



NOT FOR DISTRIBUTION TO U.S. NEWSWIRE OR FOR DISSEMINATION IN THE UNITED STATES

Sea Dragon Announces Successful Test and Completion of Al Amir SE-3 Well, Al Amir Development Lease, NW Gemsa Concession, Egypt

Calgary, Alberta (August 27, 2009) – Sea Dragon Energy Inc. ("Sea Dragon" or the "Company") (TSX VENTURE:SDX) is pleased to announce the successful completion and testing of a third well in the Al Amir field, the N.W.Gemsa Concession in Egypt. The Al Amir S.E. #3 well tested 40 degree API gravity oil along with associated gas from a 35 foot interval within the Kareem Formation at a stabilized rate of 2395 bopd and 2.2 mmscf/d using a 32/64” Choke. The Choke size was increased for a short period of time to 64/64” and the test rate increased to 4938 bopd and 8 mmscf/d. The well has been placed on production and oil production from the field is now at 4,151 bopd.

The Mubarak-1 drilling rig has been moved and commenced drilling the Al Amir S.E. #4 appraisal well.

In a previous press release dated 19th August 2009, Sea Dragon announced the acquisition of a 10% interest in the N.W. Gemsa Concession from Premier Oil Overseas BV. , a subsidiary Company of Premier Oil Plc.

The N.W. Gemsa Concession is located approximately 300 kilometers southeast of Cairo. It covers an area in excess of 250 Square Kilometres. The concession partners are Vegas Oil and Gas (the operator) with 50% interest and Circle Oil Plc with 40% interest.

Commenting on the latest test results, Mr. Said Arrata, President and CEO of Sea Dragon said:

“We are delighted to hear of the positive test results from the third successful well to be drilled in this new field and that current oil production has now increased to 4,151 bopd. We look forward to the installation of the increased production facilities to maximise production from these discoveries.”

For further information please see the website of the Company at www.seadragon.ca or the Company’s filed documents at 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. Specifically that there is no assurance that any hydrocarbon reserves will be discovered nor is there any assurance that any hydrocarbons encountered will be in commercially recoverable quantities. 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 a focus on the Middle East and an office in Cairo Egypt.

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

Said Arrata
President, CEO and Director
(403) 457-5035

David Thompson
Senior Vice President and Director
(403) 457-5035

Scott Koyich
President, Brisco Capital Partners
(403) 262-9888
skoyich@briscocapital.com

Graeme Dick
Brisco Capital Partners
(403) 561-8989
graeme@briscocapital.com

The TSX.V Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.