

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the contents of this document or the action you should take, you should immediately consult a person authorised for the purposes of the Financial Services and Markets Act 2000 (as amended) who specialises in advising on the acquisition of shares and other securities.

The Directors and the Proposed Directors of the Company, whose names appear on page 4, accept responsibility for the information contained in this document and for compliance with the AIM Rules for Companies. To the best of the knowledge and belief of the Directors and the Proposed Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts, and does not omit anything likely to affect the import of such information.

It is expected that Admission will become effective at 8:00 a.m. on 28 May 2019.

AIM is a market designed primarily for emerging or smaller companies to which a higher investment risk tends to be attached than to larger or more established companies. AIM securities are not admitted to the Official List of the UK Listing Authority. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser. Each AIM company is required pursuant to the AIM Rules for Companies to have a nominated adviser. The nominated adviser is required to make a declaration to the London Stock Exchange on admission in the form set out in Schedule Two to the AIM Rules for Nominated Advisers. Neither the London Stock Exchange plc nor the UK Listing Authority have examined or approved the contents of this document.

SDX ENERGY PLC

(registered under the laws of England and Wales with registered number 11894102)

APPENDIX TO PRE ADMISSION ANNOUNCEMENT

FURTHER INFORMATION ON SDX ENERGY PLC IN CONNECTION WITH ITS PROPOSED ADMISSION TO AIM

Nominated Adviser

STIFEL

This Appendix has been prepared in accordance with the Supplement to Schedule One of the AIM Rules published by London Stock Exchange plc for a quoted applicant. It includes, *inter alia*, all information that is required for an admission document which is not currently publicly available. Information which is public relates to SDX Energy Inc., which, following completion of the Arrangement (as defined herein) will be a wholly-owned subsidiary of the Company and includes, without limitation, all information filed with the Canadian Securities regulatory authority on www.sedar.com, filed with the system for electronic disclosure by insiders (SEDI) (available at www.sedi.ca), all information filed with the London Stock Exchange on www.londonstockexchange.com, all information available on the Company's website at www.sdxenergy.com and all information contained in the Circular (defined herein) (collectively, the "**Public Record**"). The Public Record can be accessed freely. This Appendix should be read in conjunction with the Schedule 1 Announcement Form made by the Company and the Public Record. This Appendix and the Schedule 1 Announcement Form together constitute the "**Announcement**".

A copy of this Appendix, which is dated 8 April 2019, will be available on the Company's website from 8 April 2019.

Stifel Nicolaus Europe Limited ("**Stifel**"), which is a member of the London Stock Exchange and authorised and regulated by the Financial Conduct Authority, is acting as Nominated Adviser exclusively for the Company in connection with the proposed arrangements described in the Announcement. Stifel's responsibilities as the Company's nominated adviser, including a responsibility to advise and guide the Company on its responsibilities under the AIM Rules for Companies, are owed to London Stock Exchange plc. Stifel will not be responsible to any other persons for providing protections afforded to customers of Stifel nor for advising them in relation to the arrangements described in the Announcement.

This document does not constitute an offer to sell or an invitation to subscribe for, or the solicitation of an offer to buy or to subscribe for, Ordinary Shares in any jurisdiction in which such an offer or solicitation is unlawful and this document is not for distribution in or into the United States, Japan, Australia, the Republic of South Africa or any other jurisdiction where it is unlawful to do so (the "**Prohibited Territories**"). The Ordinary Shares have not nor will they be registered under the United States Securities Act of 1933 (as amended) or with any securities regulatory authority of any state or other jurisdiction of the

United States or under the applicable securities laws of Japan or Australia or the Republic of South Africa and, unless an exemption under such Act or laws is available, may not be offered for sale or subscription or sold or subscribed directly or indirectly within the United States, Japan or Australia or the Republic of South Africa for the account or benefit of any national, resident or citizen of the Prohibited Territories. The distribution of this document in other jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdictions.

An investment in the Company may not be suitable for all recipients of this document. Any such investment is speculative and involves a high degree of risk. Prospective investors should carefully consider whether an investment in the Company is suitable for them in light of their circumstances and the financial resources available to them. Attention is drawn in particular to the Risk Factors which are contained in the Circular and the Public Record.

This document contains forward looking statements. These statements relate to the Company's future prospects, developments and business strategy. Forward looking statements are identified by their use of terms and phrases, including without limitation, statements containing the words "believe", "anticipated", "expected", "could", "envisage", "estimate", "may" or the negative of those, variations or similar expressions including references to assumptions. Such forward looking statements involve unknown risk, uncertainties and other factors which may cause the actual results, financial condition, performance or achievement of the Company, or industry results to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. Factors that might cause such a difference include, but are not limited to, those discussed in "Risks associated with the Arrangement", "Risks associated with the SDX UK Shares" and "Risks associated with the SDX Canada Shares" as set out in the Circular and SDX Inc.'s other continuous disclosure documents filed at www.sedar.com. Given these uncertainties, prospective investors are cautioned not to place any undue reliance on such forward looking statements. These forward looking statements speak only as at the date of this document. The Company disclaims any obligations to update any such forward looking statements in this document to reflect events or developments except as may be otherwise required by applicable securities laws.

