Interim Financial Report

For the Half Year Ended
31 December 2014

STRATA-X
ENERGY

Traded on the Australian Securities Exchange (ASX) under the symbol "SXA" and on the TSX Venture Exchange (TSX.V) under the symbol "SXE"

STRATA-X ENERGY LTD
ARBN - 160 885 343

Contents

The following discussion and analysis (the "MD&A") for Strata-X Energy Ltd. (hereinafter, "Strata-X Energy", "Company" or "Strata-X") prepared as of 13 February 2015, should be read together with the interim condensed consolidated financial statements for the three months, ending 31 December 2014 and related notes appended thereto, which are prepared in accordance with International Financial Reporting Standards. All amounts are stated in United States dollars unless otherwise indicated. Statements in this report that are not historical facts are forward looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements.

Certain information contained in this MD&A constitutes "forward-looking information" within the meaning of applicable Canadian securities legislation. The use of any of the words "anticipate", "continue", "estimate", "intend", "potential", "expect", "may", "will", "project", "proposed", "should", "believe" and similar expressions are intended to identify forward-looking information. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. In addition, this MD&A may contain forward-looking information attributed to third party industry sources. The Company believes that the expectations reflected in such forward-looking information are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking information included in this MD&A should not be unduly relied upon. Such information speaks only as of the date of this MD&A or such other date indicated herein. In particular, this MD&A contains forward-looking information pertaining to the following:

- expectations regarding growth of the Company;
- the timing and location of drilling or other operational activities;
- oil and natural gas production estimates and targets;
- oil and natural gas production levels and sources of their growth;
- estimates of resource potential of targets, including without limitation, statements regarding BOE/d production capabilities;
- quantity of reserves and resources relating to the Company and its assets and its value;
- capital expenditure programs and estimates relating to timing, cost and cash flow generation related to these programs;
- size of the Company's oil and natural gas reserves and resources;
- the performance characteristics of the Company's oil and natural gas properties;
- projections of market prices for oil and natural gas and exploration, development and production costs;
- supply and demand for oil and natural gas;
- expectations regarding the ability to raise capital and continually add to reserves through exploration and development and, if applicable, acquisitions;
- treatment under governmental regulatory regimes and tax laws, and;
- the use of financing funds by the Company.

With respect to forward-looking information contained in this document, the Company has made assumptions regarding, among other things:

- timing and ability of the Company to obtain all necessary environmental and regulatory approvals relating to operations;
- the recoverability of the Company's oil and natural gas reserves and resources;

- interest rates;
- exchange rates and the futures prices of oil and natural gas;
- operating and capital costs;
- the Company’s ability to generate sufficient cash flow from operations and to access capital markets to meet its future obligations;
- the Company’s ability to attract and retain qualified personnel;
- the ability of the Company to successfully market its oil and natural gas products and the continuing strong demand for oil and natural gas; and
- stability of general economic and financial market conditions;

The Company's actual results could differ materially from those anticipated in such forward-looking information as a result of the risk factors set forth below and in the Company’s annual information form dated 25 September 2014:

