SEA DRAGON ENERGY INC.

Annual Information Form
For the year ended December 31, 2008

February 9, 2010

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MONETARY REFERENCES

All dollar amounts in this annual information form (the "**Annual Information Form**"), unless otherwise indicated, are stated in Canadian currency.

ABBREVIATIONS

In this Annual Information Form the abbreviations set forth below have the following meanings:

Oil and Natural Gas Liquids

bbl	barrel of crude oil
bbls	barrels of crude oil
bbls/d	barrels of crude oil per day
NGLs	natural gas liquids

Natural Gas

MMscfd	Million standard cubic feet per day

Other

API	American Petroleum Institute the measure of the density or gravity of liquid petroleum products derived from a specific gravity
m	metres
m^3	cubic metres
km	kilometres
km^2	square kilometres
US$	United States dollars
$	Canadian dollars

CONVERSION

The following table sets forth certain conversions between Standard Imperial Units and the International System of Units (or metric units).

To Convert From	To	Multiply By
Mcf	cubic meters	28.174
cubic meters	cubic feet	35.315
bbls	cubic meters	0.159
cubic meters	bbls	6.289
feet	meters	0.305
meters	feet	3.281
miles	kilometers	1.609
kilometers	miles	0.621
acres	hectares	0.405
hectares	acres	2.471

CONVENTIONS

Certain terms used herein are defined in National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("**NI 51-101**") or the Canadian Oil and Gas Evaluation Handbook ("**COGE Handbook**") and, unless the context otherwise requires, shall have the same meanings in this Annual Information Form as in NI 51-101 or the COGE Handbook.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Annual Information Form and in certain documents incorporated by reference into this document constitute forward-looking statements. These statements relate to future events or the Corporation's future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Corporation believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this Annual Information Form should not be unduly relied upon. These statements speak only as of the date of this Annual Information Form. In particular, this Annual Information Form and the documents incorporated by reference herein contain forward-looking statements pertaining to the following:

- the quantity of reserves or resources;
- the performance characteristics of the Corporation's oil and gas properties;
- oil and natural gas production levels;
- capital expenditure programs;
- future development and exploration activities and the timing thereof;
- future land expiries;
- estimated future contractual obligations and the amount expected to be incurred under our farm-in commitments;
- future liquidity and financial capacity;
- projections of market prices and costs;
- supply and demand for oil and natural gas;
- expectations regarding the Corporation's ability to raise capital and to continually add to reserves through acquisitions and development;
- expectations relating to the award of exploration permits by governmental authorities; and
- treatment under government regulatory and taxation regimes.

With respect to forward-looking statements contained or incorporated by reference in this Annual Information Form, the Corporation has made assumptions regarding:

- oil and natural gas production levels;
- commodity prices;
- future currency and interest rates;
- the Corporation's ability to generate sufficient cash flow from operations and to access existing credit facilities and capital markets to meet its future obligations;
- availability of labour and drilling equipment;
- general economic and financial market conditions; and
- government regulation in the areas of taxation, royalty rates and environmental protection.

The Corporation's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this Annual Information Form:

- volatility in market prices for oil and natural gas;
- liabilities and risks inherent in oil and natural gas operations;
- uncertainties associated with estimating oil and gas reserves;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- incorrect assessments of the value of acquisitions;
- counterparty credit risk;

- limitations on insurance;
- failure to obtain industry partner and other third-party consents and approvals, when required;
- imprecision in estimating capital expenditures and operating expenses;
- potential delays or changes with respect to exploration and development projects or capital expenditures;
- geological, technical, drilling and processing problems;
- fluctuations in foreign exchange or interest rates and stock market volatility;
- changes or disruptions in the political or fiscal regimes in the Corporation's areas of operation;
- general economic and business conditions;
- stock market volatility;
- changes in income tax laws or changes in tax laws and incentive programs relating to the oil and gas industry;
- failure to realize the anticipated benefits of acquisitions; and
- the other factors discussed under *"Risk Factors"*.

These factors should not be considered exhaustive. Statements relating to "reserves" or "resources" are deemed to be forward-looking statements, as they involve the implied assessment, based on certain estimates and assumptions, that the resources and reserves described can be profitably produced in the future. The forward-looking statements contained in this Annual Information Form and in the documents incorporated by reference herein are expressly qualified by this cautionary statement. Sea Dragon does not undertake any obligation to publicly update or revise any forward-looking statements except as required by securities laws.

PRESENTATION OF OIL AND GAS INFORMATION

All oil and gas information contained in this Annual Information Form or the documents incorporated by reference herein, has been prepared and presented in accordance with NI 51-101. The actual oil and gas reserves and future production will be greater than or less than the estimates provided herein. The estimated value of future net revenue from the production of the disclosed oil and gas reserves does not represent the fair market value of these reserves. There is no assurance that the forecast prices and costs or other assumptions made in connection with the reserves disclosed herein will be attained and variances could be material.

The estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates of revenue and future net revenue for all properties, due to the effects of aggregation.

EFFECTIVE DATE

The effective date of this Annual Information Form is February 9, 2010 (the "**Effective Date**").

CORPORATE STRUCTURE

Name, Address and Incorporation

Sea Dragon Energy Inc. ("**Sea Dragon**" or the "**Corporation**") was incorporated under the *Canada Business Corporations Act* (the "**CBCA**") on March 28, 2006. On June 17, 2008, Sea Dragon amended its articles to change its registered office to the Province of Alberta.

Sea Dragon's head office is located at 1100, 340 -12th Avenue S.W., Calgary, Alberta, T2R 1L5 and its registered office is located at 1000, 400 – 3rd Avenue S.W., Calgary, Alberta T2P 4H2. Sea Dragon's telephone, facsimile and internet website respectively are: telephone: (403) 457-5035; facsimile: (403) 457-5420; website: www.seadragonenergy.com. Sea Dragon's Egyptian operations office is locate at Apt. #1, Building #6, Road #277, New Maadi, Cairo, Egypt.

The common shares of Sea Dragon have been listed on the TSX Venture Exchange (the "**Exchange**") under the symbol "SDX" since July 15, 2008.

Intercorporate Relationships

On April 8, 2008, the Corporation acquired all of the issued and outstanding shares of Egypt Oil Holdings Ltd. ("**EOHL**"). At the time of the acquisition, EOHL held a thirty-five (35%) percent participating interest in the East Wadi Araba Concession (the "**EWA Concession**") located in the Gulf of Suez, Egypt. On October 10, 2008, EOHL assigned all of its rights and corresponding obligations and liabilities to the Corporation and was subsequently dissolved. Accordingly, the Corporation had no subsidiaries as at December 31, 2008, being its most recently completed financial year.

On December 21, 2009, the Corporation acquired all of the issued and outstanding common shares of Premier Oil Egypt (NW Gemsa) B.V., a Netherlands body corporate and the holder of a ten (10%) percent participating interest in the NW Gemsa Concession. The name of this subsidiary was changed to Sea Dragon Energy (NW Gemsa) B.V. ("**SD Gemsa**") on January 12, 2010. See "*Principal Properties – NW Gemsa Concession*".

On December 29, 2009, the Corporation incorporated Sea Dragon Energy (Kom Ombo) Inc. ("**SD Kom Ombo**") under the laws of Bermuda for the purposes of acquiring a participating interest in the Kom Ombo Concession. See "*Principal Properties – Kom Ombo Concession*".

Unless the context otherwise requires, reference in this Annual Information Form to "Sea Dragon" or the "Corporation" includes the Corporation and its wholly-owned subsidiaries.

GENERAL DEVELOPMENT OF THE BUSINESS

Sea Dragon is an independent international upstream oil and gas corporation whose principal business activities consist of the exploration, development and production of crude oil and natural gas liquids. The corporation currently holds a ten (10%) percent participating interest in the NW Gemsa Concession located in Egypt's Eastern Desert onshore the Gulf of Suez, Egypt. The Corporation has also entered into a farmout agreement to acquire a fifty (50%) percent participating interest in the Kom Ombo Concession located approximately one thousand kilometres south of Cairo along the western bank of the Nile River, Egypt. See "*Principal Properties*".

Three Year History

A general description of the development of Sea Dragon over the past three years ended December 31, 2008 and the periods subsequent thereto is set out below.

2006

In early 2006, David Thompson, the Vice-President of Sea Dragon and Parvez Tyab, a former director and officer of Sea Dragon, secured an opportunity to acquire a participating interest in the EWA Concession located offshore Egypt in the Gulf of Suez.

Following its incorporation on March 26, 2006, the Corporation entered into an agreement (the "**EWA Acquisition Agreement**") pursuant to which it acquired a forty (40%) percent participating interest in the EWA Concession in exchange for 20,000,000 common shares at a deemed price of $0.003 per common share for an aggregate price of approximately $63,000. Under the terms of the EWA Acquisition Agreement, the Corporation was obligated to pay for two-third (2/3) of the cost of drilling two wells on the EWA Concession, at an estimated cost of approximately $4,000,000.

To fund its initial operations, Sea Dragon issued 10,000,000 common shares in March 2006 for gross proceeds of $650,000. This was followed by the issuance of 4,632,000 units for additional proceeds of $741,000 between April and September 2006. Each unit consisted of one (1) common share and one-half (1/2) purchase warrant exercisable at $0.30 per common share.

