



STRATA-X ENERGY

VENUS PILOT WELL STIMULATION BY END OF 2020

- Venus-1, the first CSG pilot well in the ATP 2051P Project Venus Joint Venture drilled to a total depth of 715 metres, encountered multiple coal intervals with excellent gas shows and approximately 25 metres of net coal pay.
- The coil tubing jetting coal reservoir enhancements over highly gas saturated coal reservoirs is planned over the 3rd week of December.
- As announced on 15 July 2020, Strata-X Energy and Real Energy have agreed to merge and rename the merged company Pure Energy.
- Post-merger, Pure Energy will own 100% of Project Venus.

STRATA-X ENERGY LTD - BRISBANE, QUEENSLAND AUSTRALIA and VANCOUVER, BRITISH COLUMBIA CANADA – 3 December 2020 (Brisbane, Australia)

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), was drilled to a total depth of 715 metres and has been suspended prior to being set up for production testing as the first CSG pilot well for the Project Venus JV.

Some excellent gas shows were recorded while drilling, with a preliminary interpretation of the wireline logs indicating approximately 25 metres of net gassy coal pay.

A coil tubing-deployed reservoir stimulation program designed to improve water influx and ultimately gas flows from the targeted gassy coals is planned to commence in the third week of December. To compare the before and after stimulation results, a pre and post stimulation short-term controlled water influx test will be carried out.

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The post-stimulation water influx rate and other data are needed to finalise the optimum production equipment and methods as required to set up the well to carry out a controlled drawdown production pilot flow test over a planned initial 2 month production test period. Due to no rig movements being allowed from Dec 23rd to January 4th, Venus-1 will be set up as the first production well for a CSG pilot early in January 2021.

The Venus-1 production pilot test is designed to prove initial gas breakout and increasing gas flows over the controlled draw down period as required to model and predict future gas flow rates and potentially commercial gas flow rates.

The results of the production pilot test will also be used to either expand the pilot or, if commercial flow rates are achieved, commence an aggressive appraisal program designed to certify sufficient reserves for the Project Venus JV to secure gas sales agreements, allowing 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 Resource of 658 Bcf (694 PJ).⁽¹⁾ 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.

Strata-X and Real merging to form Pure Energy

As announced on 15 July 2020, Strata-X Energy and Real Energy have agreed to merge and rename the merged company Pure Energy. Post -merger, Pure Energy will own 100% of Project Venus.

By order of the Board of Strata-X Energy Limited

This announcement was made in Canada for the TSX.V and in Australia for the ASX.

Public documents for Strata-X Energy Ltd. can be found at SEDAR (Canada) (www.sedar.com) and ASX.com.au (Australia).

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-looking statements are neither promises nor guarantees, and are subject to risks and uncertainties, including imprecision in estimate



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capital expenditures and operating expenses, stock market volatility, general economic and business conditions in North America and globally, risks associated with liquidity and capital resource requirements, that may cause future results to differ materially from those expected and the forward-looking statements included in this news release should not be unduly relied upon. See also "Risks Factors" in the Company's Annual Information Form available on SEDAR at www.sedar.com. Those factors are not, and should not be construed as being exhaustive. These forward-looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances save as required under applicable securities legislation. This news release does not constitute an offer to sell securities and the Company is not soliciting an offer to buy securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

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