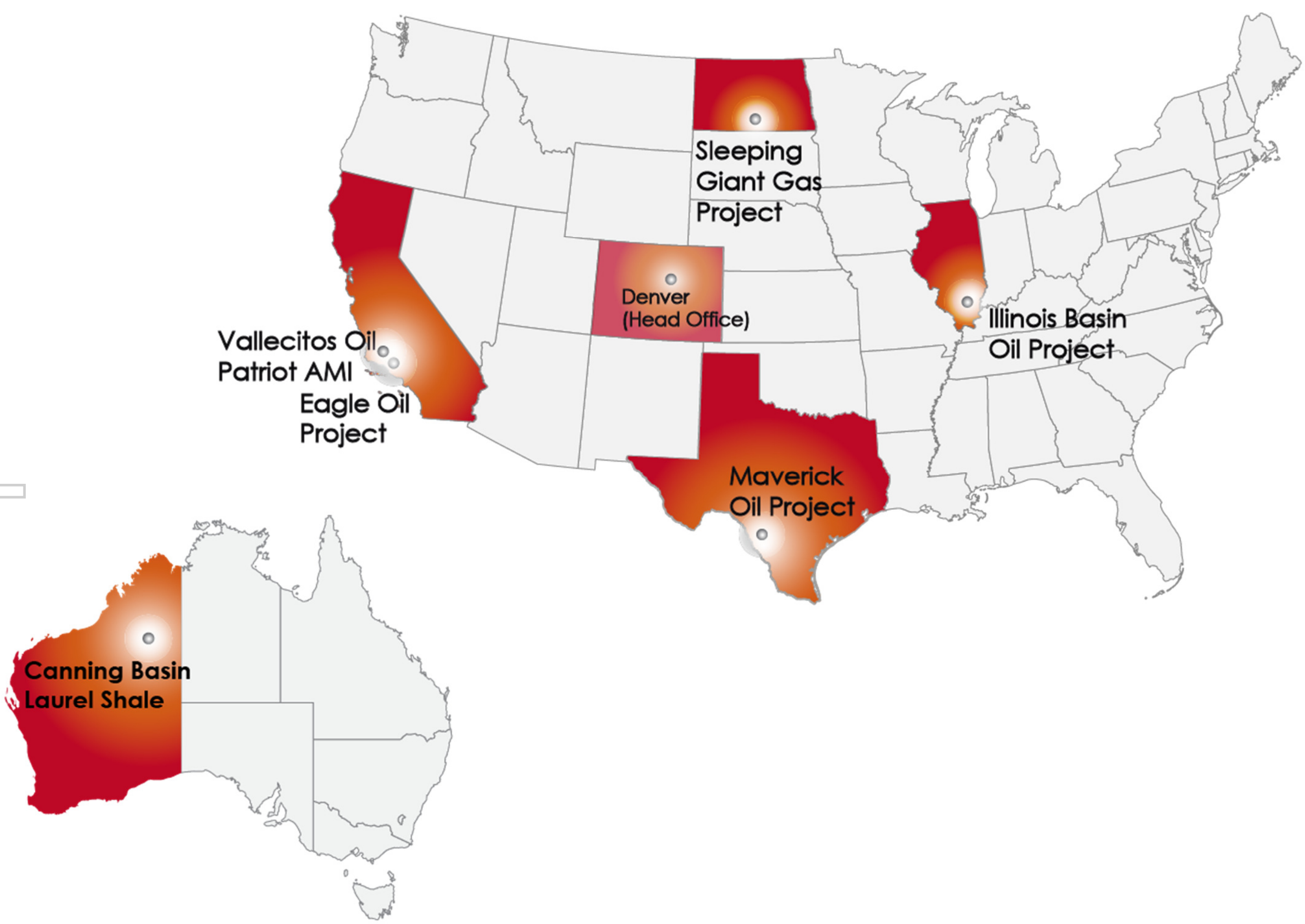
- volatility in market prices for oil and natural gas;
- liabilities inherent in oil and natural gas operations;
- uncertainties associated with estimating oil and natural gas reserves and resources;
- risks and uncertainties associated with the Company's oil and natural gas and development program;
- competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel;
- incorrect assessments of the value of acquisitions and exploration and development programs;
- adverse claims made in respect of the Company’s properties or assets;
- failure to engage or retain key personnel;
- geological, technical, drilling and processing problems, including the availability of equipment and access to properties;
- risks and uncertainties relating to hydraulic fracturing and the enactment of, or changes to, regulations and legislation in relation to hydraulic fracturing;
- imprecision in estimating capital expenditures and operating expenses;
- the expiry of leases and the loss of drilling prospect due to the expiry of leases;
- fluctuations in foreign exchange interest rates and stock market volatility;
- general economic and business conditions in North America and elsewhere;
- environmental risks and hazards;
- risks inherent in the exploration, development and production of oil and natural gas which may create liabilities to the Company in excess of the Company’s insurance coverage, if any;
- uncertainties associated with changes in legislation including, but not limited to, changes in income tax laws and to oil and natural gas royalty frameworks;
- ability to obtain regulatory approvals;
- risks and uncertainties associated with liquidity and capital resources and requirements; and
- other factors referenced at “Risk Factors’ in the Company’s annual information form dated September 25, 2014 and its short form prospectus dated October 27, 2014.

