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SEA DRAGON FINDS ADDITIONAL OIL IN NW GEMSA AND SIGNS NEW DRILLING CONTRACT FOR KOM OMBO

CALGARY, ALBERTA, FEBRUARY 8, 2012 – Sea Dragon Energy Inc. (“Sea Dragon” or the “Company”) (TSX VENTURE: SDX) is pleased to provide the following operational update for its NW Gemsa and Kom Ombo concessions in Egypt.

NW GEMSA CONCESSION

This concession is located onshore on the west side of the Gulf of Suez, some 300 km southeast of Cairo. Two main oil fields are producing light oil, the Al Amir SE field along with the Al Ola extension to the south and the Geyad field to the north-

AASE-10 Well:

This well initially planned as the fourth injection well in the NW Gemsa concession has encountered oil in the Kareem Formation. The well was spud on December 20, 2011 and successfully drilled to its total depth of 10,450 feet in the Upper Rudeis. Petrophysical analysis of open hole logs indicated 34 feet of oil pay in the Shagar zone and 31 feet of oil pay in the Rahmi zone, thus extending the oil leg further west. The Rahmi interval was perforated from 9,975 to 10,010 feet. Plans are to test this zone prior to determining whether to complete the well as an oil producer or a water injector. New mapping of the Al Amir SE field reserves is now ongoing.

AASE-11 Well:

This development well was spud on February 5th, 2012 and has reached a depth of 1,783 feet (13 3/8” casing point). The well is planned as a potential Kareem Shagar or Rahmi producer.

Geyad-4 St2 Well (Previously Geyad-D):

The Geyad-4 ST2 well was successfully placed on sustained production December 26, 2011, at a rate of 345 bopd on a ½ “inch choke from the Rahmi reservoir. The well is positioned to benefit from water injection at Geyad-5 well which began on January 18, 2012.

Production:

Current production from the Al Amir SE and Geyad fields is approximately 7,000 bopd (700 bopd net to Sea Dragon). Cumulative production from the NW Gemsa Concession has now exceeded 7.2 million barrels of 42 degree API Crude oil. Production from the Al Ola#1 and #2 wells remains shut in pending government approval of the Al Ola Development Lease expected soon. Once on stream, these wells will contribute to ramping up production towards the 10,000 bopd level (1,000 bopd net to Sea Dragon).

Water Injection:

Initial pressure support in response to water-flooding operations has now been observed in the first row of producers namely Al Amir SE#6 Shagar well and Al Amir SE#4 Rahmi well. Cumulative injection to date is 1.39 million barrels at a current rate of 17,000 bwpd in three injectors, Al Amir SE#7, Al Amir SE#8 and Geyad 5 wells.

Sea Dragon has a 10% working interest in the NW Gemsa Concession with Vegas at 50%, as operator and Circle Oil PLC with 40%.

KOM OMBO CONCESSION

This concession is located onshore in the southern part of Egypt some 1,000 km south of Cairo. It contains the Al Baraka oilfield, producing light oil from multiple reservoirs and an exploration area of 11,400 km².

A contract for the drilling rig has now been signed and the rig is undergoing inspection before being mobilized to the Kom Ombo Concession. The five well drilling program (three development and two exploratory wells) is anticipated to commence in March, 2012. The first well to be drilled is the West Al Baraka-2 (WAB-2) exploratory well, located approximately 9 km Southwest of Al Baraka field; to be followed by the Al Baraka #16 well.

Current production from the Al Baraka field is averaging approximately 550 Bbl/d (275 Bbl/d net to Sea Dragon).

Sea Dragon has a 50% working interest and is a joint operator of the Kom Ombo Concession with Dana Gas owning the remaining 50%.

Certain statements contained in this press release constitute "forward-looking statements" as such term is used in applicable Canadian and US securities laws. These statements relate to analyses and other information that are based upon forecasts of future results, estimates of amounts not yet determinable and assumptions of management. In particular, statements concerning the development of the Al Baraka field and events or projections referenced or implied herein should be viewed as forward-looking statements.

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