



STRATA-X

ENERGY

SITE PREPARATIONS COMMENCED FOR VENUS-1 CSG WELL

- Site preparations for the Venus-1 CSG well have commenced with drilling operations to commence in about a week.
- The planned total depth of the vertical well is 680 metres.
- Following a coil tubing reservoir enhancement, Venus-1 will be set up as the first pilot CSG well for long term production testing targeting commercial gas flows.
- Successfully proving commercial gas flows at the Venus-1 pilot, will commence the predictable conversion of prospective 694 PJ gas resources in ATP 2051P to reserves.
- Project Venus' ATP 2051P area totals 154 km² (Real Energy 50%/Strata-X Energy 50% JV) and is located within the productive Walloon CSG fairway of the Surat Basin.
- Real Energy and Strata-X Energy are merging form Pure Energy.
- Post listing on the ASX, Pure Energy will have 100% equity in Project Venus.

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.

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STRATA-X ENERGY LTD - BRISBANE, QUEENSLAND AUSTRALIA and VANCOUVER, BRITISH COLUMBIA CANADA – 20 October 2020

The directors and management of Strata-X Energy Ltd. (“Strata-X” or the “Company”) (TSX-V:SXE) (ASX:SXA) are pleased to announce that Strata-X and Real Energy, operator of Project Venus located within the Surat Basin Walloon CSG fairway (the JV), has commenced site preparation and is mobilising equipment for the drilling of the Venus 1 well. The Venus 1 well is expected to spud next week.

After reaching total depth, the plan is to case and suspend the well, then demobilise the rig. Shortly afterward, a coil tubing rig will be mobilized and utilized to run a reservoir enhancement program. After the enhancement, the well will be set up as the first pilot production well for a controlled fluid drawdown, which testing will continue into early 2021. The production testing is designed to prove initial gas breakout and increasing gas flows over the controlled draw down period. This data is required to model future gas flow rates and potentially commercial gas flow rates.

The results of the production test will also be used to decide to either expand the pilot or, if commercial flow rates are achieved, commence an aggressive appraisal program designed to certify sufficient reserves to for the Project Venus JV to secure gas sales agreements, allowing for commercial field development.

About Project Venus

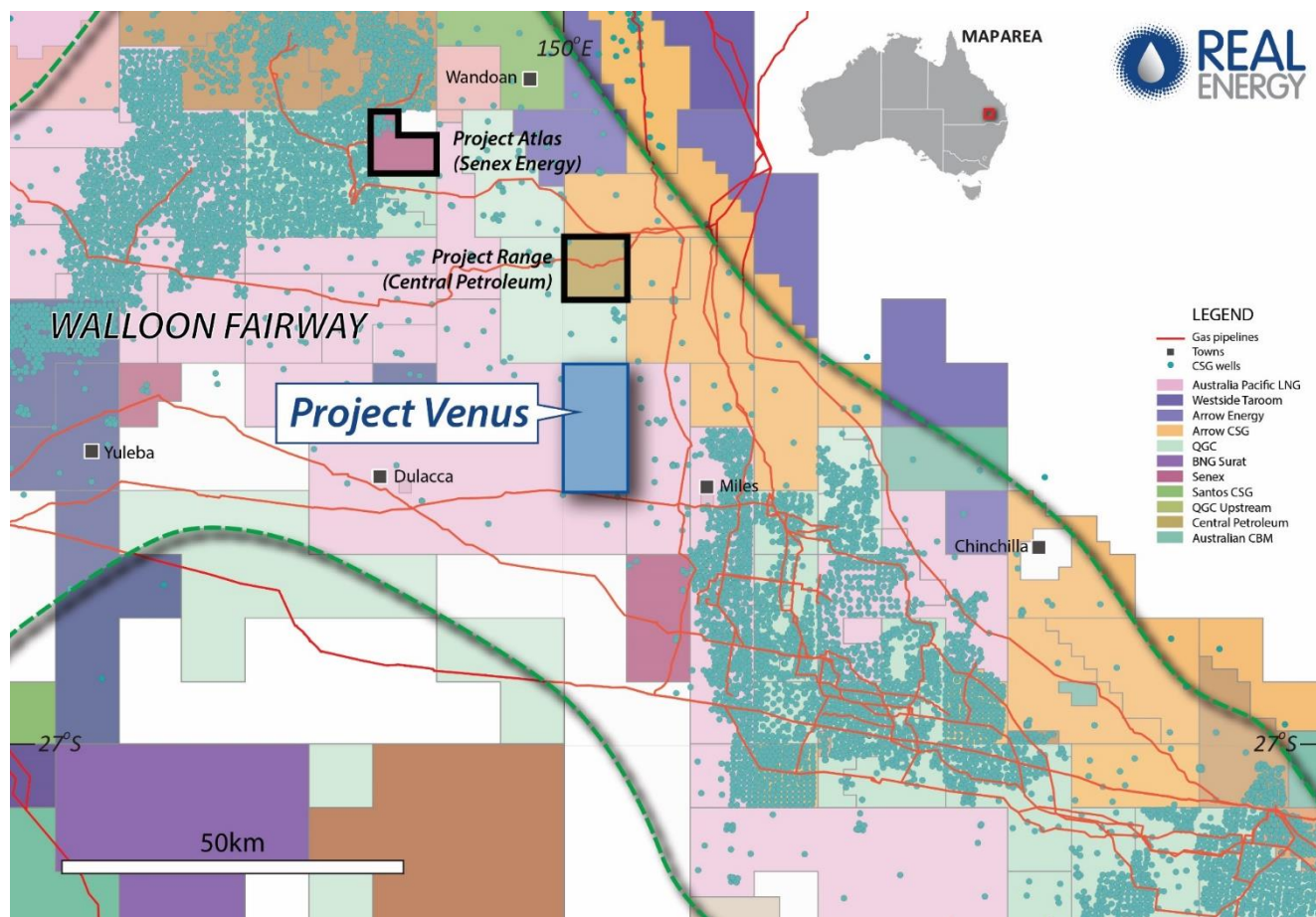
The 154 km² Project Venus (Strata-X 50%/Real Energy 50% JV) is located within the Walloon CSG fairway in the Surat Basin. An independent expert has certified, on a best estimate basis, a Prospective Gas Resources of 658 Bcf (694 PJ). Given the location of this tenement immediately adjacent to gas infrastructure and within a proven giant gas fairway, the Venus Project offers the potential to achieve early cash flows.

Real Energy and Strata-X Energy to Merge

As announcement on 15 July, Strata-X Energy and Real Energy have agreed to merge and rename the merged company Pure Energy. Post the merger, Pure Energy will have 100% of Project Venus.



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FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements, which relate to future events or future performance, including but not limited to, the completion and size of the Placement, receipt of regulatory approvals and timing thereof, 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. Readers are cautioned that these forward-



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