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Sea Dragon announces results of the drilling program on the East Wadi Araba concession and two separate production and development deals.

For Immediate Release

CALGARY, ALBERTA--(Marketwire – February 17, 2009) -

Sea Dragon Energy Inc. ("Sea Dragon" or the "Company") (TSX VENTURE:SDX) hereby announces that the Dahab North Prospect was drilled by the Company to a final total depth of 9,750' MD/8,644' TVD utilizing the GSF #103 rig and has been fully evaluated by drilling two well bores from the same surface location in order to test Miocene and Pre-Miocene targets. The well encountered two separate reservoirs in the Kareem and Rudeis formations and hydrocarbons were encountered however the hydrocarbons did not meet the Company's economic criteria. The Company is currently performing plug and abandonment operations.

The Company will consider additional drilling on the EWA Concession as it further assesses the results of the recent drilling and also awaits interpretation of the results from a well that is currently being drilled from the adjoining concession - South Warda.

Sea Dragon President and Chief Executive Officer David Thompson stated, "While we are disappointed by the results to date of the Dahab North well we are examining options for further development in the EWA Concession". Consistent with the Company's long term intention to combine its exploration activities in the Gulf of Suez with lower risk assets it is announcing two new projects which will provide the Company with production and development opportunities that it believes have considerable upside potential.

Sea Dragon has entered into a letter of intent for an exclusive period with Dover Investments Limited to acquire, subject to applicable governmental approvals, the Ras El Ush concession which is situated in the Gulf of Suez, Egypt. The Ras El Ush concession is a producing concession situated offshore in the Gulf of Suez and it currently produces approximately 1,000 BOPD of production which would generate immediate cash flow to the Company upon closing of the transaction. The Company has been advised that there is the possibility to increase existing production through well stimulation. Additionally there are other exploration targets on the concession.

Sea Dragon has also acquired on a private placement basis a fifteen percent (15%) convertible debenture in the principal amount of \$300,000 maturing on December 12, 2009 and convertible into 2,000,000 common shares (the "Debenture Shares") in the capital of Prevail Energy Ltd. ("Prevail Energy"). The Debenture Shares represent, on a fully converted basis, approximately 5.6% of the total issued and outstanding common shares of Prevail Energy as of the date hereof. Upon mutually agreeable terms the parties may elect to move forward with negotiations that could result in a merger, acquisition or other form of business combination subject to completion of satisfactory due diligence and required regulatory, governmental and/or shareholder approvals.

Prevail Energy is a junior Canadian oil and gas company based in Montreal. Management of Sea Dragon has been informed that Prevail Energy's main asset is a 20% - 30% working interest in the 700 km² onshore Mengo Kundji Bindi production concession situated in the Republic of Congo, Brazzaville. The joint venture comprising Societe Nationale des Petroles du Congo, Petro SA and Petroci is currently drilling a three well program with the second well underway and nearing its objective reservoir. The block is located within 20 kilometres of the prolific M'Boundi field.

For further information please see the website of the Company at <http://www.seadragon.ca> or the Company's filed documents at <http://www.sedar.com>.

Statements in this release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed under the heading Risk Factors and elsewhere in the Company's filings with Canadian securities regulators. Such information contained herein represents management's best judgment as of the date hereof based on information currently available. The

Company does not assume any obligation to update any forward-looking statements, save and expect as may be required by applicable securities laws.

Sea Dragon is an international exploration and development company with oil and gas interests in the Gulf of Suez, Egypt. The Company holds a 75% working interest in the East Wadi Araba Concession ("EWA Concession") pursuant to the deed of assignment awarded by the Arab Republic of Egypt and Egyptian General Petroleum Corporation ("EGPC") for the purposes of the exploration and exploitation of petroleum.

The TSX Venture Exchange has neither approved nor disapproved of the information contained herein.

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