

Sea Dragon announces the completion of the acquisition of Premier Oil Egypt (NW Gemsa) B.V.

CALGARY, ALBERTA -- (Marketwire – December 21, 2009) –

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Sea Dragon Energy Inc. (“Sea Dragon” or the “Company”) (TSX VENTURE:SDX) has completed the acquisition of all of the issued and outstanding shares of Premier Oil Egypt (NW Gemsa) B.V.

The acquisition, which was announced on August 19, 2009 when Sea Dragon signed a sale and purchase agreement with Premier Oil Overseas B.V, gives Sea Dragon a 10% working interest in the NW Gemsa Concession, located approximately 300 km south east of Cairo. The other two partners in the concession are the operator, Vegas Oil and Gas S.A. (50% working interest) and Circle Oil Plc (40% working interest).

The effective date of the acquisition is July 1, 2009. The total consideration paid of \$US 14.7 million includes the purchase price of \$US 12.5 million plus working capital adjustments to December 21, 2009. The Company is entitled to receive its 10% share of production revenues after July 1, 2009. For the months of July to October, Sea Dragons’ share of net revenues after taxes and royalties totalled \$US1.0 million.

The NW Gemsa concession is in the midst of a nine well development program of the Al-Amir and Geyad areas. Five wells have been brought onto production in the Al-Amir and Geyad development leases since February 2009 and gross daily production reached 6,170 bopd in November. Cumulative production from the concession since it began producing in February 2009 is now over one million barrels. The sixth well in the concession is in progress and three more wells are to be completed before the end of 2010.

Commenting on the closing of the acquisition Premier Oil Egypt (NW Gemsa) B.V. and Sea Dragon’s involvement in the NW Gemsa property, Mr. Said Arrata, Chairman and CEO said:

“We are very pleased to have concluded this acquisition. The NW Gemsa property is very exciting for us and we have high expectations for the completion of the development program and possible additional exploration potential.”

For further information please see the website of the Company at [www.seadragonenergy.com](http://www.seadragonenergy.com) or the Company’s filed documents at [www.sedar.com](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. Words such as "may", "will", "should", "could", "anticipate", "believe", "expect", "intend", "plan", "potential", "continue", and similar expressions have been used to identify these forward-looking statements. These statements reflect management’s current beliefs and are based on information currently available to management. Forward-looking statements involve significant risk and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, changes in general economic, political and market conditions and other risk factors. Although the forward-looking statements contained herein are based upon what management believes to be reasonable assumptions, management cannot assure that actual results will be consistent with these forward-looking statements. Investors should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof. 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 North African and Sub-Saharan Africa and an office in Cairo Egypt.

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

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