

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.



17 August 2018

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

Successful production test at SD-3X well, Egypt

SDX Energy Inc. (TSXV, AIM: SDX), the North Africa focused oil and gas company, is pleased to announce that a successful production test has been conducted at its SD-3X appraisal well at South Disouq, Egypt (SDX 55% working interest and operator).

The well flowed at a maximum rate of 16.1 MMscfd of conventional natural gas during an eight hour clean up period and was then shut in for eight hours, during which time no pressure decline was observed. Following this, by varying choke sizes, the well was flowed for two successive six-hour periods at average rates of 5.3 MMscfd and 8.4 MMscfd respectively and one extended flow period of 12-hours at an average rate of 10.5 MMscfd.

The SD-3X well was subsequently shut in for a pressure build-up of 96 hours, which is currently on-going. At completion of the build-up, the downhole pressure gauges will be retrieved and the well suspended prior to being connected to the local production facilities. During testing a total of 12.02 MMscf of conventional natural gas was produced.

Paul Welch, President and CEO of SDX, commented:

"We are very pleased with the test results of the SD-3X well as it exceeded our expectations. The well is located the furthest down dip on the structure and had the least amount of pay when compared to the two offset wells. We therefore limited both the test duration and peak rates to ensure that no damage was done to the well whilst testing it. The well performed in line with the offsets even with the reduced pay section. We are now very confident that we can achieve the peak rates at the planned facility at South Disouq of 60MMscfd of conventional natural gas with our current well stock. We intend to connect this well to infrastructure located adjacent to our SD-1X discovery over the coming months. We are targeting a late Q4 2018 start-up of production in South Disouq.

The rest of our portfolio of assets continues to perform well and I look forward to updating our shareholders on all of our activity when we release our Q2 results on August 28, 2018.”

About SDX

SDX is an international oil and gas exploration, production and development company, headquartered in London, 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. It also has a 55% operated working interest in the South Disouq concession in the Nile Delta area, which consists of development, appraisal and exploration assets. In Morocco, SDX has multiple assets in the northern Gharb basin with a 75% operated working interest in Sebou, a producing concession, along with exploration and appraisal assets in its Gharb Centre and Lalla Mimouna concessions (75% operated working interests in both concessions).

For further information, please see the website of the Company at www.sdxenergy.com or the Company's filed documents at 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/Nick Tulloch
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 connection of SD-3X to local production facilities, the start-up date for production in South Disouq and the Company's production rate 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. The SD-3X test results are not necessarily indicative of long-term performance or of ultimate recovery. 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 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.

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).

Glossary

MMscf **million standard cubic feet**

MMscfd **million standard cubic feet per day**