2007

In January 2007, the Corporation's obligation to drill the first well on the EWA Concession was extended to July 17, 2007 and the well commitment expanded to a total of three wells. In March 2007, Sea Dragon issued an additional 3,115,000 units consisting of one (1) common share and one (1) purchase warrant for net proceeds of $516,000. These proceeds combined with existing cash-on-hand were sufficient for the Corporation to fund its participating interest share of the first commitment well on the EWA Concession. Drilling of the first commitment well (the "**4X well**") commenced in early July 2007. The 4X well encountered several potential sandstone reservoirs however, none of the reservoirs provided an indication of economic hydrocarbon reservoirs and the 4X well was subsequently plugged and abandoned in September 2007.

2008

Between November 2007 and January 2008, the Corporation issued an aggregate of $7,500,000 of non-interest bearing convertible debentures, maturing March 31, 2008. The debentures were convertible into common shares of the Corporation at a price of $0.35 per common share. The maturity date of the convertible debentures was subsequently extended to July 31, 2008.

In April 2008, Sea Dragon acquired all of the outstanding common shares of EOHL in exchange for the issuance of 24 million common shares of the Corporation. At the time of the acquisition, EOHL owned a thirty-five (35%) percent participating interest in the EWA Concession, bringing the Corporation's total participating interest in the EWA Concession to seventy-five (75%) percent. Under the terms of a joint operating agreement for the EWA Concession, Sea Dragon was responsible to pay one hundred (100%) percent of the costs of the next two wells to be drilled at the EWA Concession.

On July 15, 2008, the Corporation completed its initial public offering (the "**IPO**") and issued a total of 58,333,334 common shares at a price of $0.60 per common share for net proceeds after commissions and issue costs of approximately $30,925,000. Concurrent with the closing of the IPO, the convertible debentures were converted into 21,428,571 common shares. On July 17, 2008, the common shares of the Corporation were listed on the Exchange under the symbol "SDX".

In November 2008, the Corporation commenced drilling of a well (the "**5X well**") in the Dahab North prospect of the EWA Concession. The 5X well was drilled to a final total depth of 9,750 feet in February 2009. Although the 5X well encountered several prospective zones, it was determined to be non-economic and was subsequently plugged and abandoned.

Subsequent Events - 2009

NW Gemsa Concession (Egypt)

In August 2009, the Corporation entered into a share purchase agreement with Premier Oil Overseas B.V. to acquire all of the issued and outstanding shares of Premier Egypt (NW Gemsa) B.V. ("**Premier Egypt**"), the holder of a ten (10%) percent participating interest in the NW Gemsa Concession located in Egypt's Eastern Desert onshore the Gulf of Suez (the "**NW Gemsa Concession**"). The share purchase transaction was completed on December 21, 2009 with a July 1, 2009 effective date. The consideration paid by the Corporation for the shares of Premier Egypt was US$12.5 million.

Private Placement

In November 2009, the Corporation completed a private placement of 60,000,000 units at a price of $0.25 per unit for total gross proceeds of $15,000,000. Each unit consisted of one (1) common share and one-half (1/2) purchase warrant exercisable into one (1) additional common share at an exercise price of $0.50 per common share until November 6, 2012.

Kom Ombo Concession (Egypt)

On December 31, 2009, the Corporation entered into a farmout agreement (the "**Kom Ombo Farmout Agreement**") pursuant to which the Corporation agreed to acquire a fifty (50%) percent participating interest in the Kom Ombo (Block 2) Concession located one thousand kilometres south of Cairo along the western bank of the Nile River (the "**Kom Ombo Concession**").

Under the terms of the Kom Ombo Farmout Agreement, the total consideration payable by the Corporation is US$45 million subject to working capital adjustments. Of this amount, approximately US$20 million is classified as reimbursement of the vendor's past costs and is cost recoverable by Sea Dragon out of future production revenues. The balance of the consideration was allocated to the cost of the hydrocarbon resources (US$21 million) and a carry of the vendor's share of capital expenses incurred after the effective date of July 1, 2009. Sea Dragon will operate the Kom Ombo Concession with Dana Gas Egypt Ltd. ("**DGE**"), the holder of the remaining fifty (50%) percent participating interest. Sea Dragon paid the initial payment instalment of US$10 million on January 28, 2010. The balance of the consideration is payable not later than April 30, 2010.

Subsequent Events – 2010

Private Placement

On January 25, 2010, the Corporation completed an underwritten private placement of 22,730,000 special warrants ("**Special Warrants**") for total gross proceeds of $12,501,500. Each special warrant is exercisable into one (1) common share of the Corporation, for no additional consideration, on the earlier of: (i) the third business day following issuance of a receipt (the "**Receipt**") for the Corporation's final prospectus qualifying the common shares underlying the Special Warrants in each jurisdiction of Canada where the Special Warrants were offered; and (ii) May 26, 2010. In the event that the Receipt is not issued prior to April 1, 2010, each Special Warrant shall be exercisable for 1.05 common shares of the Corporation, in lieu of one (1) common share. The underwriters of the private placement have an option, which expires on February 24, 2010, to purchase, on the same terms, an additional 4,550,000 Special Warrants for additional gross proceeds of $2,502,500. The underwriters have not exercised their option to purchase additional Special Warrants as of the Effective Date of this Annual Information Form.

Significant Acquisitions

EWA Concession

During the year ended December 31, 2008, being the Corporation's most recently completed financial year prior to the Effective Date of this Annual Information Form, the Corporation acquired all of the issued and outstanding common shares of EOHL, a body corporate that owned a thirty-five (35%) percent participating interest in the EWA Concession. See "*General Development of the Business – Three Year History – 2008*".

NW Gemsa Concession and Kom Ombo Concession

Subsequent thereto, the Corporation has acquired the issued and outstanding shares of Premier Egypt, the holder of a ten (10%) percent participating interest in the NW Gemsa Concession and has entered into the Kom Ombo Farmout Agreement to acquire a fifty (50%) percent participating interest in the Kom Ombo Concession. See "*General Development of the Business – Subsequent Events – 2009*".

The Corporation is in the process of preparing a Business Acquisition Report in accordance with Form 51-102F4 in respect of the NW Gemsa Acquisition as required by National Instrument 51-102 - *Continuous Disclosure Obligations* ("**NI 51-102**").

DESCRIPTION OF THE BUSINESS AND OPERATIONS

Sea Dragon is an independent international upstream oil and gas corporation currently engaged in exploration, acquisition, development and production of petroleum and natural gas in Egypt. The Corporation's principal assets are all currently situated in Egypt.

Management Strategy and Development

Sea Dragon has developed a strategy to focus on acquiring interests in discovered non-producing properties or non-producing properties that are close to production. The areas of primary focus are northern Africa with an emphasis in Egypt and Sub-Saharan Africa. It is management's belief that petroleum assets in this region are currently undervalued due to the economic downturn and that this situation presents an opportunity to acquire producing petroleum assets at favourable prices. Management believes this strategy of acquiring under-valued assets will give Sea Dragon a strong position as the economy turns more favourable. In the meantime, the cash flow from producing assets will be used to pay the operating costs and to provide working capital for the Corporation.

The business plan of the Corporation is to focus on sustainable and profitable per share growth in both cash flow from operations and net asset value. To accomplish this, the Corporation will focus on enhancing its asset base through land acquisitions, property acquisitions, exploratory drilling and development drilling.

The Corporation intends to generate exploration and development opportunities possessing medium risk and multiple prospective productive zone potential with a prudent exposure to higher risk/reward prospects. The Corporation will maintain a balance between exploration, development and exploitation drilling, combined with acquisition opportunities that meet the Corporation's business parameters. To achieve sustainable and profitable growth, the Corporation will endeavour to have direct control of the timing and costs of its projects. Accordingly, the Corporation will seek operatorship of properties in which it has an interest. Further, to minimize competition within its geographic areas of interest, the Corporation will, after giving consideration to its risk profile, strive to maximize its working interest ownership in its properties. While the Corporation intends to have the skills and resources necessary to achieve its objectives, exploration and development in the oil and natural gas industry has a number of inherent risks. See "*Risk Factors*".

In reviewing potential drilling or acquisition opportunities, the Corporation gives consideration to the following criteria:

(a) risk capital required to secure or evaluate the investment opportunity;
(b) the potential return on the project, if successful;
(c) the likelihood of success; and
(d) the risked return versus cost of capital.

The board of directors of the Corporation may, in its discretion, approve acquisitions that do not conform to these guidelines based upon its consideration of the qualitative aspects of the subject properties including risk profile, technical upside, reserve life and asset quality.

Management is pursuing other investment opportunities in producing properties, primarily in Egypt and other areas of northern Africa and Sub-Saharan Africa. The reputation and experience of the Corporation's Board of Directors, executive and supporting consultants has opened discussions with other operators, concession holders and the Government of Egypt that could lead to Sea Dragon taking an active role as an investor and/or operator of other concessions. Each opportunity is evaluated for its economic potential, risks and Sea Dragon's capacity to undertake the project.

