

SDX Energy PLC Announces Successful Flow Rate Test at Sobhi Discovery Well

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LONDON, April 24, 2020 - [SDX Energy Plc](#) (AIM:SDX)(OTCPINK:SDXEF), the MENA-focused oil and gas company, is pleased to provide an update on well-testing operations at the SD-12X ("Sobhi"; SDX 100% working interest) discovery well in the South Disouq Exploration Permit onshore Nile Delta, Egypt (SDX 55% working interest).

The drill stem test (DST) at the Sobhi well began with a step-rate test of one hour achieving a maximum rate of 25 mmscf/d on a 54/64" choke. This initial flow test was followed by a three hour period flowing at a stable rate of 15 mmscf/d on a 28/64" choke and then a further four hours flowing at a stable rate of 10 mmscf/d on a 16/64" choke. The well was then shut in for a 12 hour build-up period during which pressure continued to increase back to pre-test levels.

From an initial review of the well-test data, it is anticipated that when connected, the well will produce at an optimum stabilised rate of 10-12 mmscf/d which is in line with the nearby Ibn Yunus-1X producing well. The Sobhi well is expected to produce mostly dry gas as opposed to gas and condensate.

Sobhi will be subject to a longer rig-less test in the coming weeks which will provide more data to help determine the recoverable volume in the discovery, which at present management estimates to be 24 bcf of recoverable resource. The exact timing of the rig-less test will be dependent on the timing of the mobilisation of equipment which may be impacted by ongoing Covid-19 restrictions in the region.

Management expect that the Sobhi well will be tied in during 2021 via a 5.8 kilometre tie-in to the Ibn Yunus-1X location where an existing flow-line connects to the South Disouq Central Processing Facility. On a gross basis, the tie-in cost is estimated at US\$3.5 million. The discovery will potentially only require one further development well to be drilled, which will not be necessary for another two to three years. SDX drilled the Sobhi well at a 100% working interest and the total cost of the well, including the cost to complete, is estimated at US\$3.7 million. Under Clause 8.5 of the Joint Operating Agreement, 'Premium to Participate in Exclusive Operations', if the Company's partner elects to participate in the well now that a discovery has been made, it is required to pay its full 45% share of the well cost, plus a premium of a further 300% of this amount.

Mark Reid, CEO of SDX, commented:

"We are pleased with these initial well test results which confirms that we have a commercial discovery at the Sobhi well. This discovery increases our South Disouq 2P reserves by approximately 50% given that we sole risked the well. Furthermore, Sobhi has the potential to extend the current South Disouq plateau production of 50 mmscfe/d through to 2023/24 with a low-cost tie in to our existing gas processing plant. To have a commercial gas discovery of this scale at South Disouq is especially pleasing in the current environment as our low cost, fixed price gas development will continue to be highly cash generative for longer."

About SDX

SDX is an international oil and gas exploration, production and development company, headquartered in

London, United Kingdom, with a principal focus on MENA. In Egypt, SDX has a working interest in three producing assets: a 55% operated interest in the South Disouq gas field in the Nile Delta and a 50% non-operated interest in each of the North West Gemsa and Meseda concessions, which are located onshore in the Eastern Desert, adjacent to the Gulf of Suez. In Morocco, SDX has a 75% working interest in the Sebou concession, situated in the Gharb Basin. The producing assets in Morocco are characterised by exceptionally low operating costs, making them particularly resilient in a low commodity price environment. SDX's portfolio also includes high impact exploration opportunities in both Egypt and Morocco.

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

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 Rob Cook, VP Subsurface of SDX. Dr. Cook has over 25 years of oil and gas industry experience and is the qualified person as defined in the London Stock Exchange's Guidance Note for Mining and Oil and Gas companies. Dr. Cook holds a BSc in Geochemistry and a PhD in Sedimentology from the University of Reading, UK. He is a Chartered Geologist with the Geological Society of London (Geol Soc) and a Certified Professional Geologist (CPG-11983) with the American Institute of Professional Geologists (AIPG).

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Glossary

"2P reserves"	proved and probable reserves
"bcf"	billion cubic feet
"mmscf/d"	million standard cubic feet per day
"mmscfe/d"	million standard cubic feet equivalent per day

Forward-Looking Information

Certain statements contained in this press release may constitute "forward-looking information" 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 information. In particular, statements regarding the Company's planned testing, tie-in and total cost of the Sobhi well should be regarded as forward-looking information.

The forward-looking information contained in this document is 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 information because SDX can give no assurance that they may prove to be correct. This includes, but is not limited to, assumptions related to, among other things, commodity prices and interest and foreign exchange rates; planned synergies, capital efficiencies and cost-savings; applicable tax laws; future production rates; receipt of necessary permits; the sufficiency of budgeted capital expenditures in carrying out planned activities, and the availability and cost of labour and services.

All timing given in this announcement, unless stated otherwise, is indicative, and while the Company endeavours to provide accurate timing to the market, it cautions that, due to the nature of its operations and reliance on third parties, this is subject to change, often at little or no notice. If there is a delay or change to any of the timings indicated in this announcement, the Company shall update the market without delay.

Forward-looking information is 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; permitting risks; the 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 refer to SDX's Financial Review for the year ended 31 December 2019, which can be found on SDX's SEDAR profile at www.sedar.com, for a description of additional risks and uncertainties associated with SDX's business, including its exploration activities.

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

Oil and Gas Advisory

Certain disclosures in this news release constitute "anticipated results" for the purposes of National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities of the Canadian Securities Administrators because the disclosure in question may, in the opinion of a reasonable person, indicate the potential value or quantities of resources in respect of the Company's resources or a portion of its resources. Without limitation, the anticipated results disclosed in this news release include estimates of volume, flow rate and production rates attributable to the resources of the Company. Such estimates have been prepared by Company management and have not been prepared or reviewed by an independent qualified reserves evaluator or auditor. Anticipated results are subject to certain risks and uncertainties, including those described above and various geological, technical, operational, engineering, commercial, and technical risks. In addition, the geotechnical analysis and engineering to be conducted in respect of such resources is not complete. Such risks and uncertainties may cause the anticipated results disclosed herein to be inaccurate. Actual results may vary, perhaps materially.

Use of the term "boe" or the term "mmscf" may be misleading, particularly if used in isolation. A "boe" conversion ratio of 6 Mcf: 1 bbl and a "Mcf" conversion ratio of 1 bbl: 6 mcf are based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

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