DEFINITIONS AND GLOSSARY OF TERMS

"Admission"	the admission of the Ordinary Shares to trading on AIM becoming effective in accordance with the AIM Rules for Companies.
"AIM"	the market of that name operated by the London Stock Exchange.
"AIM Rules for Companies"	the AIM Rules for Companies published by the London Stock Exchange from time to time.
"AIM Rules for Nominated Advisers"	the AIM Rules for Nominated Advisers published by the London Stock Exchange from time to time.
"Announcement"	the announcement pursuant to Schedule 1 of the AIM Rules for Companies to which this Appendix is attached, made at least 20 Business Days prior to Admission.
"Appendix"	this document.
"Arrangement"	the arrangement under section 192 of the CBCA on the terms set out in the Circular.
"Articles"	the articles of association of the Company.
"Board" or "Directors"	the current directors of the Company whose names are set out on page 4 of this document.
"Business Day"	a day on which the clearing banks in London and Canada are open for business.
"Canadian Registrar"	TSX Trust Corporation 301 - 100 Adelaide St. West Toronto, ON M5H 1S3.
"Capital Reduction"	the proposed capital reduction of the Company by way of a UK court-approved process pursuant to sections 645 to 649 (inclusive) of the Companies Act.
"CBCA"	the Canada Business Corporations Act and the regulations promulgated thereunder as each may be amended from time to time.
"Circular"	the circular issued to shareholders of SDX Inc. dated 8 April 2019
"City Code"	the City Code on Takeovers and Mergers as amended from time to time.
"Common Shares"	Common Shares of no par value in the share capital of SDX Inc.

"Company"	SDX Energy plc, a company incorporated under the laws of England and Wales with registered number 11894102.
"Companies Act"	the Companies Act 2006.
"CREST"	the relevant system (as defined in the CREST Regulations) in respect of which Euroclear is the Operator (as defined in the CREST Regulations) in accordance with which securities may be held and transferred in uncertificated form.
"CREST Regulations"	the Uncertificated Securities Regulations 2001 (SI 2001/3755).
"CSOP Option"	an option granted pursuant to Schedule A of the LTIP which following the Arrangement becoming effective will, if the holder has consented, become exercisable over Ordinary Shares.
"DTR"	the Disclosure Guidance and Transparency Rules published by the FCA from time to time.
"ERCE"	ERC Equipoise Limited.
"Euroclear"	Euroclear UK & Ireland Limited, the operator of CREST.
"FCA"	the Financial Conduct Authority of the UK.
"FSMA"	the Financial Services and Markets Act 2000 as amended from time to time.
"HMRC"	Her Majesty's Revenue and Customs (which shall include its predecessors, the Inland Revenue and HM Customs and Excise).
"kboe/d"	thousand barrels of oil equivalent per day.
"Latest Practicable Date"	5 April 2019.
"London Stock Exchange"	London Stock Exchange plc.
"LTIP"	the long term incentive plan of SDX Inc. dated 31 July 2017 which, following the Arrangement becoming effective will be replaced by awards over Ordinary Shares.
"Major Shareholders"	SDX SPV Limited, Ingalls & Snyder LLC, Highclere Investors, River & Mercantile, Mr Nikolas D. Monoyios and Dr Valerie A. Brackett.
"Nomad Agreement"	the agreement dated 25 October 2017 between (1) SDX Inc., (2) the Directors, (3) the Proposed Directors and (4) Stifel, details of which are set out in paragraph 18 of this Appendix.
"OBCA"	Ontario Business Corporation Act 1990, as amended from

	time to time.
"Ordinary Shares"	ordinary shares of £0.20 each in the capital of the Company.
"Proposed Directors"	the proposed directors of the Company whose names are set out on page 4 of this document and who will be appointed to the Board, with effect from completion of the Arrangement.
"SDX Group"	the Company, SDX Inc. and its subsidiary undertakings.
"SDX Inc."	SDX Energy Inc., a company existing under the laws of Canada with registered number 953285-4.
"Securities Laws"	securities legislation and regulations of, and the instruments policies, rules, orders, codes, notices and interpretation notes of the securities regulatory authorities (including the TSX-V) of, the applicable jurisdiction or jurisdictions collectively.
"Shareholders"	the holders of Ordinary Shares from time to time.
"Stifel"	Stifel Nicolaus Europe Limited.
"Stock Option Plan"	the stock option plan of SDX Inc. dated 28 March 2008, which following the Arrangement becoming effective will be exercisable over Ordinary Shares.
"TSX-V"	the TSX Venture Exchange.
"UK" or "United Kingdom"	the United Kingdom of Great Britain and Northern Ireland.
"uncertificated" or in "uncertificated form"	recorded on the relevant register of the uncertificated share or security concerned as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST.
"US\$"	United States dollars, the lawful currency of the United States of America.
"£"	UK Pounds Sterling, the lawful currency of the United Kingdom.

DIRECTORS, SECRETARY AND ADVISERS

Directors	Mr Paul Michael Welch (<i>Chief Executive Officer</i>), aged 56 Mr Mark Reid (<i>Chief Financial Officer</i>), aged 50
Proposed Directors	Mr Michael Edmond Doyle (<i>Proposed Non-Executive Chairman</i>), aged 72 Mr David John Woodhams Mitchell (<i>Proposed Non-Executive Director</i>), aged 66 Mr Michael John Raynes (<i>Proposed Non-Executive Director</i>), aged 49 Mr Timothy ("Tim") James Thornton Linacre (<i>Proposed Non-Executive Director</i>), aged 60
Registered Office	38 Welbeck Street London W1G 8DP
Telephone number	Tel: +44 (0)20 3219 5460
Company website	www.sdxenergy.com
Nominated Adviser, Lead Financial Adviser and Corporate Broker	Stifel Nicolaus Europe Limited 150 Cheapside London EC2V 6ET
UK Solicitors to the Company	Bryan Cave Leighton Paisner LLP Adelaide House London Bridge London EC4R 9HA
Canadian Solicitors to the Company	Blake, Cassels & Graydon LLP 23 College Hill, 5th Floor London EC4R 2RP
Moroccan Solicitors to the Company	Gide Loyrette Nouel Tour Crystal 1 Boulevard Sidi Mohamed Ben Abdellah Quartier Casablanca Marina 20030 Casablanca Morocco
Egyptian Solicitors to the Company	Helmy, Hamza and Partners Nile City Building, North Tower 21st Floor 2005C, Cornich El Nil Ramlet Beaulac Cairo, Egypt
Dutch Solicitors to the Company	Hogan Lovells International LLP