Some investment projects may require additional sources of financing and the Corporation is considering, on a project by project basis, all options, such as partnership or joint venture financing, issuance of additional common shares of the Corporation and/or debt or private funding, that will allow the Corporation to move forward without undue dilution of its capital stock.

Marketing

The Corporation's crude oil production from the NW Gemsa Concession is currently marketed to the Egypt state-owned Egypt General Petroleum Company ("**EGPC**") pursuant to a marketing agreement with the NW Gemsa Concession owners. The marketing agreement is for a one year period and sets the selling price for crude oil at the average monthly Brent North Sea price less $2.50. The concession agreement governing the NW Gemsa Concession does not obligate the joint venture to sell its production exclusively through EGPC or any other entity controlled by the government of Egypt.

Specialized Skill and Knowledge

The Corporation relies on specialized skills and knowledge to gather, interpret and process geophysical data, drill and complete wells, design and operate production facilities and numerous additional activities required to explore for and produce oil and natural gas. The Corporation has employed a strategy of contracting consultants and other service providers to supplement the skills and knowledge of its permanent staff in order to provide the specialized skills and knowledge to undertake its oil and natural gas operations effectively.

Competitive Conditions

The oil and natural gas industry is intensely competitive in all its phases. Sea Dragon competes with numerous other participants in the search for, and the acquisition of, oil and natural gas properties and in the marketing of oil and natural gas. Sea Dragon's competitors include resource companies which have greater financial resources, staff and facilities than those of Sea Dragon. Competitive factors in the distribution and marketing of oil and natural gas include price and methods and reliability of delivery. Sea Dragon believes that its competitive position is equivalent to that of other oil and gas issuers of similar size and at a similar stage of development.

Cyclical and Seasonal Nature of Industry

The exploration and development of oil and gas properties and the production of oil and gas reserves is not affected by seasonal changes in weather in the parts of the world that the Corporation has selected to pursue its activities.

Sea Dragon's operational results and financial condition will be dependent on the prices received for oil and natural gas production. Oil and natural gas prices have fluctuated widely during recent years and are determined by supply and demand factors, including weather and general economic conditions, as well as conditions in other oil and natural gas regions. Any decline in oil and natural gas prices could have an adverse effect on Sea Dragon's financial condition.

Economic Dependence

The available purchasers of crude oil consist of the EGPC and another private company, which have both expressed an interest in and have the capacity to purchase crude oil from the NW Gemsa concession. The joint venture has signed a marketing agreement with EGPC but it is not obligated to sell all of its crude oil exclusively to EGPC. The joint venture is dependent upon these two purchasers to sell its crude oil production.

Environmental Requirements

Egyptian environmental legislation provides for restrictions and prohibitions on releases or emissions and regulation on the storage and transportation of various substances produced or utilized in association with certain oil industry operations, and can affect the location and operation of wells and facilities and the extent to which exploration and development is permitted. In addition, legislation requires that well and facility sites are abandoned and reclaimed to the satisfaction of regulatory authorities. Applicable environmental laws may impose remediation obligations with respect to property designated as a contaminated site upon certain responsible persons, which include persons responsible for the substance causing the contamination, persons who caused the release of the substance and any past or present owner, tenant or other person in possession of the site. Compliance with such legislation can require significant expenditures and a breach of such legislation may result in the suspension or revocation of necessary licences and authorizations, civil liability for pollution damage, the imposition of fines and penalties or the issuance of clean-up orders. Environmental legislation and policy is periodically amended. Such amendments may result in stricter standards and enforcement and in more stringent fines and penalties for non-compliance. Environmental assessments of existing and proposed projects carry a heightened degree of responsibility for companies and their directors, officers and employees. The costs of compliance associated with changes in environmental regulations could require significant expenditures, and breaches of such regulations may result in the imposition of material fines and penalties. In an extreme case, such regulations may result in temporary or permanent suspension of production operations and associated activities. There can be no assurance that these environmental costs or effects will not have a materially adverse effect on the Corporation's future financial condition or results of operations.

Employees

As at December 31, 2008, the Corporation had three employees and utilized the services of four professionals on a part-time contract or consulting basis. As of the Effective Date of this Annual Information Form, the Corporation has four employees and five consultants.

The executive management team of the Corporation includes experienced oil professionals with over 100 years of combined industry experience. Relying on the knowledge and experience of this team, the Corporation intends to evaluate and explore the identified oil prospects in the NW Gemsa Concession and the Kom Ombo Concession, pursue the identified lead prospect and other exploration opportunities in these blocks and pursue potential acquisition opportunities to become a significant independent oil producer in Egypt.

Foreign Investments

All of the Corporation's oil investments have been located outside of Canada in Egypt and the Congo. These investments are subject to the risks associated with foreign investment including tax increases, royalty increases, re-negotiation of contracts, currency exchange fluctuations and political uncertainty. The jurisdiction in which the Corporation operates, Egypt, has a well established fiscal regime and there are some improved fiscal terms to encourage investments. The functional currency in the primary operating area is US dollars. Sea Dragon expects to be paid in US dollars when it commences production.

As operations are primarily carried out in US dollars, the main exposure to currency exchange fluctuations for the Corporation is the conversion to equivalent Canadian funds for reporting purposes.

The investment in the Congo was in the form of a convertible debenture acquired from a private Canadian corporation that is operating there. The principle and earned interest were repaid in full on January 25, 2010 and Sea Dragon no longer has an investment in the Congo.

Tax Horizon

Sea Dragon was not required to pay any cash incomes taxes for the year ended December 31, 2008. Based on current production and price assumptions and a continuing business model whereby the Corporation reinvests capital, incurs general, administrative and interest costs, and operates in foreign countries, together with the non-capital losses available to the Corporation, Sea Dragon does not expect to pay cash income taxes in the near future.

The Corporation's Egypt operations are currently under the jurisdiction of various concession agreements. Under the terms of such agreements, although the corporation must file corporate income tax returns with the Government of Egypt, any income tax liability arising from concession is paid by the EGPC out its profit oil allocation. It is not anticipated that Sea Dragon will be required to pay Egyptian income tax using its own funds.

Principal Properties

EWA Concession

As at December 31, 2008, being the Corporation's most recently completed financial year prior to the Effective Date of this Annual Information Form, the Corporation held a seventy-five (75%) percent participating interest in the EWA Concession. The Corporation subsequently allowed its participating interest in the EWA Concession to lapse following the drilling of two wells that were determined not to be economically producible. Accordingly, the Corporation has no interest in the EWA Concession as of the Effective Date of this Annual Information Form.

NW Gemsa Concession

The NW Gemsa Concession is a 250 square km. onshore concession area located approximately 300 km south east of Cairo in the Eastern Desert. Sea Dragon currently holds a ten (10%) percent participating interest which it acquired in August 2009. Sea Dragon's partners in the NW Gemsa Concession are Vegas Oil and Gas (the current operator) who holds a fifty (50%) percent interest and Circle Oil Plc who holds a forty (40%) percent interest. In October 2008, a discovery was announced on the Al Amir-SE1 well with 41 degree API oil tested at 3,388 bbls/d and 4.25 MMscfd gas. In February 2009, a twenty year development lease was agreed to by the Egyptian government and in May 2009, a further discovery was announced on Geyad-1X where two zones tested 40 degree API oil. The first zone tested 2,809 bbls/d with 3.04 MMscfd gas and second, upper zone tested 1,174 bbls/d with 1.324 MMscfd gas.

Production of 2,250 bbls/d when the NW Gemsa Farmout Agreement was signed has increased to 9,220 bbls/d as at the Effective Date of this Annual Information Form.

Kom Ombo Concession

The Kom Ombo Concession is a large exploration block (approximately 11,446 Sq. Km) located approximately 1,000 km south of Cairo, Egypt on the West Bank of the Nile River. The Corporation will have a fifty (50%) percent participating interest in the Kom Ombo Concession pursuant to the terms of the Kom Ombo Farmout Agreement. Included in the Kom Ombo Concession is the Al Baraka development lease which contains the Al Baraka oil field which was discovered in 2007. The Al Baraka oil field is comprised of two productive zones. Four wells were drilled to delineate the Al Baraka field and all four wells are currently on production. Production from the Al Baraka field as at the Effective Date of this Annual Information Form is approximately 850 barrels of oil per day of light 37 degree API oil from the shallow vertical wells. The Kom Ombo Concession is currently in its third and final exploration phase which will end in 2012.

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

Reserves

The Corporation had no reserves to report for the year ended December 31, 2008. The Corporation's Statement of Reserves Data and Other Oil and Gas Information (on Form 51-101F1) dated May 15, 2009 and effective December 31, 2008 and related Report of Management and Directors on Oil and Gas Disclosure (on Form 51-101F3) for the year ended December 31, 2008, copies of which were filed on SEDAR by the Corporation on May 27, 2009 and are available electronically via the internet at www.sedar.com, are incorporated by reference in this Annual Information Form.

Material Changes

Subsequent to December 31, 2008, the Corporation acquired a ten (10%) percent participating interest in the NW Gemsa Concession in August 2009 and pursuant to the terms of the Kom Ombo Farmout Agreement, will be acquiring a fifty (50%) percent interest in the Kom Ombo Concession. See "*General Development of the Corporation – Subsequent Events – 2009*" and "*Principal Properties*".