These factors are not, and should not be construed as being, exhaustive. In addition, information relating to "reserves" or " resources" is deemed to be forward-looking information, as it involves an implied assessment, based on certain estimates and assumptions that the reserves and resources described can be profitably produced in the future. The forward-looking information contained in this MD&A are expressly qualified by this cautionary statement. The Company does not undertake any obligation to publicly update or revise any forward-looking information after the date of this MD&A to conform such information to actual results or to changes in the Company’s expectations except as otherwise required by applicable Canadian securities legislation.

Strata-X operates and has the majority interests in four key projects in the USA and Australia. The Company is working towards de-risking its key USA projects with the objective of generating early cash flows and achieving final investment decisions (FID) to develop the projects.

The Company's flagship oil projects are located in the proven and mature Illinois Basin where over 4 billion barrels of oil have been produced since 1894. Of the more than 140,000 wells drilled in the Illinois Basin over that period, some 30,000 wells in 600+ oil fields are still producing from multiple conventional shallow structural traps. Total 2013 output in the Illinois Basin was approximately 13 million barrels of high quality, light, sweet crude oil (US-EIA Crude Oil Statistics). Adding to the attractiveness of the Basin is its excellent production infrastructure including nearby refineries and pipelines and an experienced well services industry.

Recent mapping, drilling and testing of prospective zones demonstrates significant unconventional and conventional light oil potential. The Company believes integrated data analysis combined with new drilling and completion technologies are key to unlocking the Basin's additional potential. Strata-X owns a 100% interest in approximately 62,500 net acres in the Illinois Basin with multiple target zones from shallow vertical depths between 700 and 1,600 meters.



Corporate Events

On 8 October 2014, Strata-X filed and received a receipt for a preliminary short form prospectus in the provinces of British Columbia, Alberta and Ontario, Canada for a new issue of common shares for gross proceeds of up to $12.0 million (the "Offering"). On 12 November 2014, the Company elected to cancel the short form prospectus offering.

On 2 November 2014, Company entered into loan agreements (the "Loans") with Ron Prefontaine, Tim Hoops, and Dennis Nerland, for an aggregate amount of AUD$500,000. Mssrs. Prefontaine, Hoops, and Nerland are all directors of the Company. The Loans were unsecured and interest free and were to convert, subject to shareholder approval, at the higher of AUD$0.18 per CDI and the ASX closing price of the CDIs on the trading day immediately before the CDIs were issued (the "Conversion CDIs"). Shareholder approval for such conversion was sought and obtained at the Company's AGM on 3 December 2014. On 21 December 2014, the Loans were converted by the issuance of 2,777,778 CDIs as repayment of principal at a deemed price of AUD$0.18 per CDI.

On 12 November 2014, the Company announced a non-brokered private placement to sophisticated and institutional investors of up to 21.7 million Chess Depository Interests ("CDIs") in the Company at a price of AUD$0.17 per CDI for gross proceeds of up to approximately AUD$3.7 million. On 7 December 2014, the Company raised AUD$1.108 million consisting of the issuance of 6,518,230 CDIs (representing 6,518,230 common shares). The Company paid finder's fees totaling AUD$63,426 with respect to the placement.

On 21 December 2014, The Company closed a second tranche of the private placement announced on November 12, 2014. The second tranche of the private CDI placement consisted of 1,000,000 CDIs (representing 1,000,000 common shares) to raise a further AUD$170,000 at a price of AUD$0.17 per CDI.

On 3 December 2014, the Company held its Annual General Meeting at which numerous resolutions were voted on and passed. A complete listing of the results of the Annual General Meeting are available on the Company's website. Following approval by resolution at the Annual General Meeting, the Company granted options to certain directors to purchase up to 1,800,000 common shares of the Company at an exercise price of CAD$0.30 per share. These options are exercisable up to 3 December 2019.

