwise stated.

Reserves

- As at December 31, 2017 the Company's working interest share of audited 2P reserves was 13.5 mmboe[1]. This represents a 45% increase on the combined 2P reserves of the Company and the Egyptian and Moroccan businesses of Circle Oil PLC ("Circle Oil") as at December 31, 2016. The Company's audited 2P reserves estimate has been audited in accordance with the COGE Handbook by ERC Equipoise Limited an independent qualified reserves evaluator and auditor.

Corporate and Financial

- SDX's key financial metrics for the 3 and 12 months ended December 31, 2017 and 2016 are;

	Three months ended December 31		**Twelve months ended December 31 (audited)**	
US$ million except per unit amounts	**2017**	2016	**2017**	2016
Net Revenues	**11.0**	5.4	**39.2**	12.9
Netback[2]	**8.5**	3.6	**28.9**	7.6
Net realized average oil price/service fees - US$/barrel	**54.39**	36.60	**46.70**	31.51
Net realized average Morocco gas price - US$/mcf	**9.72**	-	**9.51**	-
Depletion, depreciation and amortization[3]	**(4.8)**	(0.8)	**(17.8)**	(3.3)
Non-cash exploration & eval'n write down	**-**	-	**-**	(28.4)
Non-cash impairment expense	**-**	**(4.3)**	**-**	(4.3)
Gain on acquisition	**(4.7)**	-	**29.6**	-
Total comprehensive income/(loss)	**(2.6)**	0.1	**28.3**	(28.0)

Net cash generated from operating activities	**15.1**	(1.7)	**21.6**	(1.9)
Cash and cash equivalents	**25.8**	4.7	**25.8**	4.7

Note:

(1) Using a conversion ratio of 5.8 Mcf:1 boe.

(2) Refer to "Non-IFRS Measures" section of this release below for details of Netback.

(3) Increased DD&A reflects the impact of the acquisition of Circle Oil's producing assets in Egypt and Morocco and the 8" Pipeline in Morocco.

- The above financial metrics for the three and twelve months ended December 31, 2017 reflect the impact of the acquisition of the Egyptian and Moroccan businesses of Circle Oil (the "Circle Acquisition") from January 27, 2017.

- The main components of SDX's comprehensive income of US$28.3 million for twelve months ended December 31, 2017 are;
    - US$28.9 million netback for the period;
    - US$29.6 million gain on acquisition of the Egyptian and Moroccan businesses of Circle Oil;
    - US$17.8 million of DD&A – (increased as a result of the Circle Acquisition from US$3.3 million in twelve months ended December 31, 2016); and
    - US$2.4 million of transaction and restructuring costs relating to the above acquisition.

- Netback for the twelve months December 31, 2017 was US$28.9 million, up from US$7.6 million for the twelve months to December 31, 2016, as the Company benefited from the high margin Moroccan business acquired from Circle Oil and a recovery in oil prices over the year.

- Cash position of US$25.8 million as at December 31, 2017 reflects strong netbacks and a reduction in receivables of US$4.9 million, which primarily came from Egyptian receivables inherited with the Circle Acquisition.

- Since December 31, 2017, a further US$6.0 million has been received from backdated receivables which has helped the cash position to grow to US$30.6m as at February 28, 2018. As economic conditions continue to improve in Egypt, the Company is hopeful that further meaningful reductions will be made to the Egyptian receivables position during 2018.

- US$21.1 million of capital expenditure has been invested into the business during the 12 months ended December 31, 2017;
    - US$13.9 million in Morocco, US$12.8 million of which related to the ongoing nine well drilling programme and customer connection projects;
    - US$3.2 million on the SD-1X discovery well and the 3D seismic programme at South Disouq;
    - US$2.0 million in Meseda on the two successful Rabul exploration wells and a nine well workover programme covering pump and tubing maintenance and the Meseda facility upgrade; and
    - US$2.0 million on the twelve well workover programme at North West Gemsa.