The Corporation has prepared Material Change Reports (on Form 51-102F3) in connection with the acquisition of the participating interest in the NW Gemsa Concession dated August 20, 2009 and February 10, 2010 and in connection with the acquisition of the participating interest in the Kom Ombo Concession dated January 13, 2010. Copies of these Material Change Reports were filed on SEDAR by the Corporation and are available electronically via the internet at www.sedar.com. These Material Change Reports are incorporated by reference in this Annual Information Form.

INDUSTRY AND MARKET OVERVIEW

Overview of the Development of Oil and Gas in Egypt

The petroleum industry plays a key role in the Egyptian economy. It is one of Egypt's four main sources of foreign exchange, with Egypt currently being an oil exporter. Egyptian production comes from four main areas: the Gulf of Suez, the Western Desert, the Eastern Desert and the Sinai Peninsula. In addition to being an oil exporter, Egypt has strategic importance because of its operation of the Suez Canal and Sumed (Suez-Mediterranean) Pipeline. These are two routes for export of oil produced from the Persian Gulf and the Gulf of Suez.

At the beginning of 2007, the Shura Council's Industrial and Energy Committee approved nine agreements for oil and natural gas prospecting in the Gulf of Suez as well as the Western and Eastern Deserts. Through such agreements, Egypt is striving to increase and maintain crude oil production comfortably above 800,000 bbls/d.

Since the discovery of the Gemsa field, the Gulf of Suez has become recognized as among the most prolific oil regions in the world, currently producing approximately 50% of Egypt's 660,000 bbls/d from 40 fields. The United States Geological Survey (USGS) estimated in 2000 that the mean undiscovered reserves in the Gulf of Suez were approximately 2.3 billion barrels. Oil production in the Gulf of Suez is dominated by Gulf of Suez Petroleum, British Petroleum, Royal Dutch Shell Plc and Apache Corporation.

Over the last approximately 60 years, Egypt has been dominated by larger oil and gas companies with large projects that were beyond the fiscal and operational capacity of most junior oil and gas companies. As Egyptian oil fields mature, the industry has shifted focus from discovering new resources to increasing the productivity of existing fields and developing smaller, previously marginal prospects. This shift in focus has prompted larger oil and gas companies to redeploy their capital to other areas of the globe in search of larger discoveries and to rationalize their Egyptian assets. The result has been the entry into the Egyptian oil sector of many smaller operators, who may find smaller and maturing fields more attractive than the larger oil and gas companies due to their typically lower overhead costs and greater flexibility.

There are now approximately 50 international oil and gas companies active in the exploration and production of oil and gas in Egypt. New technologies, extensive seismic data and the mature nature of the basin have resulted in increased exploration success in the Gulf of Suez relative to frontier zones where the uncertainty of striking oil is significantly higher.

Upon a commercial discovery by Sea Dragon, the Gulf of Suez's highly developed infrastructure will reduce operating risk as the Suez Canal and Sumed Pipeline provide easy access to Mediterranean markets. In order to meet any future increase in demand in the Mediterranean markets, the Suez Canal Authority is continuing enlargement projects on the canal. The canal has recently been deepened to 58 feet and can accommodate the world's largest bulk carriers. An alternative to shipping routes, the Sumed Pipeline is a 200-mile pipeline that runs from Ain Sukhna on the Gulf of Suez to Sidi Kerir on the Mediterranean. The Sumed Pipeline's capacity has been increased from its original capacity of 1.6 million bbls/d to 3.1 million bbls/d.

In addition to legislative initiatives, relatively high oil prices in recent years have also encouraged the search for and development of oil within Egypt. Advances in technology, industry practice and exploitation of existing infrastructure are also assisting in the conversion of previously marginal prospects into potentially profitable projects.

Legislative and Fiscal Structure of the Egyptian Oil and Gas Industry

Regulation

In 2000, the Egyptian Ministry of Petroleum set up a comprehensive strategy. Among its most important implementation mechanisms was the adjusting and developing of the petroleum sector structure through the separation of natural gas and petrochemicals activities from those of EGPC and the establishment of an independent entity for each of them, in addition to paying special and concentrated attention to Upper Egypt through the establishment of an independent entity. After adding the mineral resources activity to the responsibilities of the Egyptian Ministry of Petroleum and establishing the General Authority for Mineral Resources on October 14, 2004, the oil sector in Egypt consisted of five bodies as follows: EGPC, Egyptian Natural Gas Holding Corporation, Egyptian Petrochemicals Holding Corporation, Ganoub El Wadi Petroleum Holding Corporation and Egyptian General Authority for Mineral Resources.

Licences

EGPC is responsible for the development and exploitation of Egypt's petroleum resources and for ensuring the supply of the various refined petroleum products within Egypt, subject to the direct oversight of the Egyptian Ministry of Petroleum. Through its various subsidiaries, EGPC engages in all aspects of the petroleum industry, including the exploration for and production of crude oil, condensate and natural gas. EGPC's principal activities include exploration for crude oil, condensate and natural gas and production, refining and processing, and transportation, distribution and marketing of crude oil, natural gas and derivative products. EGPC's exploration and production activities are carried out in association with international partners in accordance with concession and production sharing agreements granted by the Arab Republic of Egypt. The exploration is undertaken primarily by foreign companies in partnership with the EGPC. Concession and production sharing agreements permit the foreign contractor to explore for and produce crude oil, condensate or natural gas from a field for a specified time period, and set out the production sharing terms applicable as between EGPC and the foreign contractor.

RISK FACTORS

The exploration for, and the acquisition, development and production of, oil and natural gas reserves outside of Canada is a speculative activity that involves a high degree of financial and other risk. Sea Dragon faces and will continue to face a number of known and unknown risks and uncertainties relating to its business. The following is a discussion of certain known risk factors that may affect the Corporation and its business, which must be read in conjunction with the information appearing elsewhere in this Annual Information Form and the documents incorporated by reference herein. The discussion below does not constitute an exhaustive description of all risks.

Foreign Investments

All of the Corporation's oil investments are located outside of Canada. These investments are subject to the risks associated with foreign investment including tax increases, royalty increases, re-negotiation of contracts, currency exchange fluctuations and political uncertainty. The jurisdiction in which the Corporation operates, Egypt, has a well established fiscal regime and there are some improved fiscal terms to encourage investments. The functional currency in the primary operating area is US dollars. Sea Dragon expects to be paid in US dollars when it commences production.

As Sea Dragon's operations are primarily carried out in US dollars, the Corporation's main exposure to currency exchange fluctuations is the conversion to equivalent Canadian funds for reporting purposes.

Exploration, Development and Production Risks

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of Sea Dragon depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, Sea Dragon's existing reserves and the production there from will decline over time as such existing reserves are exploited. A future increase in Sea Dragon's reserves will depend not only on its ability to explore and develop any properties it may have an interest in, but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that Sea Dragon will be able to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, management of Sea Dragon may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. There is no assurance that further commercial quantities of oil and natural gas will be discovered or acquired by Sea Dragon.

Future oil and natural gas exploration may involve unprofitable efforts, not only from dry wells, but also from wells that are productive but do not produce sufficient petroleum substances to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, cratering, sour gas releases and spills, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment or personal injury. In particular, Sea Dragon may explore for and produce sour natural gas in certain areas. An unintentional leak of sour natural gas could result in personal injury, loss of life or damage to property and may necessitate an evacuation of populated areas, all of which could result in liability to Sea Dragon. In accordance with industry practice, Sea Dragon is not fully insured against all of these risks, nor are all such risks insurable. Although Sea Dragon maintains liability insurance in an amount that it considers consistent with industry practice, the nature of these risks is such that liabilities could exceed policy limits, in which event Sea Dragon could incur significant costs that could have a material adverse effect upon its financial condition. Oil and natural gas production operations are also subject to all the risks typically associated with such operations, including encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks could have a material adverse effect on Sea Dragon.

Operational Dependence

Other companies operate some of the assets in which Sea Dragon has an interest. As a result, Sea Dragon has limited ability to exercise influence over the operation of those assets or their associated costs, which could adversely affect Sea Dragon's financial performance. Sea Dragon's return on assets operated by others will therefore depend upon a number of factors that may be outside of Sea Dragon's control, including the timing and amount of capital expenditures, the operator's expertise and financial resources, the approval of other participants, the selection of technology and risk management practices.

Project Risks

Sea Dragon will manage a variety of small and large projects in the conduct of its business. Project delays may delay expected revenues from operations. Significant project cost over-runs could make a project uneconomic.

Sea Dragon's ability to execute projects and market oil and natural gas will depend upon numerous factors beyond Sea Dragon's control, including:

- the availability of processing capacity;
- the availability and proximity of pipeline capacity;
- the availability of storage capacity;
- the supply of and demand for oil and natural gas;
- the availability of alternative fuel sources;
- the effects of inclement weather;
- the availability of drilling and related equipment;
- unexpected cost increases;
- accidental events;
- currency fluctuations;
- changes in regulations;
- the availability and productivity of skilled labour; and
- the regulation of the oil and natural gas industry by various levels of government and governmental agencies.

