

# **STRATA-X ENERGY LTD.**

## **NOTICE OF EXTRAORDINARY MEETING and MANAGEMENT INFORMATION CIRCULAR**

Extraordinary Meeting of Shareholders  
to be held in Denver, Colorado, USA  
August 5, 2014

June 25, 2014

## STRATA-X ENERGY LTD.

### NOTICE OF THE EXTRAORDINARY MEETING OF SHAREHOLDERS TO BE HELD August 5, 2014

The board of directors of **STRATA-X ENERGY LTD.** (the "**Corporation**") invites you to attend the extraordinary meeting of the shareholders of the Corporation (the "**Meeting**") to be held at 1624 Market St. Suite #300A, Denver, Colorado, USA 80202, on **AUGUST 5, 2014**, at **10:00a.m.** (Denver time), for the following purposes:

1. to approve an amendment to the expiry dates of Warrants issued to investors in connection with a capital raising conducted in July 2012 on the terms and conditions as set out in the management information circular accompanying this notice, for the purposes of a waiver from Listing Rule 6.23.3 granted by ASX to the Corporation on May 12, 2014;
2. to ratify the issuance of a maximum of 6,503,554 Chess Depository Units (CDIs) to sophisticated and professional investors for the purpose of ASX Listing Rule 7.4 and for all other purposes;
3. to approve the issuance of a maximum of 50,000,000 Shares under a public offering expected to be completed by way of short form prospectus (**Short Form Prospectus**) for the purpose of ASX Listing Rules 7.1 and for all other purposes;
4. to approve the issuance of a maximum of 400,000 Shares under the Short Form Prospectus to Mr Tim Hoops for the purpose of ASX Listing Rule 10.11 and for all other purposes;
5. to approve the issuance of a maximum of 1,000,000 Shares under the Short Form Prospectus to Mr Ron Prefontaine for the purpose of ASX Listing Rule 10.11 and for all other purposes;
6. to approve the issuance of a maximum of 100,000 Shares under the Short Form Prospectus to Mr Tim Bradley for the purpose of ASX Listing Rule 10.11 and for all other purposes;
7. to approve the issuance of a maximum of 175,000 Shares under the Short Form Prospectus to Mr Don Romaniuk for the purpose of ASX Listing Rule 10.11 and for all other purposes;
8. to transact such other business as may properly come before the Meeting or any adjournment of the Meeting;

all as more particularly set out in the attached management information circular.

All holders of common shares are invited to attend the Meeting. Only shareholders of record at the close of business on June 25, 2014, are entitled to vote at the Meeting.

If you are unable to attend the Meeting in person, please complete, date and sign the enclosed form of proxy and return it, in the envelope provided to Olympia Trust Company, through its Proxy Department at, Suite 2300, 125-9 Avenue SE, Calgary, AB T2G 0P6 or by fax at (403) 265-1455, so that it is received no later than 10:00 a.m. (Calgary time) on July 31, 2014. ASX CDI holders need to return their voting instructions forms to Strata-X Energy's Brisbane Office by no later than 5.00pm (Sydney time) on July 31, 2014. Further instructions are set out on page 7 of this Notice of Meeting.

DATED at Vancouver, British Columbia, June 25, 2014

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "*Tim Hoops*"

President, Chief Executive Officer and Director

# STRATA-X ENERGY LTD.

## MANAGEMENT INFORMATION CIRCULAR

### GENERAL INFORMATION

This management proxy circular ("**Circular**") is furnished in connection with the solicitation of proxies by the management of Strata-X Energy Ltd. ("**Strata-X**" or the "**Corporation**") for use at the extraordinary meeting (the "**Meeting**") of holders of common shares of the Corporation to be held on August 5, 2014, at 10:00 a.m. (Denver time) at 1624 Market St. Suite #300A, Denver, Colorado, USA 80202, and at any adjournment of the Meeting, for the purposes set out in the accompanying Notice of Extraordinary Meeting (the "**Notice of Meeting**") and at any adjournment thereof.

Except as otherwise stated, the information in this Circular is given as of June 25, 2014.

All amounts in this Circular are recorded in United States dollars unless specified otherwise.

### PROXY INSTRUCTIONS

#### Solicitation of Proxies

The proxy solicitation is made on behalf of the management of the Corporation. Mailing of this Circular and the form of proxy ("**Proxy Form**") will commence on or about July 11, 2014. The costs incurred in the preparation and mailing of the Proxy Form, Notice of Meeting and this Circular will be borne by Strata-X. In addition to solicitation by mail, proxies may be solicited personally, by telephone or other means of communication, by directors, officers and employees of the Corporation, who will not be specifically remunerated for such solicitations. The Corporation has arranged for intermediaries to forward meeting materials to beneficial owners of the shares held of record by those intermediaries and may reimburse the intermediaries for their reasonable fees and disbursements in that regard.

#### Appointment of Proxy

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder's behalf in accordance with the instructions given by the shareholder in the proxy.

The instrument appointing a proxy shall be in writing and shall be executed by the shareholder or their attorney authorized in writing or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney of such corporation duly authorized.