Illinois Basin Project

Illinois Basin, USA
100% of ~62,500 net acres

Vertical Program

- On 17 December 2014, Strata-X spudded the first of its planned vertical wells, the Blue Spruce #1, using Webster Drilling, Inc's rig #3.
- While drilling the Blue Spruce #1 well to a total depth of 3,280 feet, multiple oil and gas shows were encountered in several of the targeted shallow Mississippian formation zones. Preliminary wireline and mud log interpretation indicates approximately 33 feet (calculated) of total oil pay in the Aux Vasse and McClosky formations, the primary target zones for the well. The Company elected to case the well with 5.5 inch casing before releasing the drilling rig. In late January 2015, the Company mobilized equipment to the location of the Blue Spruce Well to initiate its production testing.
- The testing consisted of individually perforating and swabbing 3 of the 4 interpreted oil zones starting with the bottom zone and continuing to the top zone. The Company has determined that 2 of the 3 tested zones, the Middle McClosky and Aux Vases, the main targets of the well, are expected to be commercially productive. The successful stimulation of the Aux Vases formation late last week resulted in 10 barrels of fluid entry per hour with a 25% cut of light oil. Following installation of long-term production facilities, the oil cut is expected to increase as the water pumped into the formation during the stimulation is recovered
- Strata-X received drilling permits for the Douglas Fir #1, White Fir #1 and Blue Spruce #1 wells from the Illinois Department of Natural Resources, representing all 3 of the permits the Company sought to obtain for its initial Illinois shallow vertical well program.
- The Company executed a multi-well drilling contract with Webster Drilling, Inc. to drill several vertical wells in 2015.
- The Company's 5 well maiden vertical well program will target the prolific shallow oil zones of the Illinois Basin. Evaluation of these areas indicates that significant opportunity exists in direct offsets to historical wells and potential recompletions in bypassed pay intervals.
- The Company has evaluated historic third party production in the area of the Strata-X leasehold and has determined that the average production per well was approximately 50,000 barrels of light gravity oil[1].The Company's independent third party resource engineers at Chapman Petroleum Engineering Ltd., have concluded that, with finding and development costs of approximately USD$300,000 per well, each well represents a Prospective Resource value of approximately USD$2 million in net present value (at a 10% discount, Best Estimate). ASX disclosure note - 5.28.2 - 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.

Illinois Basin Project (cont.)

Illinois Basin, USA
100% of ~62,500 net acres

Horizontal Program

- In November 2014, after installing additional production equipment, the Burkett 5-34HOR well 'cleaned up' and reached a peak production rate of 310 barrels of oil and 300 Mcf a day.
- Since production began, the 5-34HOR well has produced approximately 8,600 barrels of light gravity oil.
- Gas analysis on the Burkett 5-34 HOR well has shown that the gas contains significant amounts of ethane, propane and butane with a BTU content of 1,650 BTU, more than 60% higher than standard methane. The Company is exploring options to process the liquids rich gas to add a revenue stream that was not previously forecasted.
- In December 2014, Strata-X was notified that it was approved as a hydraulic fracturing operator under the newly enacted State of Illinois fracture stimulation rules. Strata-X is the first company to receive this designation.

The production testing results to date demonstrate that the Lingle Formation can be successfully multistage stimulated in a horizontal well to yield significant improvements in oil flow rates compared to historical, vertical well completions. This is the first stimulated horizontal well in the Lingle Formation in the Illinois Basin. Based on our first proof-of-concept experience here, and with the information gained in successfully bringing the Burkett well on production, Strata-X believes significant improvements in future wells may be achieved using more optimal drilling, stimulation and completion methods.

Sleeping Giant Gas Project

Williston Basin, North Dakota USA
100% of ~115,000 net acres

- On 20 June 2014, Strata-X spudded the vertical Rohweder #1-11 well, the Company's first appraisal well in the Sleeping Giant Gas Project, targeting biogenic natural gas from the prolific Upper Cretaceous Niobrara formation in the Williston Basin in North Dakota.
- In drilling the vertical Rohweder #1-11 well to a total depth of 1,450 feet, gas shows were encountered immediately after penetrating the regional hydrocarbon seal. In total, gas shows were encountered over an 80 foot interval of the targeted Niobrara formation, with gas shows peaking at approximately 300 units over a background of 25 units. In drilling portions of the targeted Niobrara formation, oil fluorescence and oil cut were also observed.
- After casing, the well was shut-in to allow the Company time to design an optimal completion stimulation method utilizing data obtained during the drilling of the well. The Rohweder #1-11 well is the Company's first proof of concept well on the Sleeping Giant Gas Project.
- The Company is currently bidding out and finalizing the design of the completion stimulation on the Rohweder #1-11, which is expected to occur early in 2015. It is anticipated that three additional wells will be drilled on other large prospects mapped over the Sleeping Giant Gas Project in 2015 following successful production testing of this well.

