



STRATA-X

ENERGY

VENUS PROJECT - SURAT BASIN CSG PERMIT GRANTED

Highlights

The 154 Km² Surat Basin Walloon CSG Venus Project permit has been officially granted 50/50 to Strata-X Energy and Real Energy by the Queensland Government.

An independent reserves certifier calculated Best Estimate Prospective Gas Resource of 658 Bcf (694 PJ) gross, 329 Bcf (347 PJ) net to Strata-X within the Walloon coal measures of the Venus Project.

The Venus Project JV will be re-entering the Connor-1 well that was previously drilled, cased and underreamed but never properly flow-tested, to reservoir-enhance and flow-test the upper Walloon coal seams.

The upper Walloon coal seams in a core hole adjacent to Connor-1 had 100% gas saturations inferring that very little regional water down from these seams will be required to achieve early gas flows.

The Connor-1 re-entry flow test program is designed to prove sufficient water flow rates, allowing for efficient regional drawdown with early and sustained gas flows from the upper Walloon seams.

ASX disclosure note - 5.28.2 – Prospective Resources - The estimated quantities of petroleum that may potentially be recovered by the application of a future development project(s) relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration appraisal and evaluation is required to determine the existence of a significant quantity of potentially moveable hydrocarbons.

STRATA-X ENERGY LTD - DENVER, COLORADO USA, BRISBANE, QUEENSLAND AUSTRALIA and VANCOUVER, BRITISH COLUMBIA CANADA – March 26, 2020.

The Directors of Strata-X Energy ("Strata-X" or "Company") are pleased to announce that the Queensland Government has officially granted title of the Venus Project permit ATP-2051 (previously PLR2019-1-11) to Strata-X Energy and Real Energy Corporation (RLE:50%/SXA:50% "JV").

Board of Directors:

Ron Prefontaine – Executive Chairman
Don Romaniuk - Director
Greg Hancock – Director
Duncan Cornish - Director

Investor Relations:

Colin Christensen
+1 403-483-8363
colin@strata-x.com

Mailing Address:

280-777 Hornby St
Vancouver, BC V6Z 1S4

855-463-2400
info@strata-x.com
www.strata-x.com

TSX.V : SXE

ASX : SXA





Project Venus is located within the main Walloon CSG fairway in the Surat Basin, Queensland. It is immediately adjacent to gas infrastructure and is prospective for CSG over its entire area of ATP 2051. A recent independent review of the data within and around the permit certified a Prospective Gas Resource of 658 BCF (694 PJ) gross, 329 BCF (347 PJ) net to Strata-X in the Walloon coal seams in ATP 2051.⁽¹⁾

Given the location of the Venus Project adjacent to gas infrastructure, the JV plans to expedite appraisal and conversion of resources to reserves to fast track development

There are several previously drilled CSG and conventional wells located within and around ATP-2051 including a fully cored well indicating the upper Walloon coal seams are fully gas saturated. One of the historic wells in the permit, the Connor-1 well, was drilled immediately adjacent to the core hole, then cased and underreamed but never properly flow-tested.

The Project Venus JV plans to re-enter the Connor-1 well to reservoir-enhance and flow-test the upper Walloon coals. The re-entry flow-test program is designed to prove sufficient water flows to allow efficient dewatering and early gas flows from the fully gas saturated upper Walloon coal seams.

The Connor-1 re-entry start date will be announced when the contractors and timing are confirmed.

Assuming the Connor-1 re-entry flow-test goes to plan, the Project Venus JV expects to drill two wells offsetting Connor-1 and fully equip the three wells as a production Pilot program. This program will include long term flow-testing of the upper Walloon coals with the objective to prove commercial gas flows rates.

Once commercial gas flow rates are achieved in the Pilot program, the Project Venus JV can commence progressively converting the 658 BCF (694 PJ) Prospective Gas Resource to reserves with the goal to fast track development of the project thereby offering the potential for early cash flows.

Real and Strata-X formed a 50:50 joint venture for Project Venus where Real will be the administrative and commercial operator while Strata-X, at least for the initial phase to predictable reserves certification, will be the technical operator. Mr Ron Prefontaine is the Executive Chairman of Strata-X and was the technical Director of Arrow Energy and founding Managing Director of Bow Energy, two ASX-listed CSG companies that were separately taken over in 2010 and 2011, respectively, for a combined total of ~A\$4 billion.