Because of these factors, Sea Dragon could be unable to execute projects on time, on budget or at all, and may not be able to effectively market the oil and natural gas that it produces.

Competition

The Corporation operates in the highly competitive areas of oil and gas exploration, development and acquisition with a substantial number of other companies, including Untied States-based and foreign companies doing business in Egypt. The Corporation faces intense competition from independent, technology-driven companies as well as from both major and other independent oil and gas companies in seeking oil and gas exploration licences and production licences in Egypt and acquiring desirable producing properties or new leases for future exploration. The Corporation also faces competition in marketing oil and natural gas production, acquiring exploration leases, hiring skilled industry personnel and acquiring the equipment and expertise necessary to develop and operate properties.

Regulatory

Oil and natural gas operations (exploration, production, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government, which may be amended from time to time. Governments may regulate or intervene with respect to price, taxes, royalties and the exportation of oil and natural gas. Such regulations may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the oil and natural gas industry could reduce demand for natural gas and crude oil and increase Sea Dragon's costs, any of which may have a material adverse effect on Sea Dragon's intended business, financial condition and results of operations. In order to conduct oil and gas operations, Sea Dragon will require licenses from various governmental authorities. There can be no assurance that Sea Dragon will be able to obtain all of the licenses and permits that may be required to conduct operations that it may wish to undertake.

Commodity Price Risk

When the Corporation has producing resource properties and commences to sell oil or natural gas, its revenues will be significantly affected by the prevailing world commodity prices. World prices for oil and natural gas have fluctuated widely in recent years and are future price fluctuations are expected and will have a significant impact on the projected revenue of Sea Dragon, the projected return for its current and future reserves and the general financial viability of the Corporation.

Lower commodity prices will also be factor in the Corporation’s efforts to raise additional capital. Management takes the availability of investment capital into consideration as it evaluates acquisition opportunities so as to minimize the possibility of becoming illiquid by acquiring assets that may require more capital than the Corporation can provide.

Environmental

Sea Dragon’s current and future operations that are conducted in Egypt are subject to environmental regulations promulgated by the Egyptian government. Should Sea Dragon initiate operations in other countries, such operations will be subject to environmental legislation in such jurisdictions. Current environmental legislation in Egypt provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil, condensate and natural gas operations. In addition, certain types of operations may require the submission and approval of environmental impact assessments. Sea Dragon’s existing operations are subject to such environmental policies and legislation. Environmental legislation and policy is periodically amended. Such amendments may result in stricter standards and enforcement and in more stringent fines and penalties for non-compliance. Environmental assessments of existing and proposed projects carry a heightened degree responsibility for companies and their directors, officers and employees. The costs of compliance associated with changes in environmental regulations could require significant expenditures, and breaches of such regulations may result in the imposition of material fines and penalties. In an extreme case, such regulations may result in temporary or permanent suspension of production operations. There can be no assurance that these environmental costs or effects will not have a materially adverse effect on Sea Dragon’s future financial condition or its results of operations.

Prices, Markets and Marketing

The marketability and price of oil and natural gas that may be acquired or discovered by Sea Dragon is and will continue to be affected by numerous factors beyond its control. Sea Dragon's ability to market its oil and natural gas depends upon its ability to acquire space on pipelines that deliver natural gas to commercial markets. Sea Dragon is also affected by deliverability uncertainties related to the proximity of its reserves to pipelines and processing and storage facilities and operational problems affecting such pipelines and facilities as well as extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business.

Both oil and natural gas prices are unstable and are subject to fluctuation. Any material decline in prices could result in a reduction of Sea Dragon's net production revenue. The economics of producing from some wells may change as a result of lower prices, which could result in reduced production of oil or gas and a reduction in the volumes of Sea Dragon's reserves. Sea Dragon might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in Sea Dragon's net production revenue and a reduction in its oil and gas acquisition, development and exploration activities. In addition, bank borrowings available to Sea Dragon will be in part determined by Sea Dragon's borrowing base. A sustained material decline in prices from historical average prices could reduce Sea Dragon's borrowing base, therefore reducing the bank credit available to Sea Dragon which could require that a portion, or all, of Sea Dragon's bank debt be repaid and a liquidation of its assets.

In Egypt, producers of oil negotiate sales contracts directly with oil purchasers, with the result that the market determines the price of oil. The price depends in part on oil quality, prices of competing fuels, distance to market, the value of refined products and the supply/demand balance. Egypt is not currently a member of the Organization of Petroleum Exporting Countries. Currently, all of Sea Dragon’s share of production from the NW Gemsa Concession is sold to EGPC. The Corporation would be materially affected should EGPC be unable or unwilling to pay for the crude oil that it had acquired from Sea Dragon. The Corporation’s cash flow and earnings could also be affected if EGPC delays in paying the amounts it owes to the Corporation beyond normal commercial periods.

Variations in Foreign Exchange Rates and Interest Rates

World oil and gas prices are quoted in United States dollars and the price received by Canadian producers is therefore affected by the Canadian/U.S. dollar exchange rate, which will fluctuate over time. In recent years, the Canadian dollar has increased materially in value against the United States dollar. Such material increases in the value of the Canadian dollar may negatively impact Sea Dragon's operating entities' production revenues. Further material increases in the value of the Canadian dollar would exacerbate this potential negative impact. This increase in the exchange rate for the Canadian dollar and future Canadian/United States exchange rates could accordingly impact the future value of Sea Dragon's reserves as determined by independent evaluators.

Most of the Corporation’s capital expenditures and foreign operating costs are also paid in U.S. dollars and it therefore needs to purchase U.S. dollars from time to time to meet its needs. Fluctuations in the exchange rate will affect the acquisition cost of the U.S. currency and hence the cost of meeting the Corporation’s financial commitments.

To the extent that Sea Dragon engages in risk management activities related to foreign exchange rates, there is a credit risk associated with counterparties with which Sea Dragon may contract.

An increase in interest rates could result in a significant increase in the amount Sea Dragon pays to service future debt, which could negatively impact the market price of the common shares of the Corporation. As of December 31, 2008 and as of the Effective Date of this Annual Information Form, the Corporation did not have any long term debt obligations.

Substantial Capital Requirements

Sea Dragon anticipates making substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. Sea Dragon's cash flow from its reserves may not be sufficient to fund its ongoing activities at all times or to allow it to undertake or complete future drilling programs. From time to time, Sea Dragon may require additional financing in order to carry out its oil and gas acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause Sea Dragon to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. If Sea Dragon's revenues from its reserves decrease as a result of lower oil and natural gas prices or otherwise, Sea Dragon's ability to expend the necessary capital to replace its reserves or to maintain its production will be impaired. If Sea Dragon's cash flow from operations is not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or, if available, on favourable terms. The inability of Sea Dragon to access sufficient capital for its operations could have a material adverse effect on Sea Dragon's financial condition, results of operations and prospects.

Issuance of Debt

From time to time Sea Dragon may enter into transactions to acquire assets or the shares of other organizations. These transactions may be financed in whole or in part with debt, which may increase Sea Dragon's debt levels above industry standards for oil and natural gas companies of similar size. Depending on future exploration and development plans, Sea Dragon may require additional equity and/or debt financing that may not be available or, if available, may not be available on favourable terms. Neither Sea Dragon's articles nor its bylaws limit the amount of indebtedness that Sea Dragon may incur. The level of Sea Dragon's indebtedness from time to time, could impair Sea Dragon's ability to obtain additional financing on a timely basis to take advantage of business opportunities that may arise.

Hedging

From time to time Sea Dragon may enter into agreements to receive fixed prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline. However, if commodity prices increase beyond the levels set in such agreements, Sea Dragon will not benefit from such increases. Similarly, from time to time Sea Dragon may enter into agreements to fix the exchange rate of Canadian to United States dollars in order to offset the risk of revenue losses if the Canadian dollar increases in value compared to the United States dollar. However, if the Canadian dollar declines in value compared to the United States dollar, Sea Dragon will not benefit from the fluctuating exchange rate.

Availability of Drilling Equipment and Access

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment (typically leased from third parties) in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to Sea Dragon and may delay exploration and development activities. To the extent Sea Dragon is not the operator of its oil and gas properties, Sea Dragon will be dependent on such operators for the timing of activities related to such properties and will be largely unable to direct or control the activities of the operators.

Title to Assets

Sea Dragon has investigated the rights to explore the various oil and gas properties it holds or proposes to participate in and, to the best of its knowledge, those rights are in good standing. However, no assurance can be given that applicable governments will not revoke, or significantly alter the conditions of, the applicable exploration and development authorizations and that such exploration and development authorizations will not be challenged or impugned by third parties. There is no certainty that such rights or additional rights applied for will be granted or renewed on terms satisfactory to Sea Dragon. There can be no assurances that claims by third parties against Sea Dragon’s properties will not be asserted at a future date.

