

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.



7 February 2019

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

**SDX expands presence in Morocco**

*Award of Moulay Bouchta Ouest and Lalla Mimouna Sud licenses*

SDX Energy Inc. (TSXV, AIM: SDX), the North Africa focused oil and gas company, is pleased to announce that it has increased its presence in Morocco with the awards of the Moulay Bouchta Ouest and Lalla Mimouna Sud licenses.

The Moulay Bouchta Ouest exploration licence (SDX 75% working interest and operator), covering an area of 458 km<sup>2</sup>, has been awarded to SDX for a period of eight years. SDX has a commitment to reprocess 150 kilometres of 2D seismic data, acquire 100 km<sup>2</sup> of new 3D seismic and drill one exploration well within the first three-and-a-half-year period.

SDX has also been re-awarded the Lalla Mimouna Sud licence (SDX 75% working interest and operator), which covers an area of 857 km<sup>2</sup>, for a period of eight years. This permit was part of the original group of concessions that SDX acquired as part of the Circle Oil acquisition in 2017. The concession expired after all the work commitments had been fulfilled and SDX reapplied for the acreage after the acquisition of additional 3D seismic in the area. The Company has a commitment to acquire 50 km<sup>2</sup> of 3D seismic and drill one exploration well within the first three-year period.

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

*"We are very pleased to be expanding our acreage in Morocco, which we see as a key growth region for SDX going forward. Both of these permits offer significant underexplored hydrocarbon potential and are located adjacent to our existing operations and infrastructure, so can be tied into our facilities quickly. The award also gives SDX and its partner control over the entire onshore Gharb Basin.*

*We have an active work programme planned for Morocco in 2019, with a 12 well drilling programme set to commence in H2. With the addition of these new permits, we will be able to further grow our reserves and production base in Morocco, and generate significant value for our stakeholders, as we look to build upon our market leading position in country."*

**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 Rharrb 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/Nick Tulloch  
Tel: +44 20 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.

***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).*

***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, forward-looking information included in this press release includes statements with respect to: plans regarding drilling activities and the timing thereof; seismic work, testing and the timing thereof; and the Company's outlook.

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; 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 nine months ended September 30, 2018, 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.