The persons named in the enclosed Proxy Form are directors and/or officers of Strata-X (the "**Management Proxyholders**"). **Each shareholder has the right to appoint a proxy holder other than the Management Proxyholders, who need not be a shareholder, to attend and to act for them and on their behalf at the Meeting. To exercise such right, the names of the Management Proxyholders should be crossed out and the name of the shareholder's appointee should be legibly printed in the blank space provided.**

#### Voting by Proxy

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Holders of CDIs are not registered holders and should refer to the section entitled "CDI Holders May Give Instruction to CHESS Depositary Nominees Pty. Ltd. ("CDN")."** Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

**If a shareholder does not specify a choice and the shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote on the matter as described under each item of business in this Information Circular.**

The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of the Meeting and with respect to other matters which may properly come before the Meeting. At the date of this

Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting.

#### **Completion and Return of Proxies (for holders of TSX-V Common Shares)**

**The completed instrument of PROXY must be dated and signed and the duly completed instrument of proxy must be deposited at the Corporation's transfer agent, OLYMPIA TRUST COMPANY, no later than forty eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time of the Meeting, or adjournment thereof or may be accepted by the Chairman of the Meeting prior to the commencement of the Meeting. The mailing address for proxies is:**

**Olympia Trust Company.  
Suite 2300, 125 - 9 Avenue SE, Calgary, AB T2G 0P6  
Fax number: (403) 265-1455.**

Instructions for holders of CHESD Depository Interests (CDI's) are set out on the next page.

#### **Revocation of Proxies**

A shareholder who has submitted a proxy may revoke it at any time up to and including the close of business on the last business day preceding the day of the Meeting, or any adjournment of the Meeting, by signing a statement in writing (or having your attorney, as authorized in writing, sign a statement) to this effect and delivering it to the Corporation at its registered office at Suite 2080-777 Hornby Street, Vancouver, British Columbia, V6Z 1S4, Attention: Shauna Hartman or the Corporation's transfer agent, Olympia Trust Company at Suite 2300, 125 - 9 Avenue SE, Calgary, AB T2G 0P6. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy at the Meeting and vote in person. In addition to revocation in any other manner permitted by law, a proxy may also be revoked by depositing such written statement with the Chairman of the Meeting on the day of the Meeting, or any adjournment of the Meeting.

### **BENEFICIAL HOLDERS OF COMMON SHARES**

**The information set out in this section is of significant importance to many shareholders who do not hold their common shares in their own name.** Only proxies deposited by shareholders whose names appear on the register of the Corporation as the registered holders of common shares can be recognized and acted upon at the Meeting. Most shareholders of the Corporation are "non-registered" shareholders because the shares they own are not registered in their names but instead are registered in the name of a nominee such as a brokerage firm through which they purchased the shares; a bank, trust company, trustee or administrator of self-administered RRSPs, RRIFFs, RESPs and similar plans; or a clearing agency (each a "Nominee") such as CDS Clearing and Depository Services Inc., or, in Australia, CDN. If you purchased your shares through a broker, you are likely an unregistered holder. Common shares held by your broker or their nominee can only be voted upon based on your instructions. Without specific instructions, your broker or their nominee is prohibited from voting your shares. **Therefore, beneficial shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person or entity.**

#### **Non-Registered Holders Other Than CDI Holders**

Applicable regulatory policy requires your broker to seek voting instructions from you in advance of the Meeting. Every broker has its own mailing procedures and provides its own return instructions, which you should carefully follow in order to ensure that your shares are voted at the Meeting. Often, the form of proxy supplied by your broker is identical to the Proxy Form provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge. Broadridge mails a scanable voting instruction form in lieu of the Proxy Form provided by Strata-X. You are asked to complete and return the voting instruction form to them by mail or facsimile. Alternately, you can call their toll-free telephone number, 1-888-237-1900, or access Broadridge's internet website at [www.broadridge.com](http://www.broadridge.com) to vote your common shares. They then tabulate the results of all instructions received and provide appropriate instructions respecting the voting of the common shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge it cannot be used as a proxy to vote shares directly at the Meeting as the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have your common shares voted or to appoint an alternative representative to attend at the Meeting in person to vote such common shares.**

**If you are a beneficial shareholder and wish to vote in person at the Meeting, you should insert your own name in the space provided on the voting instruction form provided to you by your nominee and return the completed form to Broadridge.** Do not complete the voting section of the form as your vote will be taken at the Meeting.

In addition, Canadian securities legislation now permits the Corporation to forward meeting materials directly to “non objecting beneficial owners”. If the Corporation or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the Nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the “Completion and Return of Proxy” section above. The Corporation does not intend to pay for intermediaries to forward materials to “objecting beneficial owners” under NI 54-101, and as a result such “objecting beneficial owner” will not receive this Circular or a proxy form unless the “objecting beneficial owner’s” intermediary assumes the cost of delivery.

### **CDI HOLDERS MAY GIVE INSTRUCTION TO CDN**

A “CDI” is a CHESS Depositary Interest representing an uncertificated unit of beneficial ownership in the common shares of the Corporation registered in the name of CDN. One CDI represents one underlying common share of the Corporation. “CHESS” refers to the Clearing House Electronic Subregister System, which is the electronic system pursuant to which CDIs of the Corporation trade on the Australian Securities Exchange (the “ASX”).

