

RNS Strategy/Company/Operations Update

## **GAS DISCOVERY AT MA-1X WELL IN SOUTH DISOUQ EGYPT**

### **SDX ENERGY PLC**

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8 June 2022

**SDX ENERGY PLC** ("SDX", the "Company" or the "Group")

### **GAS DISCOVERY AT MA-1X WELL IN THE SOUTH DISOUQ CONCESSION EGYPT**

SDX Energy Plc (AIM: SDX), the MENA-focused energy company, is pleased to announce a gas discovery at the MA-1X well that targeted the Mohsen prospect, within the Exploration Extension Area of South Disouq.

MA-1X (SDX WI: 67%) spudded on 21 May 2022 and reached TD at 6,400 feet MD on 31 May 2022. The primary basal Kafr El Sheikh target was encountered at 5,762 feet MD and discovered 56.3 feet of net pay gas sand with an average porosity of 31.9%. MA-1X will now be completed and tested, with the results of the test being communicated in due course.

MA-1X is the third and final well of the 2022 South Disouq drilling campaign.

Mark Reid, CEO of SDX, commented:

*"I am very pleased to announce the success of the MA-1X exploration well. The Mohsen discovery, which is the third success, and the largest target out of the three wells drilled in 2022 with a pre-drill gross P50 EUR of 21 Bcf, demonstrates the continuing potential of the South Disouq asset. I am looking forward to providing a further update in the coming weeks after the well has been tested and we have further evaluated what the discovery could mean for the wider prospectivity of this acreage."*

#### **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 two producing assets: a 36.9% operated interest in the South Disouq and Ibn Yunus gas fields and a 67.0% operated interest in the Ibn Yunus North gas field in the Nile Delta and a 50% non-operated interest in the West Gharib concession, which is located onshore in the Eastern Desert, adjacent to the Gulf of Suez. In Morocco, SDX has a 75% working interest in four development/production concessions, all situated in the Gharb Basin. The producing assets in Morocco are characterised by attractive gas prices and exceptionally low operating costs. SDX has a strong weighting of fixed price gas assets in its portfolio with low operating costs and attractive margins throughout, providing resilience 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.sdxenergygroup.com](http://www.sdxenergygroup.com) or the Company's filed documents at [www.sedar.com](http://www.sedar.com).

#### **Standard**

Estimates of reserves and resources have been prepared in accordance with the June 2018 Society of Petroleum Engineers ("SPE") Petroleum Resources Management System ("PRMS") as the standard for classification and reporting with an effective date of 31 December 2021.

#### **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 Dr Rob Cook, VP Subsurface of SDX. Dr. Cook has 30 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).

#### **For further information:**

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#### **Glossary**

"Bcf"	Billion cubic feet
"EUR"	Estimated ultimate recovery
"MD"	Measured depth
"TD"	Total depth
"WI"	Working interest

#### ***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 developments at, and the results of, the drilling campaign at South Disouq, and the time in which the Company intends to update the market on its future results 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 assurances 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 the Principal Risks & Uncertainties section of SDX's Annual Report for the year ended 31 December 2021, which can be found on SDX's SEDAR profile at [www.sedar.com](http://www.sedar.com), for a description of additional risks and uncertainties associated with SDX's business.

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* ("NI 51-101") 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, production rates, porosity, and pay thickness 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.

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