

Sea Dragon Energy Inc. Announces \$10 Million Underwritten Private Placement Equity Financing

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CALGARY, ALBERTA -- (October 8, 2009) – Sea Dragon Energy Inc. ("Sea Dragon" or the "Corporation") (TSX VENTURE: SDX) is pleased to announce that it has entered into an agreement with a syndicate of underwriters, led by Canaccord Capital Corporation ("Canaccord") (collectively the "Underwriters"), pursuant to which such Underwriters have agreed to purchase, on an underwritten private placement basis, 40,000,000 units ("Units") at a price of \$0.25 per Unit to raise gross proceeds of \$10,000,000 (the "Offering"). Each Unit will be comprised of one common share ("Common Share") in the capital of the Corporation and one-half Common Share purchase warrant ("Warrant"). Each whole Warrant will be exercisable into one Common Share at a price of \$0.50 for a period of 36 months from the closing date of the Offering.

In addition, the Underwriters will be entitled to an option (the "Over-Allotment Option"), exercisable in whole or in part at the sole discretion of the Underwriters to purchase up to an additional 20,000,000 Units for additional gross proceeds of up to \$5,000,000 at a price of \$0.25 per Unit prior to the closing date of the Offering. If the Over-Allotment Option is exercised in full, the total gross proceeds raised from the Offering will be \$15,000,000. The Offering is expected to close on or about November 5, 2009.

The net proceeds from the Offering will be used to fund the Corporation's previously announced acquisition of Premier Egypt (NW Gemsa) B.V. which holds a 10% working interest in the North West Gemsa Concession of Egypt and for general corporate purposes.

Completion of the private placement is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory approvals including the approval of the TSX Venture Exchange.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any state in the United States in which such offer, solicitation or sale would be unlawful. The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

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. 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.

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