Holders of CDIs are non-registered or beneficial owners of the underlying common shares, which underlying shares are registered in the name of CDN. As holders of CDIs are not the legal owners of the underlying common shares, CDN is entitled to vote at meetings of shareholders on the instruction of the registered holder of the CDIs.

As a result, registered holders of CDIs can expect to receive a voting instruction form (a “VIF”), together with the Meeting materials, from Link Market Services Ltd (“Link”), the CDI Registry in Australia. These VIFs are to be completed by holders of CDIs who wish to vote at the Meeting in accordance with the instructions contained therein. Completed VIF forms must be returned to Strata-X Energy’s Brisbane Office by 5.00 pm (Sydney time) on July 31, 2014 or no later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the cut-off time for the receipt of proxies before any adjourned or postponed Meeting. The mailing address for CDI proxies is:

**Strata-X Energy Limited  
Level 5, 10 Market Street (GPO Box 2676), Brisbane QLD 4001  
Fax: (07) 3212 6250**

CDN is required to follow the voting instructions properly received from registered holders of CDIs. If you hold your interest in CDIs through a broker, dealer or other intermediary, you will need to follow the instructions of your intermediary.

A registered holder of a CDI can request CDN to appoint the holder (or a person nominated by the registered holder) as proxy to exercise the votes attaching to the underlying common shares represented by the holders of CDIs. In such case, a holder of the CDI may, as proxy, attend and vote in person at the Meeting.

If you hold your interest in CDIs through a broker, dealer or other intermediary, you will need to follow the instructions of your intermediary and request a form of legal proxy which will grant you the right to attend the Meeting and vote in person.

Registered holders of CDIs that wish to change their vote must in sufficient time in advance of the Meeting contact the Company to arrange to change their vote. If you hold your interest in CDIs through a broker, dealer or other intermediary, you must in sufficient time in advance of the Meeting arrange for your intermediary to change its vote with the Company in accordance with the revocation procedure set out above.

## **APPLICATION OF CANADIAN CORPORATE AND SECURITIES LAW - NOTICE TO HOLDERS OF CDIS**

The Corporation is an oil and gas company trading on the TSX Venture Exchange (“**TSX-V**”) (under the symbol SXE), on the ASX (under the symbol SXA). The Corporation was continued into and currently exists under and is governed by the Business Corporations Act (British Columbia) (“**BCBCA**”) and the provisions of the Corporation’s Notice of Articles and Articles. The Corporation is registered as a foreign company in Australia pursuant to the Australian Corporations Act (2001) (Cth) (the “**Corporations Act**”).

### **Chapters 6, 6A, 6B and 6C of the Australian Corporations Act**

The Corporation is not subject to Chapters 6, 6A, 6B and 6C of the Corporations Act dealing with the acquisition of shares (i.e. substantial holdings and takeovers).

### **Summary of Canadian Legal Requirements Respecting the Acquisition of Securities of the Corporation**

Applicable Canadian laws, like their Australian equivalent, are very technical. Accordingly, shareholders should consult their own Canadian legal advisors with respect to Canadian legal requirement matters, rather than relying upon this general summary.

In general, subject to compliance with applicable Canadian securities laws, a holder of shares in the capital of a corporation incorporated under the BCBCA is entitled to transfer his, her or its shares to anyone else upon compliance with the provisions of the BCBCA and the articles of the corporation.

Canadian securities laws impose certain limitations on the acquisition of securities. The issuance to the public and trading of securities in Canada is regulated at the provincial/territorial level by securities legislation administered by the relevant provincial or territorial securities commission.

Takeover bids are regulated primarily by provincial and territorial securities legislation and, to a limited extent, the corporate statutes under which the target company is incorporated. Under provincial or territorial securities regulations, an offer to acquire shares of an issuer by a “control person” of that issuer may constitute a formal take-over bid. Under the Securities Act (British Columbia), a “control person” is generally defined as any person, company or combination of persons or companies whose holdings represent a sufficient number of securities of the issuer to materially affect the control of that issuer. A holding of more than 20%, in the absence of evidence to the contrary, is deemed to materially affect control of the issuer. In addition, any offer to acquire voting or equity securities where such securities together with the offeror’s securities represent an aggregate of 20% or more of the outstanding securities of that class will constitute a take-over bid.

Unless an exemption from formal take-over bid requirements under applicable Canadian securities legislation can be obtained, persons or companies seeking to make a take-over bid must comply with detailed rules governing bids prescribed by applicable provincial or territorial securities laws. For example, under the applicable securities legislation, exempt bids include bids made over the facilities of the TSX-V and a bid for not more than 5% of the outstanding securities of a class of securities, so long as the aggregate number of securities of that class acquired by the offeror and any person acting jointly or in concert with the offeror in the previous twelve months is not greater than 5% of the class and the bid is for a price not in excess of the market price for those securities.

### **Reporting by Substantial Shareholders and Insiders**

Under the insider reporting and trading rules of applicable Canadian securities legislation, reporting obligations and trading restrictions are placed on substantial shareholders. A reporting “insider” generally includes any person or company who beneficially owns, directly or indirectly, voting securities, or who exercises control or direction over voting securities or a reporting issuer or a combination of both, carrying more than 10% of the voting rights attached to all outstanding voting securities.