	Keizersgracht 555 Postbus 545 1000 AM Amsterdam Netherlands
Bajan Solicitors to the Company	Clarke Gittens Farmer Parker House Wildey Business Park Wildey Road St. Michael Barbados BB14006
BVI Solicitors to the Company	Harney Westwood & Riegels LP Craigmuir Chambers, PO Box 71 Road Town Tortola VG1110 British Virgin Islands
Auditors	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH
Competent Person	ERC Equipoise Limited 6th Floor Stephenson House 2 Cherry Orchard Road Croydon London CR0 6BA
UK Registrar	Link Asset Services Limited The Registry 34 Beckenham Road Beckenham Kent BR3 4TU
Canadian Registrar	TSX Trust Company 200 University Avenue, Suite 300 Toronto ON M5H 4H1
Tradable Instrument Display Mnemonic	SDX

1 INTRODUCTION

- 1.1 The Company was incorporated in England and Wales under the Companies Act on 20 March 2019 with registered number 11894102 as a public limited company by shares with the legal and commercial name of SDX Energy plc.
- 1.2 The Company received its certificate to do business and to borrow money on 27 March 2019.
- 1.3 SDX Inc. is the current holding company for the SDX Group and the Common Shares were admitted to trading on the TSX-V (with CUSIP number 811375) on 15 July 2008 and were admitted to trading on AIM on 20 May 2016 (with ISIN CA78410A1075 and SEDOL BYYLJV0). SDX Inc. proposes to complete the Arrangement to introduce the Company, a UK plc, as the new holding company of the SDX Group and pursuant to the Arrangement, the current shareholders of SDX Inc. will have their Common Shares exchanged for Ordinary Shares in the Company, the Common Shares will be de-listed on the TSX-V and admission to trading on AIM will be cancelled and the Ordinary Shares will be admitted to trading on AIM (with ISIN GB00BJ5JNL69 and SEDOL BJ5JNL6) and under the tradeable instrument display mnemonic 'SDX'. The Circular was published by SDX Inc. on 8 April 2019 in connection with the Arrangement and a copy is available on SDX Inc.'s website www.sdxenergy.com and on SEDAR at www.sedar.com.
- 1.4 The London Stock Exchange has confirmed that the Company will be treated as a quoted applicant for the purposes of the AIM Rules for Companies as the Common Shares are admitted to trading on AIM and that the Public Record, which relates entirely to SDX Inc., can be attributed to the Company for the purposes of Admission.
- 1.5 Following due and careful enquiry, the Directors and the Proposed Directors confirm that SDX Inc. has adhered to the legal and regulatory requirements attributable to having its Common Shares admitted to trading on AIM.
- 1.6 SDX Inc. is an international oil and gas exploration, production and development company, with a principal focus in North Africa. Its current activities are concentrated in Egypt and Morocco, where SDX Inc. has interests in seven concessions with short and long-term potential. In Morocco, two further concessions; Lalla Mimouna Sud and Moulay Bouchta Ouest, have been granted pending final approvals from the Moroccan Ministry of Energy and Ministry of Finance.
- 1.7 The SDX Group's activities and assets are more fully described in the Circular, on the Company's website www.sdxenergy.com, in SDX Inc.'s Annual Report for the year ended 31 December 2018 which is also available on the Company's website www.sdxenergy.com and in other announcements made to the TSX-V and the London Stock Exchange.

2 STRATEGY FOLLOWING ADMISSION

- 2.1 SDX Inc. is underpinned by a portfolio of high margin producing assets combined with near-term development and exploration prospects in Egypt and Morocco.
- 2.2 The Company intends to organically increase production and cash flow generation through an active work programme, consisting of well workovers in existing producing fields and high impact exploration and development drilling across its wider portfolio.

- 2.3 The Company also intends to leverage its balance sheet, benefit from early mover advantage and its regional networks to grow through the acquisition of suitable high value asset opportunities in North Africa.
- 2.4 The Company intends to maintain a strict financial discipline to ensure an efficient use of funds. The Company's short-term objective is to achieve production of circa 10kboe/d through the implementation of this strategy whilst the long-term objective is to become a full cycle E&P Company with production in excess of 75kboe/d.

3 **COMPETENT PERSON'S REPORT**

- 3.1 The Competent Person's report dated 22 March 2019 (the "**CPR**") published by independent petroleum consultants ERCE provides a technical review of the SDX Group's main assets. The CPR is available under SDX Inc.'s profile on SEDAR at www.sedar.com and on SDX's website www.sdxenergy.com.
- 3.2 ERCE whose name and address is set out at page 5 of this document, accept responsibility for the information contained in the CPR. To the best of the knowledge and belief of ERCE (who have taken all reasonable care to ensure that such is the case) the information contained in the CPR is in accordance with the facts, and does not omit anything likely to affect the import of such information.
- 3.3 ERCE have confirmed that as at the date of this document, there has been no material change that has occurred since 31 December 2018, being the effective date of the evaluation other than production in the ordinary course.