Operational Highlights

- The Company's share of production from its operations for the twelve months ended December 31, 2017 was 3,237 barrels of oil equivalent per day (boepd) analysed as follows, and which includes production from the Circle Acquisition with effect from January 27, 2017;

    - North West Gemsa 2,046 boepd
    - Meseda 595 boepd
    - Morocco 596 boepd

- On a pro forma basis, assuming that the Circle Oil Acquisition had completed on January 1, 2017, the Company's share of production from its operations for the twelve months ended December 31, 2017 would have been 3,457 boepd analysed as follows;

    - North West Gemsa 2,220 boepd
    - Meseda 595 boepd
    - Morocco 642 boepd

<u>Egypt</u>

- In North West Gemsa, twelve successful well workovers were completed and the impact of these is now being realised as gross production in the concession is stabilising at approximately 4,400 boepd. Drilling has recommenced in 2018 with a two well program. The first of these wells is expected to complete in early Q2 with operations on the second well commencing immediately thereafter. The aim of these wells is to stabilise H2 2018 production at current rates.

- In Meseda, two successful exploration wells, Rabul-1 and Rabul-2, were drilled in 2017 and this has been followed in Q1 2018 with the successful appraisal well, Rabul-5. Rabul-1 encountered 14.5 feet of net heavy oil pay with an average porosity of 21.2% in the Yusr sand. Rabul-2 encountered 101.5 feet of net heavy oil pay, with an average porosity of 20%, across the Yusr and Bakr sands. Rabul-5 encountered 151 feet of net heavy oil pay, with an average porosity of 18% across the Yusr and Bakr formations. One further appraisal/development well will be drilled in 2018 to develop the Rabul discovery. During the year nine workovers, consisting of tubing and pump maintenance in existing wells aimed at ensuring future production uptime, were completed. Finally, the Company installed a new two-phase separator at the central processing facility, upgrading processing capacity from 10,000 bfpd to 20,000 bfpd. Additional pump capacity was also added to the facility to ensure that sufficient water volumes could be injected into the waterflood project.

- In South Disouq, the Company successfully drilled the SD-1X exploration well which found gas-bearing sands in the Abu Madi horizons, the well's primary target. The well flow tested at a surface constrained rate of 25.8 MMscfd of conventional natural gas and was subsequently completed. After the successful test, the Company and its partners completed a development plan for the area which was submitted to the Egyptian State Gas authority, EGAS, for approval. The plan consists of the drilling of two additional appraisal wells, the installation of a rented central processing facility and the laying of a 10-kilometre pipeline to the main export line. The Company plans to commence production, from the SD-1X discovery, at a gross plateau production rate of approximately 50 MMscfd of conventional natural gas.

- The SD-1X well also drilled into deeper, potentially oil-bearing intervals beneath the main objective where it encountered hydrocarbon shows. This deeper interval could not be logged and an additional well, currently planned for 2019, will be required to test this interval.

- At South Ramadan during the year, and in relation to the last remaining commitment on this concession, the final sub-surface technical work was completed in conjunction with a commercial evaluation of development options. The result of this work was the selection of an option that involves the drilling of a development well which is up-dip of one of the previous producing wells in the field. Depending on rig availability, the well will be drilled either early in Q2 2018 or late in Q3 2018. Upon the results of this well, the Company will determine how best to optimise its position in this concession.

Morocco

- The Company's Moroccan acreage consists of three concessions; Sebou, Lalla Mimouna and Gharb Centre, all of which are located in the Gharb Basin in northern Morocco. Sebou and Lalla Mimouna were obtained as part of the acquisition of Circle Oil and Gharb Centre was acquired directly from the Moroccan State on June 1, 2017.

- In September 2017, the Company commenced a nine well drilling programme covering six appraisal/development wells in Sebou, one appraisal/development well in Gharb Centre and two exploration wells in Lalla Mimouna.