Shareholders who become insiders must file an “Insider Profile” in the prescribed form under National Instrument 55-102 – System for Electronic Disclosure by Insiders (“SEDI”). Further insider reports must be filed within five calendar days of any change in the ownership or control or direction over securities of the Corporation of that insider. Insider reports must be filed electronically on SEDI at [www.sedi.ca](http://www.sedi.ca).

## INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

None of the directors, officers or nominees for election as a director of the Corporation, or any of their associates or affiliates, has or has had any interest, direct or indirect, in any matter to be acted upon at the Meeting other than as set out in this Circular.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

### Record Date

The board of directors of Strata-X has fixed June 25, 2014 (the "**Record Date**"), as the record date for the purpose of determining shareholders entitled to receive the Notice of Meeting and vote at the Meeting. Each shareholder as at the record date is entitled to one vote for each common share of Strata-X held. Shareholders of record will be entitled to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such shareholder transfers their shares after the Record Date and the transferee of those shares establishes that they own the shares and demands, not later than the close of business on the date ten days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such shares at the Meeting.

### Voting Securities

The Corporation has only one class of shares, being the common shares.

The authorized capital of the Corporation consists of an unlimited number of common shares. As of June 25, 2014, there were 139,785,415 common shares issued and outstanding. Of such issued and outstanding shares, 88,755,114 were held by CDN on behalf of holders of CDIs. All references to outstanding shares (or common shares) in this Circular include the shares held by CDN ("**Shares**") and all references to holders of shares includes both holders of common shares and holders of CDIs ("**Shareholders**").

Each common share carries the right to one vote. A quorum will be present at the Meeting if there is at least one person present holding or representing by proxy in the aggregate not less than 5% of the shares entitled to be voted at the Meeting.

The Corporation's common shares are listed and traded in Canada on the TSX Venture Exchange under the symbol "SXE.V". The CDIs are listed on the ASX under the symbol "SXA".

### Principal Shareholders

To the knowledge of the directors and executive officers of the Corporation, the following persons beneficially own, directly or indirectly, or exercise control or direction over 10% or more of the currently issued and outstanding common shares:

Name of Shareholder	Number of Shares Held	Percentage of Shares Held
Ron Prefontaine	14,687,703	10.51%

(1) Of which 7,406,539 Shares are held by Prepet Pty Ltd., a private company owned and controlled by Mr. Prefontaine and 7,281,164 are held indirectly through Mr. Prefontaine's Superfund account.

## INFORMATION ON MATTERS TO BE ACTED ON AT THE MEETING

### Extension of Expiry Date of Warrants

Shareholders will be asked to consider and, if thought fit, pass the following ordinary resolution with or without amendment:

*"That for the purposes of a waiver from Listing Rule 6.23.3 granted by ASX to the Corporation on 12 May 2014 and for all other purposes, Shareholders approve an amendment to the expiry dates of 7,647,500 warrants to subscribe for Shares (**Warrants**) issued to investors in connection with a capital raising conducted in July 2012 to extend the expiry date of 7,097,500 warrants from 29 June 2014 to June 29, 2015 and 550,000 warrants from 13 July 2014 to July 13, 2015"*

The Corporation will disregard any votes cast on this resolution by any person who holds the Warrants and any associate of such a person, however the Corporation need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

This Resolution seeks Shareholder approval to vary the terms of 7,647,500 Warrants previously issued to investors in connection with a capital raising conducted by the Corporation in July 2012 (the purpose of which was to fund the dual listing of the Corporation on the ASX) (**Pre-IPO Capital Raising**), by extending the expiry dates of the Warrants for a period of 12 months in accordance with the table below:

Number of Warrants	Exercise Price	Expiry Date	Amended Expiry Date
1,037,500	\$0.60	29 June 2014	29 June 2015
6,060,000	\$0.50	29 June 2014	29 June 2015
400,000	\$0.50	13 July 2014	13 July 2015
150,000	\$0.60	13 July 2014	13 July 2015

The reason for the extension of the terms of the Warrants is that the dual-listing of the Corporation on the ASX took longer than anticipated and the Corporation has had some operational issues which have delayed the implementation of its work program. The extension of the terms of the Warrants is to recompense the participants of the Pre IPO Capital Raising for any benefit that may have been derived if the Corporation had listed on the ASX in accordance with its original timetable and the operational issues had not been experienced.

Listing Rule 6.2.23 provides that a change which has the effect of reducing the exercise price, increasing the period for conversion, or increasing the number of securities received on exercise of an option (which ASX consider to be the same as a Warrant) or conversion of a right, cannot be made. On 12 May 2014, ASX granted the Corporation a waiver in respect of Listing Rule 6.23.3 to allow the amendments to the expiry dates of the Warrants, subject to Shareholder approval being obtained and on the condition that the Warrants cannot be exercised during the period following the date on which they currently expire to the date on which shareholder approval is obtained. In the event that the resolution is not passed, the Warrants will lapse and will not be able to be exercised by the holders.

