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## **Sea Dragon Energy, Inc announces a significant increase in its Oil Production and the receipt of final Government approval for the Kom Ombo acquisition.**

4<sup>th</sup> February 2010 - Sea Dragon Energy Inc. ("Sea Dragon" or the "Company")(SDX) is pleased to announce that its current working interest share of production from the N.W. Gemsa and Kom Ombo Concessions has now reached **1,475 bopd**. The Company also reports that it has received final approval for its latest acquisition of a 50% interest in the Kom Ombo block#2 Concession. The Government of Egypt has now approved the Deed of Assignment thus paving the way towards closing this acquisition.

In the N.W. Gemsa block, the Geyad #2 ST1 was placed on production on January 30<sup>th</sup>. at a rate of 2,170bopd resulting in total gross production from the concession reaching a new peak of 9,220 bopd (**Sea Dragon has a 10% Working Interest**). Cumulative oil production from the Al Amir SE and Geyad oil Fields has now surpassed 1.3 MMbbls. Vegas Oil and Gas are the operator with 50% Working Interest and Circle Oil Plc have 40% Working Interest.

In the Al Amir SE Field the Al Amir SE#5 well was spud on January 29<sup>th</sup> 2010. The well is estimated to reach a total depth of approximately 8,300 ft. Sub-Sea in the Rudeis Formation. The primary objective of the well is to further appraise the oil-bearing sandstones of the Kareem Formation. At time of this press release the well had already reached a depth of 2,345 ft. In Kom Ombo, significant development drilling activities are planned for the Al Baraka Field focused primarily at increasing gross production well beyond the current 1,106 bopd level (**Sea Dragon has a 50% Working Interest**). The newly discovered Six Hills E Formation in the Al Baraka #4 well is continuing to produce at some 750 bopd. Short term drilling plans will focus on developing this zone further. Exploration activities will also commence on the balance of the acreage in the block with the acquisition of 2-D and 3-D seismic and the possible drilling of an exploratory well.

Commenting on these latest developments, Mr. Said Arrata, Chairman and CEO of Sea Dragon said:" We are very pleased to have achieved new record production levels in the NW Gemsa block. It is indeed a testimony to the high prospectivity of this concession and we feel fortunate to be a participant in its development.

We are also delighted to have received final government approvals for our latest acquisition in the Kom Ombo area of southern Egypt. Our company will now focus its energies to the exploration and development activities in this newly acquired concession block. In my opinion the Kom Ombo block is only beginning to unveil its vast potential. We are very much looking forward to substantially increasing our production and cash flow levels short term while continuing to explore the vast potential of the remaining acreage in the block.”

For further information please see the website of the Company at [www.seadragon.ca](http://www.seadragon.ca) 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. 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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