4 **CORPORATE GOVERNANCE**

Subject to the Arrangement becoming effective, the Company intends to adopt the QCA Corporate Governance Code (the "**QCA Code**"), as issued by the Quoted Companies Alliance in April 2018 and adopt and apply corporate governance practices to reflect the QCA Code. The Company will prepare a corporate governance statement at least annually to explain the way in which the Company has applied the QCA Code and to identify any areas in which the Company's governance structures and practices differ from the expectations set by the QCA Code.

The QCA Code provides that the board of directors of a UK public company should include an appropriate combination of executive and non-executive directors, with a minimum of two non-executive directors. Independence is matter of judgement for the Board. The Board will, following Admission, comprise of the Non-Executive Chairman, the Chief Executive Officer and Chief Financial Officer (who are both executives) and three further non-executive directors.

The QCA Code recommends that the Board should be supported by committees (e.g. audit, remuneration and nominations committees with necessary skills and knowledge to discharge duties and responsibilities). The Directors have adopted terms of reference for and will form an audit committee, a nominations committee, a remuneration committee and a reserves and health, safety, social and environmental committee.

The audit committee will normally meet not less than three times a year. The committee will consist solely of independent non-executive directors and its initial members will be Timothy Linacre (Chair), Michael Doyle and Michael Raynes. In compliance with the QCA Code, Timothy Linacre has relevant financial experience. The audit committee has responsibility for, amongst other things, the planning and

review of the SDX Group's annual report and accounts and half-yearly reports and the involvement of the SDX Group's auditors in that process. The committee focuses in particular on compliance with legal requirements, accounting standards and on ensuring that an effective system of internal financial control is maintained. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remain with the Board.

The duties of the audit committee covered in the terms of reference are: financial reporting, internal controls and risk management systems, whistleblowing, internal audit, external audit and reporting responsibilities. The terms of reference also set out the authority of the committee to exercise its duties.

The nominations committee will normally meet not less than twice a year. The committee will consist solely of independent non-executive directors and its initial members will be Michael Doyle (Chair) and Michael Raynes. The nominations committee considers the composition of the Board, retirements and appointments of additional and replacement directors and makes appropriate recommendations to the Board.

The duties of the nominations committee covered in the terms of reference relate to the following: regularly reviewing the Board's composition, succession planning for the Board, review of the leadership (executive and non-executive) of the SDX Group on a regular basis and nominating candidates for the Board should vacancies arise.

The remuneration committee will normally meet not less than twice a year. The committee will consist solely of independent non-executive directors and its initial members will be Michael Raynes (Chair) Timothy Linacre and David Mitchell. The remuneration committee has responsibility for making recommendations to the Board on the SDX Group's policy on the remuneration of certain senior executives (including senior management), including annual bonuses, the eligibility requirements for benefits under long-term incentive schemes and for the determination, within agreed terms of reference, of specific remuneration packages for each of the executive Directors, including pension rights, contracts of employment and any compensation payments.

The duties of the remuneration committee covered in the terms of reference relate to the following: determining and monitoring policy on and setting level of remuneration for executive directors, early termination, performance-related pay, pension arrangements, agree the policy for authorising claims for expenses from the directors, reporting and disclosure, and remuneration consultants.

The reserves and health, safety, social and environmental committee (the "**Reserves and HSSE Committee**") meets at least once annually or otherwise as circumstances warrant. The committee will consist solely of independent non-executive directors and its initial members will be of David Mitchell (Chair), Michael Doyle and Tim Linacre. Reserves and HSSE Committee is responsible for meeting with the independent engineering firm commissioned to conduct the reserves evaluation on the Company's oil and gas assets and to discuss the results of such evaluation with such independent evaluators and management, ensuring appropriate policies and systems are in place to manage effectively the health, safety, environment and community relations risks in relation to the SDX Group's operations and ensure that the SDX Group's activities are planned and executed in a safe and responsible manner.

The duties of the Reserves and HSSE Committee covered in the terms of reference relate to the following: reviewing managements' recommendations for the

appointment or proposed changes of independent evaluators, reviewing the Company's procedures for providing information to the independent evaluators, meeting with management and the independent evaluator to review the reserves data and report, including any restrictions imposed by management or significant issues on which there was a disagreement with management and reviewing reserve additions and revisions which occur from one report to the next, recommending to the Board whether to approve the content of the independent evaluators' report, reviewing the Company's procedures for reporting on other information associated with oil and gas producing activities, generally reviewing all public disclosure of estimates of the Company's reserves, the formulation of the SDX Group's policies and systems for identifying and managing health, safety, social/communities and environmental risks, assess the SDX Group's policies and systems for ensuring compliance with health, safety, social/communities and environmental regulatory requirements and review the results of independent audits of the SDX Group's performance in regard to health, safety, environmental or social/community relations matters.

The terms of reference for each committee referred to above cover such issues such as membership and frequency of meetings, as mentioned above, together with the role of company secretary and the requirements of notice of and quorum for and the right to attend meetings.

5 THE CITY CODE

As the Company is a public limited company with its registered office in the UK whose shares will be admitted to trading on AIM following completion of the Arrangement, the UK City Code will apply to the Company, as more particularly described in the Circular.

The City Code applies to all takeover and merger transactions in relation to the Company, and operates principally to ensure that shareholders are treated fairly and are not denied an opportunity to decide on the merits of a takeover and that shareholders of the same class are afforded equivalent treatment. The City Code provides an orderly framework within which takeovers are conducted and the Panel on Takeovers and Mergers has now been placed on a statutory footing.

There are not in existence any current mandatory takeover bids in relation to the Company.