### **Ratification of Issue of CDIs to Sophisticated or Professional Investors**

Shareholders will be asked to consider and, if thought fit, pass the following ordinary resolution with or without amendment:

*“That for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 6,503,554 CDIs (**Placement CDIs**) in the Corporation, to Sophisticated Investors and Professional Investors (having the meaning ascribed to those terms in the Corporations Act (“**Sophisticated and Professional Investors**”)).”*

The Corporation will disregard any votes cast on this Resolution by any person who participated in the issue of the Placement CDIs and any associate of such a person, however the Corporation need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form, or it is cast by the person chairing the Meeting as proxy for a person who is entitled to vote, in accordance with the direction on the proxy form to vote as the proxy decides.

As announced on June 27, 2014, the Corporation has issued CDIs to Sophisticated and Professional Investors at an issue price of AUD\$0.28 per CDI (**Placement CDIs**).

ASX Listing Rule 7.1 provides that an ASX listed corporation must not, subject to certain exceptions, issue or agree to issue new equity securities (which includes CDIs) equivalent in number to more than 15% of its capital



in any 12 month period without the prior approval of its shareholders. However, equity securities issued with shareholder approval under ASX Listing Rule 7.1 do not count towards the 15% limit.

ASX Listing Rule 7.4 provides that an issue of equity securities made without prior approval under ASX Listing Rule 7.1 can be treated as having been made with that approval if shareholders subsequently approve it and if the issue did not breach the 15% limit. The issue of the Placement CDIs did not breach the 15% limit.

The Corporation is seeking Shareholder approval under this resolution to ratify the issue of the Placement CDIs so as to preserve its capacity to issue further equity securities in the next 12 months without the need to obtain further Shareholder approval.

For the purposes of ASX Listing Rule 7.4 the Corporation advises as follows:

**(a) Number of securities allotted**

The number of Placement CDIs issued was 6,503,554 CDIs.

**(b) Price at which the Placement CDIs were issued**

The Placement CDIs were issued at an issue price of AUD\$0.28 per CDI.

**(c) Terms of Placement CDIs**

The underlying shares for the Placement CDIs rank equally with all other common shares and the holder of the Placement CDIs have the same rights as all other CDI holders.

**(d) Recipients of the Placement CDIs**

The Placement CDIs were issued to Sophisticated Investors and Professional Investors (having the meaning ascribed to those terms in the Corporations Act).

**(e) Use of funds**

The funds raised by the issue of the Placement CDIs will be used to continue ongoing development of its US focused projects and and provide general working capital.

**Issue of Securities by way of Public Offering**

Shareholders will be asked to consider and, if thought fit, pass the following ordinary resolution with or without amendment:

*“That for the purposes of ASX Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 50,000,000 Shares pursuant to a public offering of Shares to be offered under a prospectus (**Prospectus Shares**)”*

At the date of the Notice, the proposed allottees of the Prospectus Shares are not as yet known or identified. In these circumstances (and in accordance with the note set out in ASX Listing Rule 14.11.1 relating to ASX Listing Rules 7.1 and 7.1A), for a person’s vote to be excluded, it must be known that that person will participate in the proposed issue. Where it is not known who will participate in the proposed issue (as is the case in respect of the Prospectus Shares), Shareholders must consider the proposal on the basis that they may or may not get a benefit and that it is possible that their holding will be diluted and there is no reason to exclude their votes.

This resolution seeks Shareholder approval to issue a maximum of 50,000,000 Shares to the public in Canada and offshore jurisdictions and to qualified institutional buyers in the United States under a prospectus prepared in Canada in accordance with National Instrument 44-101 *Short Form Prospectus Distributions* of the Canadian Securities Administrators (**Prospectus**).

ASX Listing Rule 7.1 provides that a listed corporation must not, subject to certain exceptions, issue or agree to issue new equity securities (which includes Shares) equivalent in number to more than 15% of its capital in any 12-month period without the prior approval of its shareholders. However, equity securities issued with Shareholder approval under ASX Listing Rule 7.1 do not count towards the 15% limit.

For the purposes of ASX Listing Rule 7.3 the Corporation advises as follows:

**(a) Maximum number of Prospectus Shares to be issued**

The maximum number of Prospectus Shares which will be issued is 50,000,000 Shares.

**(b) Date by which the entity will issue the Prospectus Shares**

The Corporation will issue the Prospectus Shares within three months after the date of the Meeting.

**(c) Price at which the Prospectus Shares are to be issued**

The price of the Prospectus Shares is not presently known, however, the minimum subscription price per Share at which the Prospectus Shares are to be issued will be at least 80% of the average TSX-V Share market price, calculated over the last five days on which sales in the Shares were recorded before the day on which the Prospectus is signed.

For Shareholders information, the TSX Venture Exchange also requires that the offer price will not be less than 75% of the "Market Price" on the date immediately prior to the announcement of the offering price of the Prospectus Shares. In accordance with the policies of the TSX Venture Exchange, "Market Price" means the last closing price of the Corporation's listed Shares before the issuance of the news release required to fix the price at which the securities are to be issued or deemed to be issued.

**(d) Recipients of the Prospectus Shares**

The Prospectus Shares will be issued to subscribers under the Prospectus.