- The results of the well program to date are as follows with the Company achieving five successful wells from the seven that have been drilled, a better than 71% success rate;

Permit	Name	Result	Net Pay	Rate
Sebou	KSR-14	Conventional Natural Gas Discovery	20.0m	6.40 MMscf/d
Sebou	KSR-15	Conventional Natural Gas Discovery	17.2m	7.52 MMscf/d
Sebou	KSR-16	Conventional Natural Gas Discovery	14.2m	8.43 MMscf/d
Gharb Centre	ELQ-1*	Uncommercial Discovery	2.0m	Not Tested
Sebou	ONZ-7**	Conventional Natural Gas Discovery	5.0m	15.34 MMscf/d
Sebou	KSS-2***	Dry Hole	Nil	Not Tested
Sebou	SAH-2****	Conventional Natural Gas Discovery	5.2m	13.45 MMscf/d

Well results announced *January 4, **January 15, ***February 21 and ****March 9, 2018

Disclosure clarification

Reference is made to the SDX December 31, 2017 Year End Reserves and Resources Audit Report ("the 2017 Reserves and Resources Audit Report"), prepared and audited in accordance with the COGE Handbook by ERC Equipoise Limited an independent, qualified reserves auditor, which shows that 38.7 bcf of gas and 0.201 million barrels of condensate have been classed as gross 2P Reserves in SDX's South Disouq Concession (SDX 55% Working Interest: 21.3 bcf of gas and 0.111 million barrels of condensate). Reference is also made to the SDX Press Release dated July 5, 2017 whereby, amongst other things, it was announced that SDX's South Disouq Concession had Gross Contingent Resources of 47.1 bcf of gas and 2.2 million barrels of condensate (SDX 55% Working Interest: 25.9 bcf of gas and 1.21 million barrels of condensate).

Notwithstanding that the 2017 Reserves and Resources Audit Report is now re-classifying the originally reported Contingent Resources as 2P Reserves, albeit with a lower recoverable volume, the Press Release of July 5, 2017 should have included some additional disclosure describing possible uncertainties as at that date that may have resulted in the Contingent Resources ultimately not being recovered/classed as 2P reserves. As at July 5, 2017, these uncertainties would have been focused on potential recoverable volumes, gas price, the cost to develop the required infrastructure (evacuation pipeline and gas processing facility) and operating costs. These issues have subsequently been considered and addressed in the 2017 Reserves and Resources Audit Report as part of the process of reclassifying the South Disouq Contingent Resources to 2P Reserves.

Outlook:

Egypt

- North West Gemsa (50% Working Interest)

  - Targeting gross 2018 production of c.4,400 boepd, broadly similar to 2017. To achieve this, two wells will be drilled and seven worked over.
  - The expected gross cost of the two wells, including processing facility tie-ins is US$6.6 million with the seven workovers expected to cost gross US$1.7 million.

- Meseda (50% Working Interest)

  - Targeting gross production of 3,800 bopd, a c.700 bopd increase on 2017's level. The increase will come from drilling four new wells in 2018, two of which will develop the Rabul discovery and two infill producers in the wider Meseda area.
  - The Company also aims to replace up to five ESPs in the wider Meseda area.
  - Gross Meseda capex in 2018 is expected to be approximately US$6.0 million.

- South Disouq (55% Working Interest)

  - Up to four wells planned in 2018, two exploration wells (Ibn Yunus-1X and Kelvin-1X) and two development wells (SD-4X and SD-3X). These wells have an estimated gross capex cost of approximately US$12.0 million.
  - Upon success of SD-4X and SD-3X, SDX expects to construct the SD-1X processing facility together with a 10-kilometer pipeline connecting the processing facilities to the main export line. Gross capex is estimated at approximately US$15.0 million, subject to completion of final tenders and contracts.
  - Ibn Yunus-1X and Kelvin-1X are targeting up to 150bcf of conventional natural gas in separate structures from the SD-1X discovery. If successful, volumes will be tied back to the SD-1X processing facility.
  - Given the above, and assuming all necessary approvals are obtained, first gas is targeted in the second half of 2018, at an initial gross plateau production rate of approximately 50

MMscf/d of conventional natural gas expected from the three development wells in the SD-1X discovery structure. The gas price is still under negotiation.
    - Annual opex, including processing facility rental cost, is predominantly fixed and estimated at approximately US$6.0 million gross, subject to completion of final tenders and contracts.

- South Ramadan (12.75% Working Interest)

    - At South Ramadan, a development well which is up-dip from one of the previous producing wells in the field, will be drilled either early in Q2 2018 or late Q3 2018. The actual spud date of the well is dependent on rig availability. Total cost for the South Ramadan work programme in 2018 will be approximately US$23.5 million, which includes some platform remediation work and a well work over, both of which are dependent on the success of the development well.