6 RULE 17 OF AIM FOLLOWING COMPLETION OF THE ARRANGEMENT

The provisions of DTR 5 will apply to the Company and its Shareholders once its shares are admitted to AIM. DTR 5 sets out the notification requirements for Shareholders and the Company where the voting rights of a Shareholder exceed, reach or fall below the threshold of 3 per cent. and each 1 per cent. thereafter up to 100 per cent. DTR 5 provides that disclosure by a Shareholder to the Company must be made within two trading days of the event giving rise to the notification requirement and the Company must release details to a regulatory information service as soon as possible following receipt of a notification.

7 TRADING OF SECURITIES FOLLOWING COMPLETION OF THE ARRANGEMENT

7.1 Settlement and CREST

The Company's articles of association permit the holding of Ordinary Shares in uncertificated form in accordance with the CREST Regulations. The system allows

shares and other securities to be held in electronic form rather than paper form, although a shareholder can continue dealing based on share certificates and notarial deeds of transfer. For private investors who do not trade frequently, this latter course is likely to be more cost-effective.

CREST is a voluntary system and holders of Ordinary Shares who wish to deal on AIM and receive and retain share certificates will be able to do so.

For more information concerning CREST, Shareholders should contact their brokers or Euroclear at 33 Cannon Street, London EC4M 5SB.

Trading in Ordinary Shares on AIM will require Shareholders to deal through a stockbroker or other intermediary who is a member of the London Stock Exchange. Shareholders resident outside the UK should ensure that their stockbroker is either a member of the London Stock Exchange or has in place arrangements allowing them to effect trades on AIM.

8 **SHARE CAPITAL**

8.1 As at the Latest Practicable Date, the issued share capital of the Company was:

No. of Ordinary Shares

250,000 fully paid

8.2 The issued share capital immediately following Admission will be:

No. of Ordinary Shares

204,723,041 fully paid⁽¹⁾

Note

(1) Assumes no options under the LTIP, Stock Option Plan or CSOP are exercised prior to Admission and assumes no dissent rights pursuant to section 190 of the CBCA will be exercised in connection with the Arrangement. Any shares in respect of which such dissent rights are exercised will be cancelled by SDX Inc. prior to effecting the Arrangement.

8.3 The total number of Ordinary Shares issuable under options as at the Latest Practicable Date is nil.

- 8.4 The total number of Ordinary Shares issuable under the LTIP, Stock Option Plan and CSOP on Admission is expected to be as follows:

<i>Plan Category</i>	<i>Number of securities to be issued upon exercise of outstanding options, warrants and rights</i>	<i>Weighted-average exercise price of outstanding options, warrants and rights (US\$)</i>
Stock Option Plan	2,115,000 ⁽¹⁾⁽²⁾	0.65
LTIP	7,100,884 ⁽¹⁾⁽²⁾	Nil

Notes

- (1) The Stock Option Plan and LTIP are rolling 10% plans and accordingly the number of Ordinary Shares available for issuance on a certain date under such plans will be determined based on the number of Ordinary Shares in issue at that date.
- (2) Assuming no options under the LTIP, Stock Option Plan or CSOP are exercised prior to Admission.

- 8.5 As at the Latest Practicable Date, the Company held no Ordinary Shares in treasury.

- 8.6 Other than the issue of Ordinary Shares pursuant to the Arrangement and on exercise of the share options as described in the Public Record and in this document, the Company has no present intention to issue any new shares in the share capital of the Company.

- 8.7 The Company does not have in issue any securities not representing share capital.

- 8.8 No shares of the Company are currently in issue with a fixed date on which entitlement to a dividend arises and there are no arrangements in force whereby future dividends are waived or agreed to be waived.

- 8.9 Save as disclosed in the Public Record, the Company is not aware of any person who directly or indirectly, jointly or severally, exercises or could exercise control over the Company nor is it aware of any arrangements, the operation of which may at a subsequent date result in a change of control of the Company.

- 8.10 Save as disclosed in this document and in the Public Record, on Admission no share or loan capital of the Company or any other member of the Group will be under option or has been agreed conditionally or unconditionally to be put under option.

- 8.11 Neither the Major Shareholders, Directors or the Proposed Directors have voting rights that differ from those of other shareholders of the Company.

- 8.12 The Ordinary Shares will be in registered form. No temporary documents of title will be issued and prior to the issue of definitive certificates, transfers will be certified against the register. It is expected that definitive share certificates for the Ordinary Shares not to be held through CREST will be posted to shareholders by 7 June 2019. Ordinary Shares to be held through CREST will be credited to CREST accounts on Admission.

- 8.13 Details of the rights attaching to the Ordinary Shares are available in the Circular which can be found at www.sdxenergy.com.

- 8.14 It is intended that the Company adopt a new long term investment plan (the "**PLC LTIP**"), substantially on the same terms and subject to the same limits as the LTIP, save for the specific TSX-V restrictions on share awards to individuals, which shall not apply. The new options granted pursuant to the PLC LTIP will not, when taken together with the options granted to Shareholders pursuant to the LTIP, the CSOP and the Stock Option Plan, represent more than 10 per cent. of the entire issued share capital of the Company at the time of grant.
- 8.15 On Admission, the Company will have authority from the Shareholders to give the Directors authority to allot shares or grant rights to subscribe for, or convert any security into, shares in the Company representing approximately one-third (33.33 percent) of the issued ordinary share capital of the Company on Admission and a further one-third (33.33 per cent.) of the Company's shares in connection with a pre-emptive offer by way of a rights issue to Shareholders representing approximately two-thirds (66.67 per cent.) of the issued ordinary share capital of the Company on Admission.
- 8.16 On Admission, the Company, acting in accordance with the Companies Act, will have authority to grant the directors authority to disapply pre-emption rights specifically in relation to (i) the allotment of Ordinary Shares to be issued pursuant to the Arrangement, (ii) the shares to be issued pursuant to the CSOP, LTIP, the Stock Option Plan and PLC LTIP, (iii) pre-emptive issues and (iv) generally in respect of 10 percent of the issued ordinary share capital of the Company on Admission.