Maverick Oil Project

Eagle Ford Shale, Texas, USA
9,777 net acres

- On 27 December 2013, Strata-X spudded the vertical Cinco Saus Creek #1 well. It is a test of the Eagle Ford shale and Buda formations in the Maverick Basin. The Company cored a 600 foot interval of the Eagle Ford shale and Buda formations. Indications of hydrocarbons were seen both while drilling and in the cored interval. The well was drilled to a total depth of 4,220 feet, was subsequently logged and 4½ inch casing was set to the total depth.
- The initial analysis of the 600 foot core of the Eagle Ford shale and Buda formations has identified several prospective oil bearing intervals, some of which have never been tested in the Strata-X project area. The Company plans to stimulate and individually test these prospective intervals to determine the production potential of each zone.
- Strata-X plans to sequence the multi-stage stimulation of targeted intervals in the Cinco Saus Creek #1 well starting with the deepest Buda formation and advancing to additional intervals in the Eagle Ford shale located above the Buda. The timing of this completion stimulation is expected to occur in in 2015.

Description of Business

Strata-X Energy Ltd, together with its wholly-owned subsidiaries, Strata-X, Inc. and Strata-X Australia Pty Ltd, is an independent oil and gas exploration company listed on the TSX Venture Exchange (TSX-V) under the symbol "SXE" and the Australian Securities Exchange (ASX) under the symbol "SXA". Incorporated in British Columbia, Canada, Strata-X Energy has a diversified portfolio of high growth potential petroleum projects. The Company's strategy is to discover and develop oil and gas prospects with relatively low entry costs, a meaningful acreage position and a large working interest so as to provide shareholders the opportunity for substantial growth.

The Company was incorporated as Ozcapital Ventures Inc. on 18 June 2007 in the province of Alberta, Canada under the Alberta Business Corporations Act. Ozcapital Ventures Inc. was a Capital Pool Corporation and its primary business purpose was to identify and evaluate businesses suitable for a qualifying transaction. It completed a qualifying transaction effective 22 September 2011 pursuant to which it changed its name to Strata-X Ltd. and its trading symbol to SXE on the TSX-V. As part of its qualifying transaction, the Company acquired Strata-X, Inc., a company incorporated in Colorado, USA with activities primarily focused on the acquisition, exploration and development of oil and gas properties in the USA and other regions as noted herein.

In May 2012, the Company formed a wholly-owned Australian subsidiary, Strata-X Australia Pty. Ltd., for the purpose of acquiring, exploring and developing oil and gas properties in Australia.