Reserve Estimates

There are numerous uncertainties inherent in estimating quantities of oil, natural gas and NGL reserves and the future cash flows attributed to such reserves. The reserve and associated cash flow information set forth in this Annual Information Form and the documents incorporated by reference herein are estimates only. In general, estimates of economically recoverable oil and natural gas reserves and the future net cash flows there from are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil and gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating costs, all of which may vary materially from actual results. All such estimates are to some degree speculative, and classifications of reserves are only attempts to define the degree of speculation involved. For those reasons, estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves prepared by different engineers, or by the same engineers at different times, may vary. Sea Dragon's actual production, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates thereof and such variations could be material.

Estimates of proved reserves that may be developed and produced in the future are often based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. Recovery factors and drainage areas were estimated by experience and analogy to similar producing pools. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history and production practices will result in variations in the estimated reserves and such variations could be material.

Insurance

Sea Dragon's involvement in the exploration for and development of oil and natural gas properties may result in Sea Dragon becoming subject to liability for pollution, blow outs, property damage, personal injury or other hazards. Although Sea Dragon will maintain insurance in accordance with industry standards to address certain of these risks, such insurance has limitations on liability and may not be sufficient to cover the full extent of such liabilities. In addition, such risks are not, in all circumstances, insurable or, in certain circumstances, Sea Dragon may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of any uninsured liabilities would reduce the funds available to Sea Dragon. The occurrence of a significant event that Sea Dragon is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on Sea Dragon.

Political and Economic Risks

All of Sea Dragon’s oil and gas operations and related assets are located in Egypt. While Egypt has a relatively stable government, Sea Dragon’s activities in Egypt may be adversely affected in varying degrees by political or economic instability. Any changes in oil and gas or investment regulations and policies or a shift in political attitudes in Egypt are beyond the control of Sea Dragon and adversely affect its business and future financial results. Operations may be impacted in various degrees by such factors as government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation, land use, water use, land claims of local people and workplace safety. The impact of these factors on Sea Dragon’s future results of operations cannot be accurately predicted.

Dividends

Any decision to pay dividends on the Common Shares will be made by the board of directors of Sea Dragon on the basis of Sea Dragon's earnings, financial requirements and other conditions existing at such future time. See "Dividend Record".

Conflicts of Interest

Certain directors of Sea Dragon are also directors of other oil and gas companies and as such may, in certain circumstances, have a conflict of interest requiring them to abstain from certain decisions. Conflicts, if any, will be subject to the procedures and remedies of the CBCA. See “Conflicts of Interest”.

Management of Growth

Sea Dragon may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of Sea Dragon to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of Sea Dragon to deal with this growth could have a material adverse impact on its business, operations and prospects.

Expiration of Licences and Leases

Sea Dragon's properties are held in the form of licenses and leases and working interests in licenses and leases. If Sea Dragon or the holder of the license or lease fails to meet the specific requirement of a license or lease, the license or lease may terminate or expire. There can be no assurance that any of the obligations required to maintain each license or lease will be met. The termination or expiration of Sea Dragon's licenses or leases or the working interests relating to a license or lease may have a material adverse effect on Sea Dragon's results of operations and business.

Third Party Credit Risk

Sea Dragon may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to Sea Dragon, such failures could have a material adverse effect on Sea Dragon and its cash flow from operations. In addition, poor credit conditions in the industry and of joint venture partners may impact a joint venture partner's willingness to participate in Sea Dragon's ongoing capital program, potentially delaying the program and the results of such program until Sea Dragon finds a suitable alternative partner.

Reliance on Key Personnel

Sea Dragon's success depends in large measure on certain key personnel. The loss of the services of such key personnel could have a material adverse affect on Sea Dragon. Sea Dragon does not have any key person insurance in effect for management. The contributions of the existing management team to the immediate and near term operations of Sea Dragon are likely to be of central importance. In addition, the competition for qualified personnel in the oil and natural gas industry is intense and there can be no assurance that Sea Dragon will be able to continue to attract and retain all personnel necessary for the development and operation of its business. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of Sea Dragon.

Reliance on Strategic Relationships

Sea Dragon’s existing business relies on strategic relationships in the form of joint ventures with local government bodies, other oil and gas companies and other overseas companies. There can be no assurances that these strategic relationships will continue to be maintained although at present management is not aware of any issues regarding its strategic relationships.

Sea Dragon is a ten (10%) percent owner in the NW Gemsa Concession together with Vegas Oil & Gas S.A. (a fifty (50%) percent owner and operator) and Circle Oil PLC (a forty (40%) owner). The terms of the relationship among Sea Dragon and its joint venture partners are governed by a joint operating agreement.

Sea Dragon will be a fifty (50%) percent owner in the Kom Ombo Concession together with DGE. The farmout agreement governing the Kom Ombo Acquisition contemplates that Kom Ombo Concession will be co-operated by Sea Dragon and DGE. The Corporation is currently in the process of negotiating the terms of such co-operatorship.

Dilution

Sea Dragon may undertake future acquisitions or enter into financing or other transactions involving the issuance of securities of the Corporation which may be dilutive.

Delays in Business Operations

In addition to the usual delays in payments by purchasers of oil and natural gas to Sea Dragon or to the operators, and the delays by operators in remitting payment to the Corporation, payments between these parties may be delayed due to restrictions imposed by lenders, accounting delays, delays in the sale or delivery of products, delays in the connections of wells to a gathering system, adjustment for prior periods, or recovery by the operator of expenses incurred in the operation of the properties. Any of these delays could reduce the amount of cash flow available for the business of the Corporation in a given period and expose the Corporation to additional third party credit risks.

Changes in Legislation

Sea Dragon is subject to changes in Egyptian and Canadian tax and other laws and government incentive programs and there can be no assurance that such laws or programs will not be changed in a manner that adversely affects the Corporation or the holding and disposing of the securities of the Corporation.

Income Taxes

As the Corporation is engaged in the oil and natural gas business its operations are subject to certain unique provisions of the *Income Tax Act* (Canada) and applicable provincial income tax legislation relating to characterization of costs incurred in their businesses which affects whether such costs are deductible and, if deductible, the rate at which they may be ducted for the purposes of calculating taxable income. Sea Dragon will file all required income tax returns and believes that it will be in full compliance with the provisions of the *Income Tax Act* (Canada) and all applicable provincial tax legislation. However, such returns are subject to reassessment by the applicable taxation authority. In the event of a successful reassessment of the Corporation, whether by re-characterization of costs or otherwise, such reassessment may have an impact on current and future taxes payable.

Sea Dragon will also be subject to various tax regimes in foreign countries that are subject to changes in legislation and interpretation. The Corporation will file foreign income and other tax returns as are required and believes it will be in full compliance with the relevant foreign legislations.

Accounting Write-Downs as a Result of GAAP

Canadian generally accepted accounting principles ("**GAAP**") require that management apply certain accounting policies and make certain estimates and assumptions which affect reported amounts in the financial statements of Sea Dragon. The accounting policies may result in non-cash charges to net income and write-downs of net assets in the financial statements. Such non-cash charges and write-downs may be viewed unfavourably by the market and result in an inability to borrow funds and/or may result in a decline in the trading price of the Corporation's common shares.

Under GAAP, the net amount at which petroleum and natural gas properties are carried are subject to a cost-recovery test which is based in part upon estimated future net cash flow from oil and natural gas reserves. If net capitalized costs exceed the future discounted cash flows, Sea Dragon will have to charge the amounts of the excess to earnings. A decline in the estimated future net cash flow from oil and natural gas reserves could cause capitalized costs to exceed the cost ceiling, resulting in a charge against earnings.

GAAP requires that goodwill balances be assessed at least annually for impairment and that any permanent impairment be charged to net income. A permanent reduction in reserves, decline in commodity prices, and/or reduction in the trading price of the common shares of the Corporation may indicate a goodwill impairment. An impairment would result in a write-down of the goodwill value and a non-cash charge against net income. The calculation of impairment value is subject to management estimates and assumptions.

Kom Ombo Farmout Agreement

On December 31, 2009, Sea Dragon entered into the Kom Ombo Farmout Agreement with DGE. See "*General Development of the Business – Subsequent Events- 2009*". There is no certainly that the acquisition contemplated by the Kom Ombo Farmout Agreement will be completed as there are government and other consents that will need to be obtained and there are other conditions contained in the Kom Ombo Farmout Agreement that must be met before the acquisition can be completed. Additionally, the Corporation will have to raise additional funds in order to pay the remaining amount of the consideration owed to DGE pursuant to the Kom Ombo Farmout Agreement and there is no assurance that debt or equity financing will be available to the Corporation in sufficient amounts to satisfy their obligations under the Kom Ombo Farmout Agreement or, if available, that such financing will be on favourable terms.

SEA DRAGON SHARE CAPITAL

The Corporation's authorized share capital consists of an unlimited number of common shares and an unlimited number of preference shares, issuable in one or more series. There are currently 230,290,326 common shares of the Corporation issued and outstanding as at the Effective Date of this Annual Information Form.