9 **RISK FACTORS**

There are a number of risks which may have a material and adverse impact on the future operating and financial performance of the Company and the value of the Company's Ordinary Shares which are set out in the Public Record and, in particular, the Circular.

10 **WORKING CAPITAL**

The Directors and the Proposed Directors have no reason to believe that the working capital available to the Company or the SDX Group will be insufficient for at least 12 months from the date of Admission.

11 **RELATED PARTY TRANSACTIONS**

The related party transactions being transactions which, as a single transaction or in their entirety, are or may be material to the Company and have been entered into by the Company or any other member of the Group during the period commencing on the period covered by SDX Inc.'s audited consolidated financial statements for the year ended 2016, the period covered by SDX Inc.'s audited consolidated financial statements for the year ended 2017, the period covered by SDX Inc.'s audited consolidated financial statements for the year ended 2018 and up-to-date of this document and terminating immediately prior to the date of this document are set out in/are as follows:

- note 23, SDX Energy Inc. audited consolidated financial statements for the year ended December 31, 2018 and 31 December 2017; and
- note 23, SDX Energy Inc. audited consolidated financial statements for the year ended 31 December, 2017 and 31 December 2016.

Each of the transactions was concluded at arm's length.

12 **SIGNIFICANT CHANGES IN FINANCIAL POSITION SINCE 31 DECEMBER 2018**

All significant changes in the financial or trading position of SDX Inc. since the end of the financial year ended 31 December 2018 have been the subject of public announcements in accordance with Securities Laws available on the websites set out on the front cover of this document and are in the Public Record.

13 **DIRECTORS' INTERESTS**

13.1 As at the Latest Practicable Date and as expected to be held on Admission, the interests (all of which are beneficial unless otherwise stated) of the Directors and the Proposed Directors (including any interest known to that Director or Proposed Director or which could with reasonable diligence be ascertained by him or any person connected with a Director or a Proposed Director within the meaning of paragraph 252 to 255 of the Companies Act) in the Company's issued share capital are or are expected to be as follows:

<i>Director/ Proposed Director</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital of SDX Inc. as at the Latest Practicable Date</i>	<i>Percentage of issued share capital immediately following Admission⁽³⁾</i>	<i>Number of Common Shares/Ordinary Shares under option⁽³⁾</i>	<i>Expiry Date</i>	<i>Exercise Price (US\$)</i>
Michael Doyle	2,200,158	1.07	1.07	160,000 160,000	July 12, 2022 December 1, 2020	0.76 0.63
Paul Welch	703,145	0.34	0.34	800,000	1 December 2020	0.63
David Mitchell	1,711,950	0.83	0.83	160,000 160,000	July 12, 2022 December 1, 2020	0.76 0.63
Tim Linacre	-	-	-	-	-	-
Mark Reid	281,785	0.14	0.14	400,000	1 December 2020	0.63
Michael Raynes ⁽¹⁾⁽²⁾	39,908,805	19.49	0.01	160,000	July 12, 2022	0.76

Notes

- (1) Michael Doyle is a principal of CanPetro International Ltd which holds 907,764 Ordinary Shares of the Company which is included within the number of Ordinary Shares shown above.
- (2) Michael Raynes is the Board representative of SDX SPV Limited, which holds 39,876,803 Ordinary Shares of the Company, which are included within the number of Ordinary Shares shown above.

(3) Assuming no options or warrants are exercised prior to Admission.

13.2 None of the Directors or any person connected with them (within the meaning of section 252 of the Companies Act (as amended)) is interested in any related financial product referenced to the Ordinary Shares (being a financial product whose value is, in whole or in part, determined directly or indirectly by reference to the price of the Ordinary Shares including a contract for difference or a fixed odds bet).

14 **ADDITIONAL INFORMATION ON THE DIRECTORS**

14.1 In addition to their directorships in the SDX Group, the Directors and Proposed Directors currently hold, and have during the five years preceding the date of this document held, the following directorships or partnerships:

<i>Name</i>	<i>Current directorships/ partnerships</i>	<i>Former directorships/ partnerships</i>
Michael Doyle	CanPetro International Ltd. Richmond Road Capital Corp. Colson Capital Corp.	Madison Petrogas Ltd. Brevia Energy Inc. Equal Energy Ltd.
Paul Welch	-	-
David Mitchell	-	Madison PetroGas Ltd.
Tim Linacre	Frenkel Topping Group Plc Instinctif Partners Limited	Siren Energy Shareproperty Limited
Mark Reid	-	Chariot Oil and Gas Limited

Michael Raynes	SDX SPV Limited Waha Investment PrJSC Waha Investment Management Company SPC Waha Capital Investments LLC Waha AC Coöperatief U.A. Avia Holding Limited Channel VAS Investments Limited Waha VAS Limited Dunia Finance Services FZ-LLC Mena Infrastructure Fund (GP) Limited Waha Energy Limited NESR SPV Limited Petronash Global Limited Petronash SPV Limited Waha Credit Opportunities Ltd Waha Credit 1 Ltd Waha Financial Services (Abu Dhabi) Limited Waha Capital International LLP
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14.2 None of the Directors or Proposed Directors:

- (a) has any unspent convictions in relation to indictable offences;
- (b) has been the subject of any public criticism by any statutory or regulatory authority (including a recognised professional body);
- (c) save as disclosed at paragraphs 14.3 and 14.4 below, has been a director of a company at the time of, or within the 12 months preceding the date of, that company being the subject of a receivership, compulsory liquidation, creditors' voluntary liquidation, administration, company voluntary arrangement or any composition or arrangement with its creditors generally or any class of its creditors;
- (d) has been a partner of a partnership at the time of, or within 12 months preceding the date of, that partnership being placed into compulsory liquidation or administration or being entered into a partnership voluntary arrangement nor in that time have the assets of any such partnership been the subject of a receivership;
- (e) has any asset which, at any time, has been the subject of a receivership;
- (f) is or has been bankrupt nor been the subject of any form of individual voluntary arrangement; and
- (g) is or has ever been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company.

- 14.3 In February 2007, Mr Michael Doyle became a director and took on the role of chairman at Vanquish Oil and Gas Corporation, a private Canadian oil and gas company that was in financial difficulties. Shortly thereafter, he assumed the role of COO in order to better assess and best mitigate damage to all of the stakeholders of the company. After discussion and negotiation with the secured creditor, the company entered into voluntary receivership on 27 March 2007.
- 14.4 In 2013, Mr Michael Doyle became an investor and a director of Brevia Energy Inc. The company was an Alberta oil and gas producer. Mr Doyle resigned as a director in January 2016, and the company entered into voluntary receivership.
- 14.5 The table below shows the term and expiry of the tenure of the directors of SDX Inc. as at the Latest Practicable Date:

<i>Name</i>	<i>Date of appointment</i>	<i>Date of expiration</i>
Michael Doyle	1 October 2015	Directors are elected annually and hold office until a successor is elected or appointed.
Paul Welch	12 September 2013	As above.
David Mitchell	1 October 2015	As above.
Tim Linacre	28 June 2018	As above.
Mark Reid	16 September 2016	As above.
Michael Raynes	16 September 2016	As above.

- 14.6 The Directors were appointed to the Board on incorporation of the Company. The Proposed Directors will be appointed to the Board conditional on Admission and, together with the Directors, will be elected annually and will hold office until a successor is elected or appointed.
- 14.7 Letters of appointment have been entered into between SDX Inc. and each of Michael Raynes and Tim Linacre (dated 16 September 2016 and 28 June 2018 respectively) pursuant to which each of them agreed to act as non-executive directors of SDX Inc. at an annual fee of £30,000. Each of Tim Linacre and Michael Raynes receive an additional £5,000 in respect of their committee chairmanships, Tim Linacre being the chairman of the audit committee and Michael Raynes being the chairman of the compensation committee. There is no fixed term of office. In the event of termination of the appointments, neither Michael Raynes, nor Tim Linacre will be entitled to any compensation for loss of office. After termination of appointment as non-executive directors, any fees will cease to be payable.
- 14.8 Details of the service agreements entered into between SDX Inc. and the Directors are set out in the Circular.
- 14.9 It is expected that the agreements entered into between the Directors and the Proposed Directors with SDX Inc. will be novated to the Company following completion of the Arrangement.

15 **DIVIDEND POLICY**

15.1 The strategy of the Directors and the Proposed Directors is to generate capital growth for Shareholders. They will recommend the payment of dividends when it becomes commercially prudent to do so and then subject to the availability of distributable reserves and subject to the retention of funds required to finance future growth.

15.2 To facilitate the payment of future dividends as and when the Company has distributable reserves and it becomes commercially prudent to do so taking into account the funds required to finance future growth, the Company is undertaking the Capital Reduction to increase its distributable reserves. The effect of the Capital Reduction will be to reduce the nominal value of the Ordinary Shares to £0.001 per share. It is emphasised that the Capital Reduction does not affect the number of Ordinary Shares in issue nor the rights attaching to the Ordinary Shares. The completion of the Capital Reduction in itself, will not affect the value of the Ordinary Shares and the number of shares held in the Company by Shareholders will not be impacted by the Capital Reduction. In addition, the Company intends to evaluate and optimise the SDX Group structure on an ongoing basis following Admission.

16 **SHARE DEALING CODE**

The Company has adopted, with effect from Admission, a share dealing code for the Directors and certain employees, which is appropriate for a company whose shares are admitted to trading on AIM (particularly relating to dealing during close periods in accordance with Rule 21 of the AIM Rules for Companies and the Market Abuse Regulation) and the Company will take all reasonable steps to ensure compliance by the Directors, the Proposed Directors and any relevant employees.

17 **EMPLOYEES**

As at 31 December 2018, the SDX Group had 66 total full time employees. Of this number, approximately 24 per cent. were located in the UK, approximately 26 per cent. were located in Egypt and approximately 50 per cent. were located in Morocco. Approximately 73% of employees are involved directly in oil and gas activities and approximately 27% of employees are involved in head office and support functions.