**(e) Terms of Prospectus Shares**

The Prospectus Shares will rank equally with all other common shares.

**(f) Use of funds**

The funds raised by the issue of the Prospectus Shares is intended to be used to:

- Drill and complete up to 3 vertical exploration wells on the Vail and Copper Mountain Oil Projects;
- Drill and complete up to 1 contingent horizon well on either the Vail or Copper Mountain Oil Projects;
- Drill 3 contingent vertical wells on the Sleeping Giant Gas Project;
- Maverick Oil Project Cinco Saus Creek #1 well stimulation;
- Sleeping Giant Gas Project, Copper Mountain Oil Project and Vail Oil Project exploration lease maintenance; and
- For general working capital purposes.

The proposed drilling program is subject to the Corporation determining each projects commercial status and reaching a forward investment decision with respect to the project. The Directors reserve the right to deviate from the aforementioned use of funds to focus on a single or multiple projects to best leverage its resource potential and thus shareholder value. This may include the identification and acquisition of new exploration and development projects.

**Participation of Tim Hoops in the Short Form Prospectus Offering**

Shareholder approval will be sought to consider and, if thought fit, pass the following ordinary resolution with or without amendment:

*"That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given to issue up to 400,000 Shares under the Prospectus to Tim Hoops (or his nominee)."*

The Corporation will disregard any votes cast on this ordinary resolution by Mr Tim Hoops and any Associate (as that term is defined in the Corporations Act) of Mr Tim Hoops. However, the Corporation need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on

the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Directors have resolved to refer to members for approval the issue of up to 400,000 Shares in the Corporation to Mr Tim Hoops, a Director of the Corporation, or his respective nominee under the Prospectus (as described in more detail above).

Approval for the issue of Shares to Mr Hoops is sought in accordance with the provisions of ASX Listing Rule 10.11. If approval is given under ASX Listing Rule 10.11, approval will not be required under ASX Listing Rule 7.1.

ASX Listing Rule 10.11 requires an entity to obtain the approval of Shareholders to an issue of securities to a related party. Mr Tim Hoops, a Director of the Corporation, is a related party of the Corporation. Accordingly, because the issue of the Shares will result in the Corporation issuing securities to a related party, approval under ASX Listing Rule 10.11 is required.

For the purposes of ASX Listing Rule 10.13, the Corporation advises as follows:

**(a) Maximum number of Shares to be issued**

The maximum number of Shares to be issued to Mr Tim Hoops is 400,000.

**(b) Date by which the entity will issue the Shares**

The Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules);

**(c) Price at which the Shares are to be issued**

The price of the Shares to be issued to Mr Hoops will be the same as all other Shares issued under the Prospectus, which will not be less than 80% of the average TSX-V market price, calculated over the last five days on which sales in the Shares were recorded before the day on which the Short Form Prospectus is signed.

**(d) Use of funds**

The use of the funds raised by the issue of the Shares to Mr Hoops is described above in the information relating to the proposed public offering under the Prospectus.

**Participation of Ron Prefontaine in the Short Form Prospectus Offering**

Shareholder approval will be sought to consider and, if thought fit, pass the following ordinary resolution with or without amendment:

*“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given to issue up to 1,000,000 Shares under the Prospectus to Ron Prefontaine (or his nominee).”*

The Corporation will disregard any votes cast on this ordinary resolution by Mr Ron Prefontaine and any Associate (as that term is defined in the Corporations Act) of Mr Ron Prefontaine. However, the Corporation need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Directors have resolved to refer to members for approval the issue of up to 1,000,000 Shares in the Corporation to Mr Ron Prefontaine, a Director of the Corporation, or his respective nominee under the Prospectus (as described in more detail above).

Approval for the issue of Shares to Mr Prefontaine is sought in accordance with the provisions of ASX Listing Rule 10.11. If approval is given under ASX Listing Rule 10.11, approval will not be required under ASX Listing Rule 7.1.

ASX Listing Rule 10.11 requires an entity to obtain the approval of Shareholders to an issue of securities to a related party. Mr Prefontaine, a Director of the Corporation, is a related party of the Corporation. Accordingly, because the issue of the Shares will result in the Corporation issuing securities to a related party, approval under ASX Listing Rule 10.11 is required.

For the purposes of ASX Listing Rule 10.13, the Corporation advises as follows:

**(a) Maximum number of Shares to be issued**

The maximum number of Shares to be issued to Mr Ron Prefontaine is 1,000,000.

**(b) Date by which the entity will issue the Shares**

The Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).

**(c) Price at which the Shares are to be issued**

The price of the Shares to be issued to Mr Prefontaine will be the same as all other Shares issued under the Prospectus, which will not be less than 80% of the average TSX-V market price, calculated over the last five days on which sales in the Shares were recorded before the day on which the Short Form Prospectus is signed.

**(d) Use of funds**

The use of the funds raised by the issue of the Shares to Mr Prefontaine is described above in the information relating to the proposed public offering under the Prospectus.

