SDX Energy Inc - Operations Update

LONDON, June 16, 2016 /CNW/ - **SDX Energy Inc. ("SDX" or the "Company") (TSXV, AIM: SDX) provides an update on its activities on the Manatee-1X exploration well in Bakassi West, Cameroon.**

Further to the announcement on March 28 regarding the completion of drilling activities on the Manatee-1X well, located in shallow water in the Rio Del Rey Basin, offshore Cameroon, SDX announces withdrawal from the concession.

The Company held a 35% working interest (38.89% paying interest) in the concession, which was operated by Dana Petroleum.

The Operator requested a one-year extension to complete analysis of the results of the well, which intersected 26 metres of gas bearing section of varying quality throughout the wellbore. Wellbore conditions did not allow the acquisition of a full suite of logging tools in the deeper sections of the hole and made the analysis of the lower intervals in the well inconclusive. Authorities did not grant the Operator's proposal of a one-year extension and instead asked the Company to enter into the second exploration period, which required an additional well commitment; SDX declined to continue to move forward with this project.

Paul Welch, CEO, commented;

"The Bakassi West concession is not a core asset to our business and we do not believe it would have been prudent to continue investing in it. The Bakassi West concession was acquired by SDX in October 2015 as a result of a merger between Sea Dragon Energy and Madison PetroGas. Whilst the concession was an exciting opportunity, it was fundamentally non-core, and our subsequent exit allows the Company to focus all of our efforts on growing our high margin production business in our core assets across Egypt. We are continuing to move forward as planned with our operations in Egypt and I look forward to reporting on our progress in subsequent updates."

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 and South Disouq, an exploration asset in the Nile Delta. 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.

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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CNW 02:00e 16-JUN-16