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18 June 2018

SDX ENERGY INC.

("SDX" or the "Company")

Gas discovery at SD-4X well, Egypt, LMS-1 Well Test Results

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 SD-4X well in the South Disouq Concession, Egypt (SDX 55% working interest and operator).

The SD-4X well was drilled to a total depth of 7806 feet and encountered 89 feet of net conventional natural gas pay in the Abu Madi horizon, which had an average porosity in the pay section of 24%. The well came in on prognosis with a reservoir section of similar quality but thicker than the original SD-1X discovery well.

The well will be completed as a producer in the Abu Madi and then tested after the drilling rig has moved off location. The testing is anticipated to commence between 30 and 45 days after the rig departs, depending on the availability of testing equipment. Assuming a successful test, it is anticipated that the well will be connected to the infrastructure located adjacent to the original SD-1X discovery, where production start-up is anticipated late in the 4th quarter of 2018. After completion, the rig will move to the SD-3X well which is the second of two appraisal locations included in the 2018 development program.

The well test program in the LMS-1 well in the Company's Lalla Mimouna Nord permit in Morocco has been completed. Upon test the well flowed at sub-commercial rates which at this stage we believe are temporary and due to damage created by the fluids used to control the elevated pressures encountered in the well whilst drilling, however this is still being investigated. At present, we believe the damage is the result of formation clays reacting to certain components used to increase the mud weight of the drilling fluid. The reservoir section, beyond this zone of damage, is thought to be of excellent quality based upon the well log response and is not expected to have been damaged by the drilling fluids. Once the fluid interaction study is complete, a stimulation program will be designed and implemented and the well test will be repeated.

Paul Welch, President and CEO of SDX, commented:

"We are extremely encouraged by today's result at South Disouq. We had anticipated a thickening of the pay section as we moved away from the crest of the structure, and this has now been confirmed. We will now accelerate our development activity in the area. It's our intent to establish production from both the

South Disouq and Ibn Yunus areas before year end 2018. These results demonstrate the significant potential we see in this area.

“At LMS-1, we were very surprised by the results of the flow test. The well flowed a significant amount of gas whilst drilling requiring the drilling mud weight to be increased to control the well so it could be logged and completed. That said, this part of the basin is a frontier area and this was the first time this section had been drilled, so the composition of the reservoir section was unknown. Fortunately, we have a complete data set from this well which will allow us to quickly and accurately design a stimulation program for this, which we are confident will work.”

“Overall we are very pleased with our recent drilling activity. In Morocco we had seven successful results from our nine well program and in Egypt we have had three successes out of the four wells drilled to date with one well to go. I am looking forward to updating our shareholders on the well test results of the SD-4X, the spud of SD-3X and the progress we are making on our development activity in South Disouq along with our plans to retest the LMS-1 in Morocco 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 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.

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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 timing of completion and testing of SD-4X, the connection of SD-4X to existing infrastructure, the start-up of production at South Disouq and Ibn Yunus, the natural gas potential of the South Disouq license and the timing of and the Company's ability to successfully design and implement the stimulation program and retest the LMS-1 well in the Lalla Mimouna license all 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 months ended March 31, 2018, 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.

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 pay thickness, and hydrocarbon content 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).