**Participation of Tim Bradley in the Short Form Prospectus Offering**

Shareholder approval will be sought to consider and, if thought fit, pass the following ordinary resolution with or without amendment:

*“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given to issue up to 100,000 Shares under the Prospectus to Tim Bradley (or his nominee).”*

The Corporation will disregard any votes cast on this ordinary resolution by Mr Tim Bradley and any Associate (as that term is defined in the Corporations Act) of Mr Tim Bradley. However, the Corporation need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Directors have resolved to refer to members for approval the issue of up to 100,000 Shares in the Corporation to Mr Tim Bradley, a Director of the Corporation, or his respective nominee under the Prospectus (as described in more detail above).

Approval for the issue of Shares to Mr Bradley is sought in accordance with the provisions of ASX Listing Rule 10.11. If approval is given under ASX Listing Rule 10.11, approval will not be required under ASX Listing Rule 7.1.

ASX Listing Rule 10.11 requires an entity to obtain the approval of Shareholders to an issue of securities to a related party. Mr Tim Bradley, a Director of the Corporation, is a related party of the Corporation. Accordingly, because the issue of the Shares will result in the Corporation issuing securities to a related party, approval under ASX Listing Rule 10.11 is required.

For the purposes of ASX Listing Rule 10.13, the Corporation advises as follows:

**(a) Maximum number of Shares to be issued**

The maximum number of Shares to be issued to Mr Tim Bradley is 100,000.

**(b) Date by which the entity will issue the Shares**

The Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).

**(c) Price at which the Shares are to be issued**

The price of the Shares to be issued to Mr Bradley will be the same as all other Shares issued under the Prospectus, which will not be less than 80% of the average TSX-V market price, calculated over the last five days on which sales in the Shares were recorded before the day on which the Short Form Prospectus is signed.

**(d) Use of funds**

The use of the funds raised by the issue of the Shares to Mr Bradley is described above in the information relating to the proposed public offering under the Prospectus.

**Participation of Don Romaniuk in the Short Form Prospectus Offering**

Shareholder approval will be sought to consider and, if thought fit, pass the following ordinary resolution with or without amendment:

*“That for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given to issue up to 175,000 Shares under the Prospectus to Don Romaniuk (or his nominee).”*

The Corporation will disregard any votes cast on this ordinary resolution by Mr Don Romaniuk and any Associate (as that term is defined in the Corporations Act) of Mr Don Romaniuk. However, the Corporation need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

The Directors have resolved to refer to members for approval the issue of up to 175,000 Shares in the Corporation to Mr Don Romaniuk, a Director of the Corporation, or his respective nominee under the Prospectus (as described in more detail above).

Approval for the issue of Shares to Mr Romaniuk is sought in accordance with the provisions of ASX Listing Rule 10.11. If approval is given under ASX Listing Rule 10.11, approval will not be required under ASX Listing Rule 7.1.

ASX Listing Rule 10.11 requires an entity to obtain the approval of Shareholders to an issue of securities to a related party. Mr Don Romaniuk, a Director of the Corporation, is a related party of the Corporation. Accordingly, because the issue of the Shares will result in the Corporation issuing securities to a related party, approval under ASX Listing Rule 10.11 is required.

For the purposes of ASX Listing Rule 10.13, the Corporation advises as follows:

**(a) Maximum number of Shares to be issued**

The maximum number of Shares to be issued to Mr Don Romaniuk is 175,000.

**(b) Date by which the entity will issue the Shares**

The Shares will be issued no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules).

**(c) Price at which the Shares are to be issued**

The price of the Shares to be issued to Mr Romaniuk will be the same as all other Shares issued under the Prospectus, which will not be less than 80% of the average TSX-V market price, calculated over the last five days on which sales in the Shares were recorded before the day on which the Short Form Prospectus is signed.

**(d) Use of funds**

The use of the funds raised by the issue of the Shares to Mr Bradley is described above in the information relating to the proposed public offering under the Prospectus.

**OTHER BUSINESS**

Management is not aware of any matters to come before the Meeting other than those set out in the Notice of Meeting. If other matters properly come before the Meeting, or any adjournment of the Meeting, it is the intention of the persons named in the Proxy Form to vote the same in accordance with their best judgment in such matters.

**ADDITIONAL INFORMATION**

Financial information relating to the Corporation is provided in the Corporation's audited financial statements and Management's Discussion and Analysis of financial and operating results as at and for the years ended June 30, 2012 and 2013. Copies of this Circular, the Financial Statements, Management Discussion and Analysis and the Auditor's Report thereon for the Corporation's most recently completed financial year, any interim financial statements of the Corporation subsequent to those statements, as filed with the applicable Canadian regulatory authorities, are available on SEDAR at [www.sedar.com](http://www.sedar.com) and may also be obtained without charge by writing to Strata-X Energy Ltd. at 1550 Larimer St #263, Denver, CO USA 80202.

Additional information relating to the Corporation may also be found on SEDAR at [www.sedar.com](http://www.sedar.com).

**DIRECTORS' APPROVAL**

The contents of this Circular and the sending of this Circular to shareholders entitled to receive notice of the Meeting, to each director, to the auditors of Strata-X and to the appropriate governmental agencies, have been approved by the board of directors.