Common Shares

The holders of the common shares are entitled to receive notice of and to attend all meetings of shareholders of the Corporation and to one vote in respect of each common share held at all such meetings. The holders of the common shares are entitled, at the discretion of the board of directors, to receive out of any or all of the Corporation's profits or surplus properly available for the payment of dividends, any dividend declared by the board of directors and payable by the Corporation on the common shares. The holders of the common shares will participate rateably in any distribution of the Corporation's assets upon the Corporation's liquidation, dissolution or winding-up or other distribution of the Corporation's assets among its shareholders for the purpose of winding up the Corporation's affairs, subject to the rights, privileges, restrictions and conditions attached to any of the Corporation's securities issued and outstanding at such time ranking in priority to the common shares.

Preference Shares

The board of directors may issue preference shares at any time and from time to time in one or more series. The board of directors has the authority to determine the price, number, designation, rights, privileges, restrictions and conditions, including dividend rights, of each series without further vote or action by shareholders. With respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding up of the Corporation, the preference shares rank in priority to the common shares. At the Effective Date, there are no preference shares issued and the Corporation has no current plans to issue any preference shares.

MARKET FOR SECURITIES

Trading Price and Volume

Sea Dragon's common shares are listed and posted on the TSV under the trading symbol "SDX". The following table sets out the monthly high and low closing prices and the total monthly trading volumes on the TSV for the indicated periods: (Canadian dollars, except volumes)

2008	High	Low	Volume
July	0.55	0.27	8,779,000
August	0.40	0.24	16,896,700
September	0.30	0.23	8,578,800
October	0.25	0.08	11,361,200
November	0.18	0.10	6,961,000
December	0.18	0.15	4,991,700

2009			
January	0.24	0.13	5,387,300
February	0.24	0.08	15,975,400
March	0.10	0.07	4,751,100
April	0.14	0.09	4,295,200
May	0.12	0.09	2,913,900
June	0.14	0.09	4,768,800
July	0.14	0.09	3,771,500
August	0.30	0.13	24,736,100
September	0.39	0.23	20,442,900
October	0.60	0.25	41,415,000
November	0.56	0.42	14,274,200
December	0.55	0.36	9,709,600
2010			
January	0.71	0.48	18,657,900
February[(1)]	0.55	0.48	2,457,500

Notes:
(1) From February 1, 2010 until February 9, 2010.

Prior Sales

Other than the common shares of the Corporation, during the financial year ended December 31, 2008 and up to the Effective Date, the Corporation issued the following securities:

Description of Securities	Date of Issuance	Number of Securities	Issue or Exercise Price per common share of the Corporation
Options[(1)]	July 28, 2008	4,700,000	$0.60
Options[(2)]	August 24, 2009	3,500,000	$0.18
Options[(3)]	November 6, 2009	1,750,000	$0.50
Warrants[(4)]	November 6, 2009	30,000,000	$0.50
Special Warrants[(5)]	January 25, 2010	22,730,000	$0.55

Notes:
(1) Options expire on July 28, 2013.
(2) Options expire on August 24, 2014.
(3) Options expire on November 6, 2014.
(4) Warrants expire November 6, 2012.
(5) Each special warrant is convertible into one (1) common share of the Corporation, for no additional consideration on the earlier of: (i) the third business day following issuance of a receipt (the "**Receipt**") for the Corporation's final prospectus qualifying the common shares underlying the special warrants in each jurisdiction of Canada where the special warrants were offered; and (ii) May 26, 2010. In the event that the Receipt is not issued prior to April 1, 2010, each special warrant shall be exercisable for 1.05 common shares of the Corporation, in lieu of one (1) common share.

DIVIDEND POLICY

The Corporation has not declared or paid any cash dividends or distributions since its incorporation. Other than pursuant to the Exchange's policies, there are no restrictions on the Corporation that would prevent it from paying a dividend. However, the Board of Directors intends to retain future earnings for reinvestment in the Corporation's business and, therefore, has no current intention to declare or pay dividends on the Common Shares in the foreseeable future. The Corporation's dividend policy will be reviewed from time to time in the context of its earnings, financial condition and other relevant factors.

ESCROWED SECURITIES

The number of common shares of the Corporation held in escrow and the percentage that number represents of the outstanding common shares of the Corporation as at December 31, 2008 and the Effective Date is as follows:

Designation of Class	Number of Securities Held in Escrow as at December 31, 2008	Percentage of Class as at December 31, 2008(1)	Number of Securities Held in Escrow as at the Effective Date	Percentage of Class as at the Effective Date(2)
Common Shares(3)	12,710,998	8.8%	6,355,499	3.1%
Common Shares(4)	19,600,000	13.6%	Nil	0%
Common Shares(5)	26,971,498	18.7%	Nil	0%

Notes:

(1) The Corporation had 144,509,405 Common Shares issued and outstanding at December 31, 2008.

(2) The Corporation had 230,290,326 Common Shares issued and outstanding at the Effective Date of this Annual Information Form.

(3) Common Shares held in escrow pursuant to an escrow agreement dated July 15, 2008 among the Corporation, Equity Transfer & Trust Company and certain shareholders of the Corporation. The Common Shares were releasable as to 10% on July 18, 2008, the date of the notice from the Exchange confirming listing of the Common Shares on the Exchange, and as to 15% on each of the 6, 12, 18, 24, 30 and 36 month anniversaries of such notice.

(4) Common Shares held in escrow pursuant to an escrow agreement dated April 24, 2008 among the Corporation, Equity Transfer & Trust Company and the former shareholders of EOHL. The Common Shares were releasable on the earlier of (i) the Corporation announcing the drilling results of a second exploratory well drilled on the EWA Concession, or (ii) July 31, 2009.

(5) Common Shares held in escrow pursuant to an escrow agreement dated July 15, 2008 among the Corporation, Equity Transfer & Trust Company and certain shareholders, directors and officer of the Corporation. The Common Shares were releasable on the earlier of (i) the Corporation announcing the drilling results of a second exploratory well drilled on the EWA Concession, or (ii) July 31, 2009.

DIRECTORS AND OFFICERS

The following table sets out as at 31st December 2008 for each of the Corporation's directors and executive officers, the person's name, municipality of residence, position within the Corporation, principal occupation and how long they have served as a director or officer of the Corporation. This table is notated with updates for any changes during the year 2009.

Name and Municipality of Residence	Position(s) with the Corporation	Principal Occupation in the Last Five (5) Years
Said S. Arrata(1)(2)(3) Calgary, Alberta	Non-Executive Chairman ** Appointed Executive Chairman and Chief Executive Officer and resigned from the Compensation and Audit Committees in July 2009*	Executive Chairman and Chief Executive Officer of Sea Dragon from July 2009 to present; Director of Dana Gas Co. from January 2007 to December 2008; Chairman and Chief Executive Officer of Centurion Energy International Inc. from June 1997 to January 2007.

Name and Municipality of Residence	Position(s) with the Corporation	Principal Occupation in the Last Five (5) Years
David M. Thompson,[2] Paget, Bermuda	Chief Executive Officer and President, Director ** Appointed Senior Vice President in July 2009*	Senior Vice President of Sea Dragon from July 2009 to present; President and Chief Executive Officer of Sea Dragon from March 2006 to July 2009; CFO of Forum Energy Plc, from June 2001 to July 2005; Managing Director of AMS Limited from October 1992 to present.
Parvez Tyab West Vancouver, British Columbia	Director, Executive Vice President ** Resigned from Corporation and stepped down from the Board in July 2009*	Executive Vice President of Sea Dragon from April 2008 to July 2009 and a director of the Corporation from March 2006 to July 2009; President of Mogul Energy Ltd. from March 2005 to present; President of Dayton Shoe Co. Ltd. from March 2001 to October 2004.
Ahmed Farid Ahmed Moaaz,[2] Cairo, Egypt	Director and Country Manager ** Continues as Director and Country Manager during 2009*	Country Manager of Sea Dragon since October 2006 to present; Vice President (Operations) of Trident Petroleum International from May 2005 to September 2006; Chairman and Managing Director of El Wastani, owned by Centurion Energy International Inc. and Egyptian Natural Gas Holding Corporation (E-Gas), from August 2003 to April 2005; Deputy Chairman for production for the EGPC from September 2002 to August 2003.
David Wilson[1][2][3] Calgary, Alberta	Director ** Continues as a Director during 2009*	From March 1999 to December 2007, various positions with Nations Energy Corporation Ltd., including Vice President of Development Geology, Advisor, President of KarazanbasCaspiShelf and Executive Vice President of Mergers and Acquisitions; Director and Executive Vice-President Mergers and Acquisitions of Nations Petroleum Corporation Ltd. from January 2007 to May 2007; Director, Chairman of the Board and President of Tartan Energy (Canada) Ltd. from September 2006 to May 31, 2007; Director and Vice President of Tracer Petroleum Inc. from June 1998 to June 2005.
Barry Swan[2][3] Calgary, Alberta	Director ** Continues as a Director during 2009*	President of 677651 Alberta Limited, a private energy Corporation, from September 1994 to present; Senior Vice President and Chief Financial Officer of Centurion Energy International Inc. from May 1997 to January 2007.
Cameron Dow Calgary, Alberta	Chief Financial Officer ** Continues as Chief Financial Officer*	Chief Financial Officer of Sea Dragon from December 2008 to present; Chief Financial Officer for Calvalley Petroleum, Inc from December 2005 until January 2008. Partner of Daunheimer & Dow LLP, independent Tax and Audit Consultants, from 1991 to 2006.
Dr. Barry G.M. Wood, Oxon, United Kingdom	Vice President, Geology ** Continues as VP Geology during 2009*	Self-employed since September 1997.
*Paul Moase,[1][3] Toronto, Ontario	Director ** Effective October 2009*	2006 to present, independent Business Advisor; from 2004 to 2006 Managing Director of MGI Securities Capital Markets.
*Tony Anton Calgary, Alberta	Senior Vice President Acquisitions Engineering ** Effective November 2009*	Senior Vice President Acquisitions and Engineering of Sea Dragon from November 2009 to present; 2002 to 2008 Vice President and COO for Centurion Energy International, Inc. Centurion was sold to Dana Gas Egypt in 2006 and Mr. Anton continued to work with Centurion during the transition Phase.