Morocco (75% Working Interest)

- Given the recent drilling success, 2018 gross production is targeted to increase in line with new customer tie-ins. Depending on timing of tie-ins, SDX is targeting gross production of 8-10 MMscf/d of conventional natural gas by the end of 2018.

- SDX's nine well Moroccan drilling programme continues in 2018, with the tie-in of the most recent discovery, SAH-2 and the drilling of two exploration wells: LNB-1, which commenced drilling operations on March 20, 2018 and LMS-1 which will be drilled early in Q2 2018.

- Including SAH-2, the gross cost for the 2018 wells (six total), inclusive of customer tie-ins, and the payment of 2017 outstanding drilling payables is expected to be approximately US$13.0 million.

- In addition, SDX plans to shoot 240km^2 of 3D seismic in its Rharb Centre concession at an estimated cost of US$6.5 million.

Corporate

- Continue to minimise costs and crystallise synergies from the Circle Oil Acquisition; and

- As part of the Company's strategy it continues to review and explore opportunities to expand the asset base in the North Africa region, including through new licencing rounds and acquisitions.

Paul Welch, President & CEO of SDX Energy, commented:

"2017 was an exceptional year for SDX, with the acquisition of Circle Oil's assets, enabling us to substantially increase production, and cash flow, over the course of the year.

We continued to see strong operational performance throughout the year across our portfolio. In North West Gemsa we are seeing the results of our twelve successful workovers, and in Meseda we successfully drilled two exploration wells in 2017 followed by the successful Rabul-5 appraisal well earlier this month. The remainder of 2018 will see a second appraisal well, Rabul-4, followed by two development wells on the Meseda area of the concession. Our nine well drilling programme in Morocco has seen five discoveries from seven wells drilled to date and we look forward to continuing this drilling success throughout the rest of 2018.

As a company, we continue to focus on low cost, high margin production, thereby creating further value for our shareholders. Our strong funding position means we are well placed to capitalise on any suitable, value enhancing asset opportunities that may arise going forward."

KEY FINANCIAL & OPERATING HIGHLIGHTS

Audited consolidated financial statements with Management's Discussion and Analysis for the 3 and 12 months ended December 31, 2017 are now available on the Company's website at www.sdxenergy.com and on SEDAR at www.sedar.com.

	Prior Quarter	**Three months ended December 31**		**Twelve months ended December 31**	
$000s except per unit amounts		**2017**	2016	**2017**	2016
FINANCIAL					
Gross Revenues(1)	13,902	13,972	8,436	52,493	18,362
Royalties	(3,778)	(2,968)	(3,082)	(13,327)	(5,448)
Net Revenues	10,124	11,004	5,354	39,166	12,914
Operating costs	(2,672)	(2,526)	(1,752)	(10,254)	(5,282)
Netback	7,452	8,478	3,602	28,912	7,632
Total comprehensive (loss)/income	4,408	(2,621)	(2,059)	28,307	(27,963)
Net income/(loss) per share - basic	0.022	(0.010)	(0.03)	0.156	(0.39)
Cash, end of period	30,469	25,844	4,725	25,844	4,725
Working capital (excluding cash)	27,928	20,881	7,098	20,881	7,098
Capital expenditures	3,423	15,302	856	21,040	13,339
Total assets	138,898	141,057	41,617	141,057	41,617
Shareholders' equity	116,981	114,619	37,264	114,619	37,264
Common shares outstanding (000's)	204,459	204,493	79,844	204,493	79,844
OPERATIONAL					
NW Gemsa oil sales (bbl/d)	1,893	1,710	468	1,733	534
Block-H Meseda production service fee (bbl/d)	551	561	679	595	662
Morocco gas sales (boe/d)	611	680	-	596	-
Other products sales (boe/d)(2)	384	310	3,166	313	796
Total sales volumes (boe/d)	3,439	3,261	4,313	3,237	1,192
Realized oil price (US$/bbl)	48.28	57.77	44.56	50.02	38.00
Realized service fee (US$/bbl)	36.41	44.11	31.12	37.05	26.26
Realized oil sales price and service fees ($/bbl)	45.61	54.39	36.60	46.70	31.51
Realized Morocco gas price (US$/mcf)	9.53	9.72	-	9.51	-
Royalties ($/bbl)	11.94	9.89	6.33	11.28	7.47
Operating costs ($/bbl)	8.44	8.42	4.41	8.68	7.25
Netback ($/bbl)	23.54	28.26	9.08	24.47	10.47