## EXTRAORDINARY MEETING OF SHAREHOLDERS ON AUGUST 5, 2014

### PROXY SOLICITED BY MANAGEMENT OF STRATA-X ENERGY LTD.

The undersigned shareholder of Strata-X Energy Ltd. (the “**Corporation**”) constitutes and appoints **TIMOTHY HOOPS**, President and Chief Executive Officer of the Corporation, or failing him, **DAVID HETTICH**, Chief Financial Officer of the Corporation, or, alternatively \_\_\_\_\_ of \_\_\_\_\_, as proxyholder for the undersigned, with power of substitution, to attend, act and vote on behalf of the undersigned at the extraordinary meeting of shareholders of the Corporation to be held on August 5, 2014 (the “**Meeting**”) and at any adjournment or adjournments of such meeting, in the same manner, to the same extent and with the same power as if the undersigned were present and, without limiting the general authorization given, the person indicated above is specifically directed to vote on behalf of the undersigned in the manner below.

☐ If Timothy Hoops, President and Chief Executive Officer of the Corporation is appointed as your proxy or may be appointed by default, and you do not wish to direct your proxy how to vote as your proxy in respect of Resolutions 4 please mark this box. By marking this box, you acknowledge that Timothy Hoops may exercise your proxy even if he has an interest in the outcome of the resolution and that votes cast by Timothy Hoops for the resolution, other than as proxy holder, will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, Timothy Hoops will not cast your votes on resolution 4 and your votes will not be counted in calculating the required majority if a poll is called. By marking this box I/we acknowledge Timothy Hoops can exercise my/our proxy even though he has an interest in the outcome of resolution 4 and unless a specific voting direction has been specified below, Timothy Hoops is directed to vote in accordance with his voting intention as set out below.

1.    **FOR**   ☐                      **AGAINST**   ☐  
to approve an amendment to the expiry dates of Warrants issued to investors in connection with a capital raising conducted in July 2012 on the terms and conditions as set out in the management information circular accompanying this notice, for the purposes of a waiver from Listing Rule 6.23.3 granted by ASX to the Corporation on 12 May 2014;
2.    **FOR**   ☐                      **AGAINST**   ☐  
to ratify the issuance of a maximum of 6,503,554 CDIs to sophisticated and professional investors for the purpose of ASX Listing Rule 7.4 and for all other purposes;
3.    **FOR**   ☐                      **AGAINST**   ☐  
to approve the issuance of a maximum of 50,000,000 Shares under a public offering expected to be completed by way of short form prospectus (**Short Form Prospectus**) for the purpose of ASX Listing Rules 7.1 and for all other purposes;
4.    **FOR**   ☐                      **AGAINST**   ☐  
to approve the issuance of a maximum of 400,000 Shares under the Short Form Prospectus to Mr Tim Hoops for the purpose of ASX Listing Rule 10.11 and for all other purposes;
5.    **FOR**   ☐                      **AGAINST**   ☐  
to approve the issuance of a maximum of 1,000,000 Shares under the Short Form Prospectus to Mr Ron Prefontaine for the purpose of ASX Listing Rule 10.11 and for all other purposes;

6. **FOR** ☐ **AGAINST** ☐  
to approve the issuance of a maximum of 100,000 Shares under the Short Form Prospectus to Mr Tim Bradley for the purpose of ASX Listing Rule 10.11 and for all other purposes;
7. **FOR** ☐ **AGAINST** ☐  
to approve the issuance of a maximum of 175,000 Shares under the Short Form Prospectus to Mr Don Romaniuk for the purpose of ASX Listing Rule 10.11 and for all other purposes.
8. to transact such other business as may properly come before the Meeting or any adjournment of the Meeting.

**In the absence of any direction by the undersigned to vote 'for' or 'against', the shares represented by this proxy will be voted by management appointees in favour of all resolutions, all as more specifically described in the accompanying management information circular.**

**THIS PROXY IS SOLICITED BY AND ON BEHALF OF THE MANAGEMENT OF THE CORPORATION AT THE DIRECTION OF THE BOARD OF DIRECTORS. A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON TO REPRESENT HIM AT THE MEETING OTHER THAN ONE OF THE PERSONS LISTED ABOVE AND MAY EXERCISE SUCH RIGHT BY INSERTING THE NAME OF SUCH PERSON (WHO NEED NOT BE A SHAREHOLDER) IN THE BLANK SPACE PROVIDED IN THE FIRST PARAGRAPH OF THIS FORM OF PROXY. IF NO PERSON IS NOMINATED, THE MANAGEMENT APPOINTEE WHO IS CHAIR OF THE MEETING WILL BE APPOINTED PROXY BY DEFAULT.**

This proxy form must be signed by the shareholder or his attorney authorized in writing. To be valid, this proxy must be received by the Corporation no later than 5.00 pm (Sydney time) on July 31, 2014 at the following address:

**Level 5, 10 Market Street (GPO Box 2676), Brisbane QLD 4001  
Fax: (07) 3212 6250**

The undersigned revokes any instrument of proxy previously given and ratifies and confirms all that the person indicated above may do by virtue of this proxy.

DATED this \_\_\_\_ day of \_\_\_\_\_, 2014.

\_\_\_\_\_  
Signature of Shareholder

\_\_\_\_\_  
Name of Shareholder (please print)