## SDX Energy Inc. ("SDX" or the "Company") - Statement Regarding Media Speculation

LONDON, Jan. 11, 2017 /CNW/ - SDX notes the recent media speculation concerning a potential acquisition and material equity fundraising.

In line with its stated strategy of seeking value accretive opportunities to expand the asset base in the North Africa region, SDX is pleased to confirm that it has entered into non-binding heads of terms ("HoT") with Circle Oil plc ("Circle Oil") for the acquisition of Circle Oil's Egyptian and Moroccan businesses (the "Acquisition"). The HoT has a 30 day exclusivity period.

The Acquisition is subject, inter alia, to the completion of due diligence, documentation, compliance with all regulatory requirements and conclusion of an equity fundraising. The terms of the Acquisition have not been finalized. SDX will provide further information upon the completion of negotiations and the execution of a definitive agreement for the Acquisition. There can be no guarantee that the Acquisition or equity fundraising will proceed.

As previously announced, SDX is entering an exciting period for the Company as it moves into the drilling phase of the work programme at South Disouq in early 2017. In addition, the well workover program at North West Gemsa continues, as does the redevelopment, waterflood program and facility capacity upgrade at Meseda.

Further announcements will be made in due course as and when appropriate.

**Commenting, Paul Welch, CEO, said:**

*"We have made clear our firm intentions to create shareholder value by growing SDX into a profitable mid-tier E&P company. Circle's assets present an attractive opportunity to add material production and reserves at an attractive price. However, there is no certainty that this deal will be completed. We remain excited about the near term activities from our existing portfolio, including the near term South Disouq exploration well, and look forward to keeping our shareholders appraised of all developments."*

**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. For further information, please see the website of the Company at www.sdxenergy.com or the Company's filed documents at www.sedar.com.

*The information contained within this announcement is deemed by SDX to constitute inside information as stipulated under the Market Abuse Regulation. Upon the publication of this announcement via Regulatory Information Service, this inside information is now considered to be in the public domain.*

***Forward-Looking Information***

This document contains certain statements that may 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 Acquisition (including the completion of negotiations and the execution of a definitive agreement with respect thereto) and the potential equity fundraising should be viewed as forward-looking statements.

The forward-looking statements contained in this document are based on certain assumptions and although management of SDX consider 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.



SOURCE SDX Energy Inc.

%SEDAR: 00026905E

**For further information:** SDX Energy Inc., Paul Welch, President and Chief Executive Officer, Tel: +44 203 219 5640; Mark Reid, Chief Financial Officer, Tel: +44 203 219 5640; Cantor Fitzgerald Europe (Nominated Adviser & Joint Broker), Sarah Wharry/Craig Francis, Tel: +44 207 7894 7000; GMP FirstEnergy Capital LLP (Joint Broker), Jonathan Wright/David van Erp, Tel: +44 207 448 0200; Celicourt (PR), Mark Antelme / Jimmy Lea, Tel: +44 207 520 9260

CO: SDX Energy Inc.

CNW 16:44e 11-JAN-17