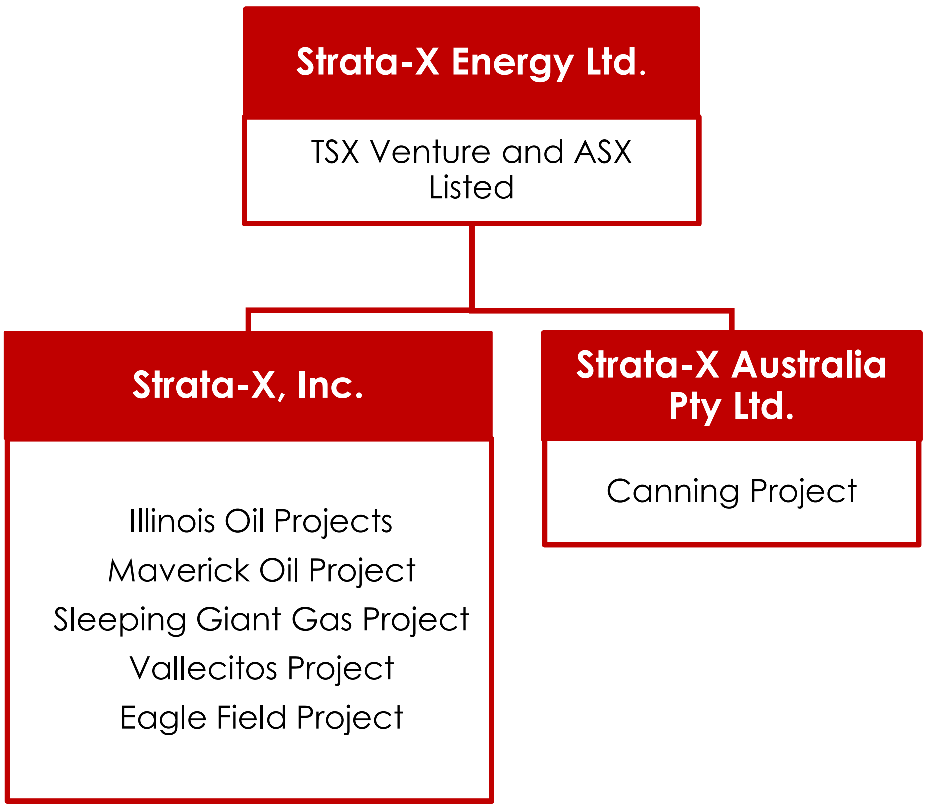
On 18 September 2012, the shareholders of the Company approved a special resolution authorizing a continuation of the Company out of the province of Alberta and into the province of British Columbia and a change in the name of the Company from Strata-X Ltd. to Strata-X Energy Ltd. On 11 October 2012, the Company was formally continued into the province of British Columbia, Canada.

On 11 March 2013, the Company began trading on the Australian Securities Exchange (ASX) through the issuance of 42,303,293 CHESS depository interests (CDIs) at the listing price of AUD$0.30 generating gross proceeds of AUD$12,690,987. Bizzell Capital Partners Limited were the Corporate Advisors to the Offering and BBY Limited and Helmsec Global Capital Ltd. were the joint lead managers for the Offering.

Following the initial listing of Strata-X's securities on the Australian Securities Exchange on 11 March 2013, Strata-X ceased to be a "venture issuer" as defined in Canada's National Instrument 51-102 Continuous Disclosure Obligations and became a non-venture issuer. One of the results of this change in status was an acceleration in the Company's financial reporting timelines. Strata-X is now required to file its annual audited financial statements within 90 days of each fiscal year end and its interim financial statements within 45 days of each quarter end. The Company is also required to file an annual information form at the time it files its annual audited financial statements.

Organizational Chart

The corporate structure of the Company is as follows:



Company Outlook / Likely Developments

During the past three years, the Company has been building a portfolio of projects that offer relatively low geologic risk and the potential for significant oil and gas reserves with a view to maximizing shareholder value. The Company has also been targeting large working interests and operatorship, thereby giving it full control of its key projects. This approach has allowed Strata-X to dictate which targets it will pursue, using the technology it considers best suited for the purpose, and according to a schedule that reflects the availability of critical resources on economic terms.

The economic framework of the energy industry has recently undergone a dramatic reversal with falling world oil prices due to a combination of factors including a significant increase in oil production from the United States and other producers creating an oversupply. The depth of this reversal is still unknown and until the oil markets regain some longer term stability, uncertainty will continue. It may take several months before market fundamentals return as supply and demand is rebalanced.

Strata-X is not immune to these market conditions but has chosen projects in areas where drilling and operational costs are low and margins are, on average, higher. The Company has conducted an internal review of its projects and has developed a strategy it believes will best serve the shareholders during these volatile times. Meaningful deployment of capital will be paramount during the period of low oil prices and volatility. The Company intends to focus in the near future on the vertical oil play in the Illinois Basin where acceptable economics can still be attained.

Strata-X has four key projects: the Sleeping Giant Gas, Canning Basin, Illinois Basin Oil and Maverick Oil Projects. The Company has a 100% interest in the Sleeping Giant Gas Project, the Canning Basin Project, Copper Mtn. and the Vail Oil Project and a 75%-100% interest in the Maverick Oil Project. All of these projects are operated by the Company.

