

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.



22 May 2018

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

Result of Kelvin-1X exploration well, Egypt

SDX Energy Inc. (TSXV, AIM: SDX), the North Africa focused oil and gas company, announces that the Kelvin-1X exploration well at South Disouq, Egypt (SDX 55% working interest and operator) has been drilled to a total depth of 8075 feet, encountering 606 net feet of high quality reservoir interval in the Abu-Madi formation with an average porosity of 21%. However, the sands had low gas saturation and were not deemed to be commercial.

The well will now be plugged and abandoned, and the rig will move to the site of the next drilling location on the South Disouq licence, the SD-4X appraisal well.

Following the April 2017 SD-1X discovery on South Disouq, SDX targeted two near-field prospects, Ibn Yunus, where the Company has recently announced a significant discovery, and Kelvin. The Kelvin-1X well was located structurally updip of the SD-1X discovery and thought to potentially be connected to the original SD-1X structure by a continuous gas bearing section. However, the identified layer appears to be separated from the original discovery and contains gas with non-commercial saturations. The Company is now focused on completing the development at SD-1X and bringing both discoveries on stream as quickly as possible, with first gas prior to year-end 2018.

Paul Welch, President and CEO of SDX, commented:

"The results of the Kelvin-1X well are not commercial and will not contribute to the initial production in this first phase of the development at South Disouq. However, today's news follows the positive results from previous drilling activity in the concession where our first two wells were commercial discoveries. The Kelvin-1X location was an ambitious step-out from the crest of the identified structure where we were exploring for a larger stratigraphic portion of the identified trap. Further potential exists within the current structure but in a location that could not be reached by side-tracking the well from the Kelvin-1X location. As a result, we have decided to move forward drilling the appraisal well locations in the original SD-1X structure so as not to delay the start of production targeted for the end of the year. After we have completed the appraisal drilling and established initial production we plan to commence a further exploration programme that will target both the remaining potential in the Kelvin structure along with the deeper oil potential within the block. We have had a very good run of drilling success lately and it is

unfortunate that Kelvin-1X hasn't worked out. However, we are looking forward to drilling two appraisal wells on the SD-1X structure and reporting on these 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 and a 55% interest in the South Disouq appraisal and development project in the Nile Delta. 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.

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 exploration and the timing of production start at South Disouq 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; 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.

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).