**By order of the Board of
Strata-X Energy Limited**

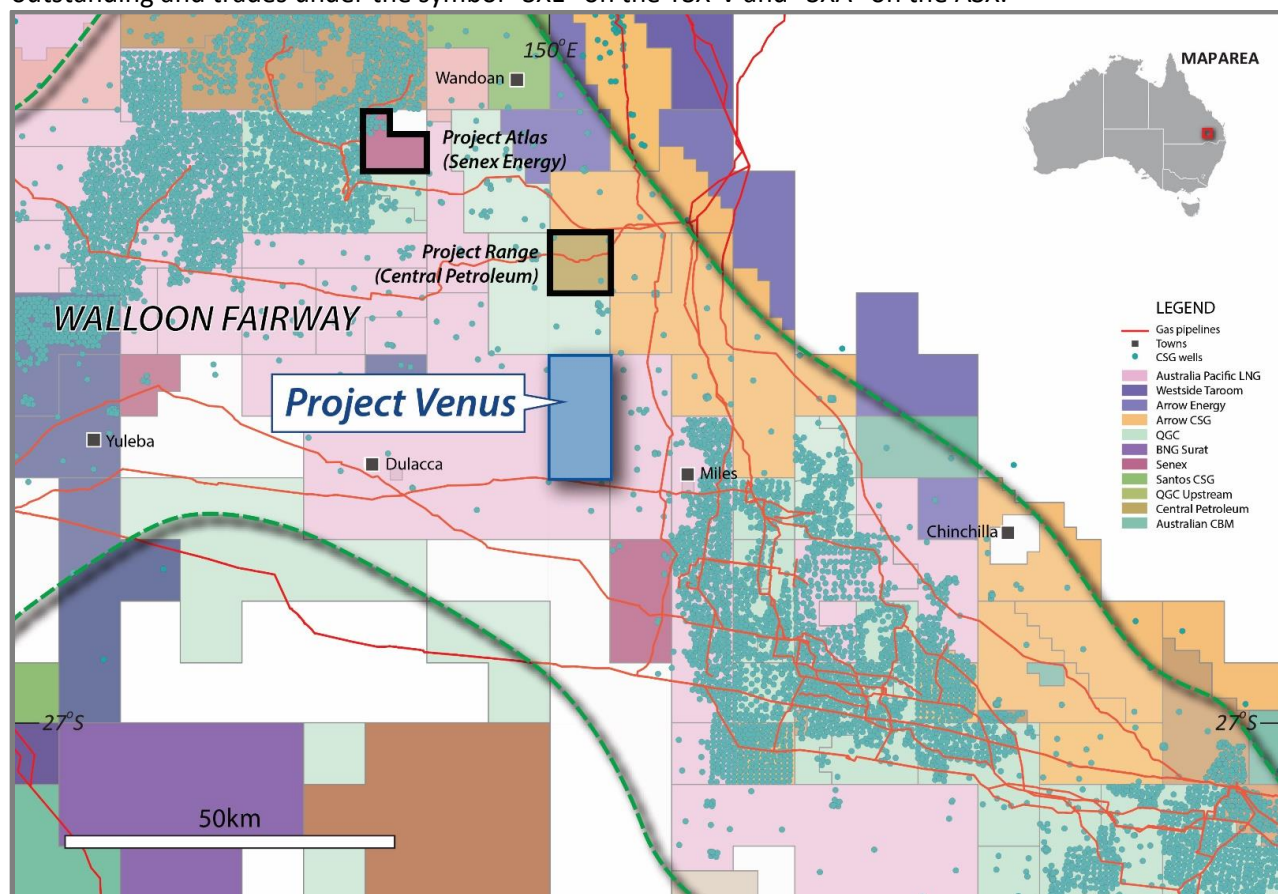


STRATA-X
ENERGY

ASX:SXA TSX.V:SXE

About Strata-X

Strata-X is a Denver, Colorado (USA) based company and is engaged in the business of oil and gas exploration and development with a variety of exploration opportunities in Queensland, Australia, the States of California and Illinois in the United States of America and the Republic of Botswana. Strata-X has 100,638,318 common shares outstanding and trades under the symbol "SXE" on the TSX-V and "SXA" on the ASX.