The Company's primary focus over the past year has been to conduct the exploration appraisal work necessary to demonstrate the production potential and commercial viability of its key USA projects: Sleeping Giant, Illinois Basin and Maverick. Strata-X commenced its appraisal drilling campaign on the Illinois Basin Project (Horizontal) early in the third quarter of 2013, the Maverick Oil Project in late fourth quarter 2013 and the Sleeping Giant Gas Project in June 2014. Recently, in December 2014, the Company commenced drilling its first vertical well in the Illinois Basin which is currently undergoing production testing. The Company's strategy on its key USA projects is to sufficiently advance them through the exploration phase to determine their commercial viability.

In April 2014, the Company acquired approximately 22,000 net acres in Wayne County Illinois with two goals in mind. The first was to expand the coverage the Company had over the Lingle Formation and the second was to expose the Company to high margin, low risk opportunities in the shallow Mississippian aged reservoirs found above the New Albany shale. The area was initially developed in the mid-1900s when oil prices were historically low and technology very rustic. Historically, these oil zones have produced in excess of 1.5 billion barrels[1] of oil within a 32 kilometer radius of the project. The area has not had much capital deployed in several decades despite numerous advances in drilling and completion technologies. The Company saw this as an opportunity for a proven mature area to yield new reserves using better exploration and completion technique.

During the past 9 months, the Company has investigated data from thousands of historic wells to develop several areas it considers to be potentially productive. The initial area chosen was on the Clay City Consolidated Oil field, a field that has yielded over 600 million barrels of oil. The Company's evaluation of these areas indicates that significant bypassed oil pay opportunities exist in direct offsets to historical wells and potential recompletions in bypassed pay intervals. To date, the Company has identified over 60 potential locations in close proximity to historical production from numerous oil productive zones.



In December 2014, the Company drilled its first vertical well, Blue Spruce #1, targeting shallow Illinois oil pay zones. The well encountered several potentially productive zones that totaled approximately 33 feet of interpreted net pay. The Company has embarked on a completion plan and results will be forthcoming in early February 2015. Pending a successful completion at Blue Spruce, there are 8 additional offset locations available for the Company to develop on its leasehold.

Two additional areas have also been selected for testing, and drilling permits have been received. Plans are to drill 1 or 2 of these wells before the end of the first quarter 2015.

In May 2014, Strata-X successfully preformed a completion stimulation of the Burkett 5-34HOR well. After the stimulation, the well flowed back approximately 116 barrels of crude oil and approximately 2,100 barrels of completion fluid. After an extended production test, the Company installed permanent production facilities consisting of a downhole electric submersible pump and salt water disposal well. The Burkett well reached peak rates of over 300 BOPD and averaged 150 BOPD in November 2014 and 52 BOPD in December 2014. The ultimate performance of the Lingle oil zone is being masked by the communication with a deeper water zone and low reservoir pressure in the Lingle zone from prior production. Despite these challenges, the Company feels that the Burkett well has advanced the project by demonstrating producible oil and establishing commercial production rates from the Lingle formation. Future wells in the program will be designed with lower energy stimulations to minimize the risks of communication with the deeper reservoir and will be located outside the area of lower reservoir pressure found in the Burkett well.

For the quarter ended 31 December 2014, the Company invested $411,917 in the Illinois Basin Oil Project, principally on lease extensions, production facilities for the Burkett 5-34 well and to drill the Blue Spruce #1 well.

The Company has completed the design work for the stimulation and production testing program on the Cinco Saus Creek #1 well in the Maverick Oil Project and is currently having vendors rebid the stimulation work in light of the current economic environment. It is anticipated that the completion work on the Cinco Saus Creek #1 will be delayed until the second half of the year. For the quarter ended 31 December 2014, the Company invested approximately $5,000 in the project, principally on the engineering and costing of the completion on the Cinco Saus Creek #1.

The Company drilled and cased its first exploratory well on the Sleeping Giant Gas Project, the Rohweder #1-11 well in June/July 2014. It is currently shut-in awaiting completion and testing activities. The Company anticipates that the testing of the Rohweder #1-11 will be delayed until the second quarter 2015 (calendar). For the quarter ended 31 December 2014, the Company invested $11,949.09 in the project, principally to extend leases that would have expired.

