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Sea Dragon announces the successful testing Geyad-2X ST1 at a rate of 3,850 barrels of oil per day

Calgary, Alberta – (January 19th 2010) - Sea Dragon Energy Inc. (“Sea Dragon” or the “Company”) (TSX VENTURE:SDX) is pleased to announce the successful drilling and testing of the Geyad-2X ST1 appraisal well, in the NW Gemsa Concession.

The Geyad-2X ST1 well flowed on test 42° API oil at an average rate of 3,850 bopd and 4.62 MMscfd of solution gas using a 48/64" choke from the upper of two identified pay zones, in the Kareem Formation.

The total net pay thickness of the encountered two Kareem pay zones is approximately 32 feet. The upper tested pay zone, the Kareem Shagar Sandstone is 14 feet thick. The lower untested pay zone in the Kareem Rahmi Sandstone is 18 feet thick and will be further evaluated at a later date. The well is the second appraisal well to be drilled on the Geyad discovery area and is being prepared for production. Once on stream the Geyad 2X-ST1 will further contribute to the NW Gemsa concession gross production which has increased to approximately 7,350 bopd from the currently producing five wells. Cumulative production from the concession has exceeded 1.2 MM barrels.

The original Geyad-2X well was drilled to evaluate both the Kareem and the deeper Nubia sands. The deeper Nubia sands proved to be water bearing, and the Kareem Sandstones although porous were encountered with high water saturation. The well was successfully sidetracked (Geyad-2X ST1) updip and encountered the two Kareem Sands in the oil zone.

The drilling rig will now move to commence drilling the Al-Amir SE-5 well which is the fourth appraisal well in the Al-Amir SE discovery area. The primary target is again the Kareem Formation. Objective of this well is to primarily delineate the reservoir boundary.

Sea Dragon has a 10% working interest in NW Gemsa Concession. The other members of the Concession are Vegas Oil and Gas (50% interest and operator) and Circle Oil Plc (40% interest).

Commenting on the results of Geyad 2X-ST1, Mr. Said Arrata chairman and CEO of Sea Dragon said:

“We are delighted with the continued success in exploiting the NW Gemsa concession and ramping up the production. It reinforces our expectations for the significant upside this concession holds and we look forward to announce the uplift in production once Geyad-2X ST1 is tied in and entered into production”.

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.

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