Name and Municipality of Residence	Position(s) with the Corporation	Principal Occupation in the Last Five (5) Years
*Mike Zayat Calgary, Alberta	Senior Vice President Exploration ** Effective November 2009*	Senior Vice President Exploration of Sea Dragon from November 2009 to present; 2000 to 2007 Vice President exploration and Business development with Centurion Oil International Inc, Calgary. After Centurion consulting independently until joining Sea Dragon in November 2009.

Notes:
(1) Member of the Audit Committee.
(2) Member of the Reserve Committee.
(3) Member of the Compensation Committee.

As at the Effective Date, the directors and executive officer of the Corporation, as a group, beneficially owned, or controlled or directed, directly or indirectly, 22,146,000 common shares of the Corporation or approximately 9.6% of the issued and outstanding Common Shares. This information, as to the number of Common Shares beneficially owned, controlled, or directed, not being within the knowledge of the Corporation, has been furnished by the respective directors and executive officers of the Corporation individually.

Cease Trade Orders, Bankruptcies and Penalties and Sanctions

Except as described below, no director, executive officer or control person of the Corporation is, or within the ten years prior to the date of this prospectus has been, a director or officer of any issuer that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions for a period of more than 30 consecutive days or was declared a bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that person:

- Parvez Tyab, a director and officer of the Corporation until July 2009, was a director and officer of Dayton Shoe Co. Ltd. ("**Dayton**"), a private British Columbia company, from February 1999 to October 2004. In October 2004, Dayton was placed into receivership.

- Said Arrata, a director and officer of the Corporation, was a director of Fuel-X International, a private equity company, which was put into receivership as a result of the inability to raise necessary funds.

No director, officer or control person of the Corporation has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body which would be important to a reasonable investor making an investment decision.

No director, officer or control person of the Corporation (or a personal holding company of any such person) is, or within the ten years prior to the date of this prospectus has become, bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

CONFLICTS OF INTEREST

There are potential conflicts of interest to which the directors and officers of Sea Dragon will be subject in connection with the operations of Sea Dragon. In particular, certain of the directors and officers of Sea Dragon are involved in managerial or director positions with other oil and gas or investment companies whose operations may, from time to time, be in direct competition with those of Sea Dragon or with entities which may, from time to time, provide financing to, or make equity investments in, competitors of Sea Dragon. Conflicts, if any, will be subject to the procedures and remedies available under the CBCA. The CBCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director will disclose his interest in such contract or agreement and will refrain from voting on any matter in respect of such contract or agreement unless otherwise provided in the CBCA.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

On May 30, 2008 (as amended on June 30, 2008), a statement of claim was filed in the province of British Columbia by Transpacific and Ghareeb Awad (the "**Plaintiffs**") against the Minister of Petroleum – Egypt, Dover Investments Limited and the Corporation (the "**Defendants**"). The Plaintiffs allege, among other things, that the actions on behalf of the Defendants have resulted in Transpacific not being recognized for a twenty-five (25%) percent interest in the EWA Concession. They seek injunctions and damages as compensation.

On November 10, 2008, the British Columbia Supreme Court ruled in favour of the Defendants when it concluded that the Plaintiffs did not have a legal right to initiate a court action in respect of a contractual dispute involving the EWA Concession in Egypt. This matter accordingly moved to arbitration in Alberta and, on April 6, 2009, the arbitration tribunal stayed the proceedings indefinitely following the failure of the Plaintiffs to fund their share of the costs of the arbitration.

The Plaintiffs sought to appeal the decision to refer this matter to arbitration, but the Court of Appeal for British Columbia denied the Plaintiffs' application on November 30, 2009.

To the knowledge of the Corporation, there are no other outstanding legal proceedings material to the Corporation to which the Corporation is or was a party to, or in respect of which any of its properties are or were subject of during the year ended December 31, 2008, nor are there any such proceedings known to be contemplated.

There were no penalties or sanctions imposed against the Corporation by a court relating to securities legislation or by a securities regulatory authority during the year ended December 31, 2008, no other penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important to a reasonable investor making an investment decision, and no settlement agreements entered into by the Corporation with a court relating to securities legislation or with a securities regulatory authority during the year ended December 31, 2008.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set forth herein, the directors and executive officers of the Corporation are not aware of any material interest, direct or indirect, of any director, executive officer, principal shareholder of the Corporation, or any associate or affiliate thereof, in any transaction within the last three years, or in any proposed transaction, that has materially affected or will materially affect the Corporation:

- As consideration for the transfer of a 40% working interest in the EWA Concession from Woodgreen International Holdings Ltd. ("**Woodgreen**") and Mogul Energy Ltd. ("**MEL**") to the Corporation in 2006, the Corporation issued 6,666,666 common shares of the Corporation to Woodgreen (valued at $29,160 for accounting purposes) and 6,666,666 common shares of the Corporation to MEL (valued at $4,573 for accounting purposes). David Thompson, an executive officer and director of the Corporation, has a one hundred (100%) percent interest in Woodgreen and Parvez Tyab, an executive officer and director of the Corporation until July, 2009, has a one hundred (100%) percent interest in MEL.

- On September 29, 2005, MEL assigned its 20% interest in the EWA Concession to Mogul Energy International, Inc. ("**MEII**"), a United States public corporation. On March 23, 2008, MEII assigned to EOHL its 20% working interest in the EWA Concession in exchange for shares representing approximately 57% of EOHL. Parvez Tyab, a former director and executive officer of the Corporation, has a 21% interest in MEII. In addition, $765,000 that had been owed to Sea Dragon by MEII was assumed by EOHL.

- On April 8, 2008, the shareholders of EOHL sold all of the issued and outstanding shares of EOHL to Sea Dragon in exchange for 24 million common shares of Sea Dragon, valued at $0.1525 per share, for total consideration of $3,660,000 plus the elimination of the $765,000 debt assumed by EOHL and owed to Sea Dragon.

- On December 31, 2009, the Corporation entered into a farmout agreement with DGE, whereby the Corporation intends to acquire a 50% working interest in the Kom Ombo Concession for cash consideration of $US 45 million. Said Arrata, an executive officer and director of the Corporation is a director of DGE.

INTERESTS OF EXPERTS

Other than as disclosed herein, there is no person or Corporation whose profession or business gives authority to a statement made by such person or Corporation and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under NI 51-102 by Sea Dragon during, or related to, our most recently completed financial year. BDO Dunwoody, LLP, the Corporation's auditors, are independent of the Corporation in accordance with the auditor's rules of professional conduct in the Province of Alberta. None of the designated professionals of BDO Dunwoody, LLP has any registered or beneficial interest, direct or indirect, in any securities or property of the Corporation.

In addition, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of Sea Dragon or of any associate or affiliate of Sea Dragon.

PROMOTERS

David M. Thompson and Parvez Tyab may be considered promoters of the Corporation by virtue of their initiative in founding and organizing the business and affairs of the Corporation in 2006. Other than as disclosed elsewhere in this Annual Information Form, neither Mr. Thompson nor Mr. Tyab has received and will not receive, either directly or indirectly, anything of value, including money, property, contracts, options or rights of any kind, from the Corporation. See "*Conflicts of Interest*".

As of the Effective Date, Mr. Thompson beneficially owns, controls or directs, directly or indirectly, 6,247,000 common shares of the Corporation (representing approximately 2.7% of the issued and outstanding common shares of the Corporation as of the Effective Date of this Annual Information Form) and Mr. Tyab beneficially owns, controls or directs, directly or indirectly, 4,121,667 common shares of the Corporation (representing approximately 1.8% of the issued and outstanding common shares of the Corporation as of the Effective Date of the Annual Information Form). Mr. Tyab resigned as an officer and director of the Corporation in July, 2009.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business or as otherwise disclosed herein, there have been no material contracts entered into by the Corporation within the most recently completed financial year, or before the most recently completed financial year that are still in effect.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The Corporation's auditor is BDO Dunwoody LLP which is independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

Equity Transfer and Trust, at its principal offices in Calgary, Alberta and Toronto, Ontario is the transfer agent and registrar of the common shares of the Corporation.

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans is contained in the Corporation's information circular for the Corporation's most recent annual meeting of shareholders that involved the election of directors. Additional financial information is contained in the Corporation's consolidated financial statements and the related management's discussion and analysis for its most recently completed financial year.