

SEA DRAGON ENERGY INC. ANNOUNCES AN OPERATIONAL UPDATE ON ITS DRILLING AND PRODUCTION ACTIVITIES IN THE NW GEMSA CONCESSION, EGYPT.

Calgary, Alberta – (October 21, 2009)- Sea Dragon Energy Inc. (“Sea Dragon” or the “Company”) (TSX Venture: SDX) is pleased to provide the following operational update on its drilling, testing and production activities in the NW Gemsa Concession in Egypt.

PRODUCTION AND TESTING OPERATIONS:

Al-Amir S.E. #4 well: A detailed review of the test data on this well revealed a peak production rate of 5,500 bopd and 7.1 mmscf/d of solution gas. The oil gravity was measured at 40 degree API.

The well is continuing to clean up with yesterday’s full day production on a 32/64” choke measured at 2,700 bopd and 3.78 mmscf/d of solution gas.

Al-Amir S.E. #2 well: This well was shut-in for a short period of time to allow for a pressure survey to be run and was placed back on stream with a contribution for half a day to total daily production from the field.

Once all producing wells in the Al-Amir S.E. and Geyad fields are on stream and contributing fully, daily production from the concession is expected to be approximately 7,200 bopd.

DRILLING OPERATIONS:

Geyad #2 well: Drilling operations continued and the well has now reached a depth of 2,600 feet. Upon reaching a depth of 3,500 feet, the well will be cased.

This well is programmed to drill into the Miocene Lower Kareem zone and a secondary target to the Pre-Miocene and Nubia Sandstones with a 9 5/8 inch hole so as to allow for a 7 inch casing string to be installed in the event the Nubia Formation is productive.

Sea Dragon holds a 10% working interest in the onshore NW Gemsa Concession in Egypt, which is located approximately 300km South East of Cairo. The current partners are Vegas Oil and Gas (the current operator), holding a 50% interest and Circle oil Plc. with 40% interest.

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.

Additional information related to the Corporation is filed on SEDAR at www.sedar.com.

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