Notes:

(1) Net Revenues for the 3 and 12 months ended 31 December 2016 includes US$2.3 MM relating to gas and natural gas liquids revenue relating to the period October 1, 2013 to December 31, 2016. This revenue had previously not been recognised due to uncertainties relating to entitlement and pricing which have now been resolved. US$1.8 MM relates to the period October 1, 2013 to December 31, 2015 and US$0.5MM relates to the 12 months ended December 31, 2016.

(2) Average daily natural gas and natural gas liquids sales relating to the period October 1, 2013 to December 31, 2016 and recognised in the 3 months to December 31, 2016 equated to 796 and 3,166 barrels of oil equivalent ("**BOEP/D**") for the 12 and 3 months to December 31, 2016 respectively. Out of the 796 BOEP/D, 130 BOE/D was actually generated in the 12 months to December 31, 2016.

Consolidated Balance Sheet

(thousands of United States dollars)	**As at December 31, 2017**	**As at December 31, 2016**
Assets		
Cash and cash equivalents	25,844	4,725
Trade and other receivables	37,656	9,463
Inventory	5,157	1,698
Current assets	68,657	15,886
Investments	2,724	2,503
Property, plant and equipment	54,445	12,605
Intangible exploration and evaluation assets	15,231	10,623
Non-current assets	72,400	25,731
Total assets	141,057	41,617
Liabilities		
Trade and other payables	19,459	3,674
Deferred income	495	-
Decommissioning liability	1,063	-
Current income taxes	915	389
Current liabilities	21,932	4,063
Deferred income	737	-
Decommissioning liability	3,479	-
Deferred income taxes	290	290
Non-current liabilities	4,506	290
Total liabilities	26,438	4,353
Equity		
Share capital	88,785	40,275
Warrants	-	-
Contributed surplus	5,666	5,128
Accumulated other comprehensive loss	(888)	(917)
Retained earnings/(accumulated loss)	21,056	(7,222)
Total equity	114,619	37,264
Equity and liabilities	141,057	41,617

Consolidated Statement of Comprehensive Income

(thousands of United States dollars)	Twelve months ended December 31 **2017**	 2016
Revenue, net of royalties	39,166	12,914
Revenue		
Direct operating expense	(10,254)	(5,282)
Gross profit	28,912	7,632
Exploration and evaluation expense	(187)	(24,833)
Depletion, depreciation and amortisation	(17,824)	(3,266)
Impairment expense	-	(4,303)
Reversal of inventory provision	798	479
Stock based compensation	(538)	47
Share of profit from joint venture	1,022	1,222
General and administrative expenses		
- Ongoing general and administrative expenses	(6,420)	(3,679)
- Transaction costs	(2,373)	-
Operating income/(loss)	3,390	(26,701)
Net finance (expense)/income	(129)	4
Gain on acquisition	29,558	-
Income/(loss) before income taxes	32,819	(26,697)
Current income tax expense	(4,541)	(1,499)
Deferred income tax expense	-	(4)
Total current and deferred income tax expense	(4,541)	(1,503)
Net income/(loss)	28,278	(28,200)
Other comprehensive income		
Foreign exchange	29	237
Total comprehensive income/(loss) for the period	28,307	(27,963)
Net income/(loss) per share		
Basic	$0.153	$(0.394)
Diluted	$0.151	$(0.394)

Consolidated Statement of Changes in Equity

	Twelve months ended December 31	
(thousands of United States dollars)	**2017**	**2016**
Share capital		
Balance, beginning of period	40,275	30,148
Issuance of common shares	49,589	10,988
Share issue costs	(1,079)	(861)
Balance, end of period	88,785	40,275
Warrants		
Balance, beginning of period	-	99
Expiry of warrants	-	(99)
Balance, end of period	-	-
Contributed surplus		
Balance, beginning of period	5,128	5,175
Share based payments for the period	538	(47)
Balance, end of period	5,666	5,128
Accumulated other comprehensive loss		
Balance, beginning of period	(917)	(1,154)
Foreign currency translation adjustment for the period	29	237
Balance, end of period	(888)	(917)
Retained earnings/(accumulated loss)		
Balance, beginning of period	(7,222)	20,978
Net income/(loss) for the period	28,278	(28,200)
Balance, end of period	21,056	(7,222)
Total equity	114,619	37,264