Cautionary Statement

The estimated quantities of petroleum that may be potentially recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially movable hydrocarbons. Prospective Resource assessments in this release were estimated using probabilistic methods in accordance with SPE-PRMS standards.

Geological Information

The geological information in this announcement relating to geological information and resources is based on information compiled by Adavale Energy Pty Ltd, a technical consultancy with a focus on delivering integrated technical, project management and business development services for the petroleum industry. The information contained in this release pertaining the area PLR2019-1-11 Prospective Resources estimates are based on, and fairly represent, information prepared under the supervision of Dr Steven Scott, Managing Director of Adavale Energy Consultants. Dr Scott is a qualified petroleum reserves and resources evaluator. The information related to the results of drilled petroleum wells has been sourced from the publicly available well completion reports.

FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements, which relate to future events or future performance, including but not limited to, the Corporation's business strategies and plans for the use of such Placement proceeds, capital expenditure programs and estimates relating to timing and costs, and reflect management's current expectations and assumptions, including, but not limited to the timing and receipt of necessary regulatory approvals and third party approvals and completion of the Placement and stability of general economic and financial market conditions. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", and similar expressions is intended to identify forward-looking statements. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to the Company.

LR 5.25.1 – The Prospective resources are reported as at 10 December 2019 LR 5.25.2 – The petroleum resources are Prospective Resources in accordance with SPE-PRMS. LR5.25.3 – There are currently no reserves in the permit. Estimates for prospective resources have not been adjusted for development risk LR 5.25.5 – The Prospective resources are reported as 100% - Strata-X's share is 50%. Gross royalty over Project Venus is 10%. LR 5.25.6 - The prospective resources volumes were obtained by deterministic method, calculating the potentially recoverable portion of the gas-in-place using the overall prospect area, the mapped net coal thickness, raw gas content and coal density, as well as a range of estimates of the gas recovery factor of the coals. The review was carried out in accordance with the standards in the Canadian Oil and Gas Evaluation Handbook as amended from time to time, maintained by the Society of Petroleum Evaluation Engineers. This leads to a Best Estimate of prospective resources in the subject areas of 658 Bcf, a Low Estimate of 526 Bcf, and a High Estimate of 789 Bcf (all numbers are gross 100% volumes). There is no certainty that any portion of the resources will be discovered. If discovered, there is no certainty that it will be commercially viable to produce any portion of the resources. LR 5.28.1 – The Prospective Resources estimate is based on best estimate and low and high estimate. LR 5.28.2 - Cautionary Statement: The estimated quantities of petroleum that may be potentially recovered by the application of a future development project relate to undiscovered accumulations. These estimates have both an associated risk of discovery and a risk of development. Further exploration, appraisal and evaluation are required to determine the existence of a significant quantity of potentially movable hydrocarbons. Prospective Resource assessments in this release were estimated using probabilistic methods in accordance with SPE-PRMS standards. LR 5.35.1 – The Prospective Resources are reported for the area ATP2051 (previously PLR2019-1-11) in the State of Queensland. LR 5.35.2 – The existence of a significant moveable hydrocarbons are determined by the results of previous petroleum wells in and around the permit area and review of seismic data. LR 5.35.3 – The changes of the Prospective Resources being converted to a higher PRMS designation (i.e contingent resource or reserves) is high and there is a high degree of confidence in leading to development status however there are the usual risks associated with a gas resource of this type- see Cautionary Statement above. LR 5.35.4 – The estimates were not adjusted for risk. LR 5.41 - The Prospective Gas Resources are prepared by MHA Petroleum Consultants, technical consultancy and business development services for the petroleum industry and Mr Tim L. Hower is the Senior Technical Advisor responsible for the estimates. LR 5.42 - The information contained in this release pertaining the area ATP2051 Prospective Resources estimates are based on, and fairly represent, information prepared under the supervision of Mr Tim L Hower, Senior Technical Advisor of MHA Petroleum Consultants. Mr Tim L. Hower is a qualified petroleum reserves and resources evaluator within the meaning of the ASX Listing Rules and consents to the inclusion in this release of the prospective resources estimates related information in the form and context in which that information is presented.