18 **MATERIAL CONTRACTS**

In addition to the agreements summarised or contained in the Public Record (which can be found at www.sdxenergy.com, www.sedar.com, www.sedi.ca and www.londonstockexchange.com) the following contracts (i) not being contracts entered into in the ordinary course of business have been entered into by members of the SDX Group (a) in the two years immediately preceding the publication of this document and are, or may be material or (b) contain provisions under which any member of the SDX Group has any obligation or entitlement which is material to the SDX Group as at the date of this document or (ii) are subsisting agreements which are included within or which relate to the assets and liabilities of the SDX Group (regardless of whether such agreements are within the ordinary course or were entered into outside the two years immediately preceding publication of this document):

- the nomad agreement 25 October 2017 and entered into between SDX Inc. and Stifel (the "**Nomad Agreement**"), pursuant to which SDX Inc. appointed Stifel to act as nominated adviser to SDX Inc. for the purposes

of the AIM Rules for Companies. SDX Inc. agreed to pay Stifel a fee of £75,000 plus VAT per annum, with annual increases since this date in line with the Retail Price Index rate of inflation, for its services as nominated adviser under the Nomad Agreement. The Nomad Agreement contains certain undertakings, warranties and indemnities given by the Directors, the Proposed Directors and/or SDX Inc. to Stifel. The Nomad Agreement is terminable upon not less than 30 days' prior written notice by either SDX Inc. or Stifel. It is intended that the Nomad Agreement be novated to the Company on Admission.

19 **LITIGATION**

No member of the SDX Group is or has been involved in any governmental, legal or arbitration proceedings which may have, or have had during the 12 months preceding the date of this document, a significant effect on the SDX Group's financial position or profitability and, so far as the Directors and the Proposed Directors are aware, there are no such proceedings pending or threatened against any member of the SDX Group.

20 **GENERAL**

20.1 Other than as disclosed in the Public Record:

- (a) there have been no interruptions in the SDX Group's business which may have or have had in the last twelve months a significant effect on the Company's financial position;
- (b) there are no significant investments by the Company under active consideration; and
- (c) the Directors and the Proposed Directors are not aware of any exceptional factors which have influenced the SDX Group's activities.

20.2 Save as disclosed in paragraph 20.3 and paragraph 20.4 below, no person (excluding the SDX Group's professional advisers otherwise disclosed in this document and trade suppliers) has:

- (a) received, directly or indirectly, from any member of the SDX Group within the 12 months preceding the date of application for Admission; or
- (b) entered into contractual arrangements (not otherwise disclosed in this document) to receive, directly or indirectly, from any member of the SDX Group on or after Admission,

any of the following:

- (i) fees totalling £10,000 or more;
- (ii) securities in any member of the SDX Group with a value of £10,000 or more calculated by reference to the nominal value of the Ordinary Shares; or
- (iii) any other benefit with a value of £10,000 or more at the date of Admission.

20.3 Save as disclosed in this paragraph 20.3, there have been no payments in excess of £10,000 made by or on behalf of any member of the SDX Group to any

government or regulatory body with regard to the acquisition or maintenance of any of the SDX Group's assets, in the 12 months preceding the Latest Practicable Date except the following:

- (a) £14,522,139.08 in aggregate to the Egyptian General Petroleum Corporation in respect of corporation tax and royalties;
- (b) £190,439.55 in aggregate to the Egyptian Natural Gas Holding Company in respect of training fees of bonuses;
- (c) £828,739.66 in aggregate to the Egyptian Ministry of Finance in respect of corporation tax; and
- (d) £252,066.29 in aggregate to the Moroccan *Office National des Hydrocarbures et des Mines* in respect of training fees and bonuses.

20.4 The SDX Group has made the following payments in the 12 months preceding the Latest Practicable Date:

<i>Name</i>	<i>Nature of relationship with the SDX Group</i>	<i>Fees paid (in aggregate) (£)</i>
Bracewell LLP	Legal adviser	117,280.11
KPMG LLP	Financial adviser	69,948.17
Ernst & Young LLP	Financial adviser	652,010.58
IFAC Morocco	Financial adviser	30,827.30
Akin, Gump, Strauss, Hauer & Feld LLP	Legal adviser	379,054.68
Borden, Ladner, Gervais LLP	Legal adviser	13,882.30
Celicourt Communications Ltd	Public relations adviser	74,962.19
DeGolyer & MacNaughton Inc.	Technical adviser	138,259.11
DNV GL	Technical adviser	138,956.45
Gaffney, Cline & Associates Limited	Technical adviser	58,482.68
Hannam & Partners LLP	Financial adviser	62,931.64
Ogier LLP	Legal adviser	14,140.05
Rothschild & Co. SCA	Financial adviser	18,349.75

White & Case LLP	Legal adviser	40,438.32
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- 20.5 The Company's accounting reference date is 31 December.
- 20.6 PricewaterhouseCoopers LLP of 1 Embankment Place, London, WC2N 6RH, has been the independent auditor of SDX Inc. for the three financial years ended 31 December 2016, 31 December 2017 and 31 December 2018 and will remain the Company's auditors following Admission.
- 20.7 PricewaterhouseCoopers LLP is a member of the Institute of Chartered Accountants in England and Wales and has no material interest in the Company.
- 20.8 Stifel is registered in England and Wales under number 03719559 and its registered office is at 150 Cheapside London EC2V 6ET. Stifel is regulated by the Financial Conduct Authority and is acting in the capacity as nominated adviser to the Company.
- 20.9 Stifel has given and has not withdrawn its written consent to the inclusion in this Appendix of references to its name in the form and context in which it appears.
- 20.10 ERCE has given and has not withdrawn its written consent to the inclusion in this Appendix of references to its name in the form and context in which it appears.
- 20.11 To the maximum extent permitted by law, each of the persons referred to above expressly disclaims and takes no responsibility for any part of the Announcement and Appendix other than the references to their name.
- 20.12 Information equivalent to that required for an admission document which has previously been made public (in consequence of SDX Inc. having its Common Shares traded on the TSX-V and on AIM) is included in this Announcement or is available at www.sdxenergy.com or www.londonstockexchange.com or www.sedar.com.
- 20.13 Copies of this Announcement are available to the public free of charge at the Company's website www.sdxenergy.com.

8 April 2019