Consolidated Statement of Cash Flows

(thousands of United States dollars)	Twelve months ended December 31 **2017**	2016
Cash flows generated from/(used in) operating activities		
Income/(loss) before income taxes	32,819	(26,697)
Adjustments for:		
Depletion, depreciation and amortization	17,824	3,266
Exploration and evaluation expense	187	24,416
Impairment expense	-	4,303
Reversal of inventory provision	(798)	(479)
Finance expense/(income)	129	(4)
Stock based compensation	538	(47)
Gain on acquisition	(29,558)	-
Tax paid by State	(3,551)	(1,272)
Share of profit from joint venture	(1,022)	(1,222)
Operating cash flow before working capital movements	16,568	2,264
Decrease/(increase) in trade and other receivables	4,871	(3,001)
Increase/(decrease) in trade and other payables	2,496	(408)
Increase in inventory	(1,951)	(31)
Payments for decommissioning	(4)	-
Cash generated from/(used in) operating activities	21,980	(1,176)
Income taxes paid	(364)	(766)
Net cash generated from/(used in) operating activities	21,616	(1,942)
Cash flows (used in)/generated from investing activities:		
Property, plant and equipment expenditures	(21,132)	(161)
Exploration and evaluation expenditures	(3,785)	(11,729)
Dividends received	760	825
Acquisition of subsidiaries	(28,056)	-
Cash balance acquired during the period	3,108	-
Net cash used in investing activities	(49,105)	(11,065)
Cash flows generated from/(used in) financing activities:		
Issuance of common shares	48,510	10,127
Finance costs paid	(43)	(96)
Net cash generated from financing activities	48,467	10,031
Increase/(decrease) in cash and cash equivalents	20,978	(2,976)
Effect of foreign exchange on cash and cash equivalents	141	(469)
Cash and cash equivalents, beginning of period	4,725	8,170
Cash and cash equivalents, end of period	25,844	4,725

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 or the Company's filed documents at www.sedar.com.

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, 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 estimates of reserves and resources contained in this announcement have been prepared in accordance with the Canadian National Instrument 51-101 (NI 51-101) and the Canadian Oil and Gas Evaluation (COGE) Handbook.

For further information:

SDX Energy Inc.

Paul Welch	Mark Reid
President and Chief Executive Officer	Chief Financial Officer
Tel: +44 203 219 5640	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 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.

Glossary

“2P reserves”	proved and probable reserves
“bbl”	stock tank barrel
“boepd” & “boe/d”	barrels of oil equivalent per day
“bopd” & “bbl/d”	barrels of oil per day
“Bcf”	billion standard cubic feet
“bfpd”	barrels of fluid per day
“DD&A”	depreciation, depletion and amortisation
“ESP”	electrical submersible pump
“mmboe”	millions of barrels of oil equivalent
“mcf”	thousands of cubic feet
“MMscf/d”	million standard cubic feet per day

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, production targets, drilling, seismic work, customer tie ins, pipeline completion, ESP replacement, well workovers, and the timing and costs thereof, as well as capital expenditures, operational expenditures, the reduction in Egyptian receivables and the Company’s 2018 outlook, 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; receipt of necessary permits; 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; permitting risks; 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, 2017, 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.

Non-IFRS Measures

This news release contains the term "Netback," which is not a recognized measure under IFRS and may not be comparable to similar measures presented by other issuers. The Company uses this measure to help evaluate its performance.

Netback is a non-IFRS measure that represents sales net of all operating expenses and government royalties. Management believes that netback is a useful supplemental measure to analyze operating performance and provide an indication of the results generated by the Company's principal business activities prior to the consideration of other income and expenses. Management considers netback an important measure as it demonstrates the Company's profitability relative to current commodity prices. Netback may not be comparable to similar measures used by other companies.

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 estimates of flow rate 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.