SDX Energy Inc - Operations Update - 3D Seismic at South Disouq

LONDON, June 13, 2016 /CNW/ - **SDX Energy Inc. ("SDX" or the "Company") (TSXV, AIM: SDX) provides an update on its activities at its South Disouq asset located onshore Nile Delta Egypt.**

Further to the announcement on 16 March 2016 regarding the commencement of a 3D seismic programme at the Company's South Disouq asset where SDX has a 55% equity interest and is operator. SDX is pleased to confirm that the seismic acquisition programme has been completed as of 12 June 2016. The programme consisted of the acquisition of 300 km^2 of 3D data and has been completed safely, under budget and ahead of the anticipated schedule.

The initial data set is of good quality and clearly indicates the presence of the prolific Abu Madi trend within the block. Data processing will commence immediately and is anticipated to take 3 months to complete. The Company intends to use the processed data to build a prospect inventory with a view to selecting a location for a fully carried exploration well, which is anticipated to be drilled in late 2016.

Paul Welch, CEO, commented;

"We are delighted that the seismic programme has been completed early and we are excited to begin fully processing the data. The initial data set is of high quality and shows evidence on our block of the Abu Madi trend, along which operators have made large commercial discoveries in recent years. Additionally, this new data has allowed us to image deeper stratigraphy much better than originally anticipated which opens up a new range of potential targets within the block, several of which may be oil bearing. Whilst our principal strategic focus is on generating profitable cash flow via our high-margin producing assets, exploration represents an important part of our growth strategy and we look forward to drilling this high impact and carried exploration well later this year."

About SDX

SDX is an international oil and gas exploration, production and development company, headquartered in London, England, UK, with a principal focus on Egypt. In Egypt, SDX has an interest in two production concessions: North West Gemsa and West Gharib (Meseda) both located in the Eastern Desert. SDX's portfolio also consists of South Ramadan, a development asset in the Gulf of Suez; South Disouq, an exploration asset in the Nile Delta; and Bakassi West, an exploration block in Cameroon within the prolific Niger Delta Basin. For further information, please see the website of the Company at www.sdxenergy.com or the Company's filed documents at www.sedar.com.

Advisory

Competent Persons Statement

In accordance with the guidelines of the AIM Market of the London Stock Exchange the technical information contained in the announcement has been reviewed and approved by Paul Welch, Chief Executive Officer of SDX. Mr. Welch, who has over 30 years of experience, is the qualified person as defined in the London Stock Exchange's Guidance Note for Mining and Oil and Gas companies. Mr. Welch holds a BS and MS in Petroleum Engineering from the Colorado School of Mines in Golden, CO. USA and an MBA in Finance from SMU in Dallas, TX USA and is a member of the Society of Petroleum Engineers (SPE).

Forward-Looking Statements

Certain statements contained in this press release constitute "forward-looking statements" as such term is used in applicable Canadian securities laws. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or are not statements of historical fact should be viewed as forward-looking statements. In particular, statements concerning the completion of processing of data from the 3D seismic survey should be viewed as forward-looking statements.

The forward-looking statements contained in this document are based on certain assumptions and although management considers these assumptions to be reasonable based on information currently available to them, undue reliance should not be placed on the forward-looking statements because SDX can give no assurances that they may prove to be correct. This includes, but is not limited to, assumptions related to, among other things, the sufficiency of budgeted capital expenditures in carrying out planned activities; and the availability and cost of labour and services.

By their very nature, forward-looking statements are subject to certain risks and uncertainties (both general and specific) that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. Such risks and other factors include, but are not limited to political, social and other risks inherent in daily operations for the Company, risks associated with the industries in which the Company operates, such as: operational risks; delays or changes in plans with respect to growth projects or capital expenditures; costs and expenses; health, safety and environmental risks; commodity price, interest rate and exchange rate fluctuations; environmental risks; competition; failure to realize the anticipated benefits of the Transaction and to successfully integrate the Parties; ability to access sufficient capital from internal and external sources; and changes in legislation, including but not limited to tax laws and environmental regulations. Readers are cautioned that the foregoing list of risk factors is not exhaustive and are advised to reference SDX's Annual Information Form for the year ended December 31, 2015 for a description of additional risks and uncertainties associated with SDX's business, including its exploration activities, which can be found on SDX's SEDAR profile at www.sedar.com.

The forward-looking statements contained in this press release are made as of the date hereof and SDX does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, except as required by applicable law. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

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