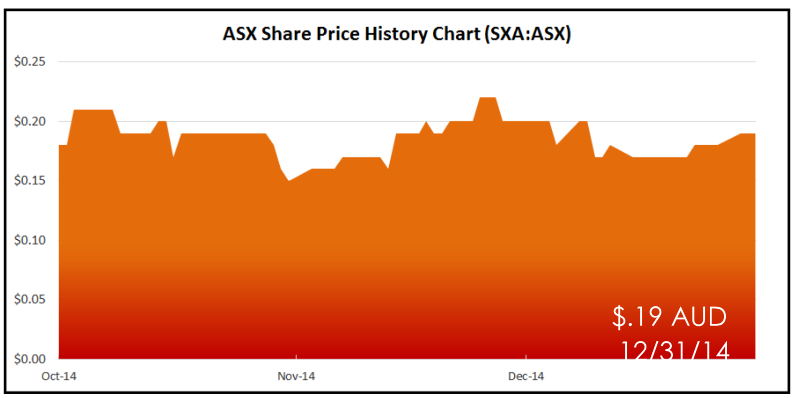
In the Canning Basin Project, the Company continues to pursue access agreements with Native Title claimants as a requirement of having the tenement granted.

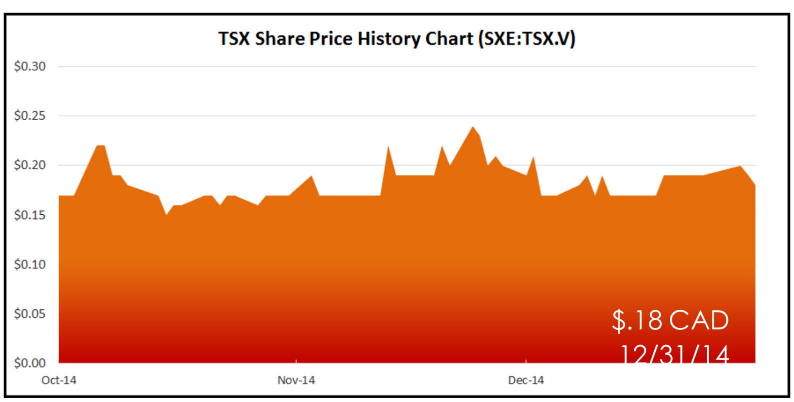
Strata-X is also reviewing its other projects, in which it has 22.5% to 37.5% working interests, in order to determine going-forward activities that meet the Company's growth plans. No decision has been made on drilling or continuing any of these projects at this time. Any drilling on these projects will depend on the Company's ability to target oil reserves that, in the Company's assessment, offer a combination of acceptable risk and sufficiently high potential reward to more than offset such risk. The Company also continues to seek out and review other growth opportunities.

Due to the nature of the oil and natural gas industry, budgets are regularly reviewed with respect to the success of the expenditures and other opportunities which become available to the Company. Accordingly, while it is currently intended by management that available funds will be expended as set forth above, actual expenditures may differ from these amounts and allocations. The Company reserves the right to exercise its business judgment to reallocate funds in order for the Company to achieve its overall business objectives.

For the six months ended 31 December 2014, oil production to the Company's net revenue interest was up 1,794% to 10,513 barrels (Bbls) compared to 555 Bbls for the six months ending 31 December 2013. The increase in oil production is attributed to higher production from the Vallecitos Project, placing the Burkett 5-34HOR well online and production from the Blessing 1-4H well (Illinois Project – Horizontal Wells). For each of the six month periods ended 31 December 2014 and 31 December 2013, no natural gas was sold.

Total revenue for the six months ended 31 December 2014 was $770,350 compared to $46,202 for the six months ended 31 December 2013, an increase of 1,567%. This increase is attributed to higher production from the Vallecitos Project, placing the Burkett 5-34HOR well online and production from the Blessing 1-4H well (Illinois Project – Horizontal Wells). The average daily production for the Company during the six months ended 31 December 2014 was 58.4 bbls of oil at an average realized sale price of $73.27 per barrel of oil. Royalties per barrel of oil averaged $11.71, with production operating expenses for the period of $17.99 per barrel of oil. The netback received by the Company per barrel of oil sold during the three months ended 31 December 2014 was $43.57.

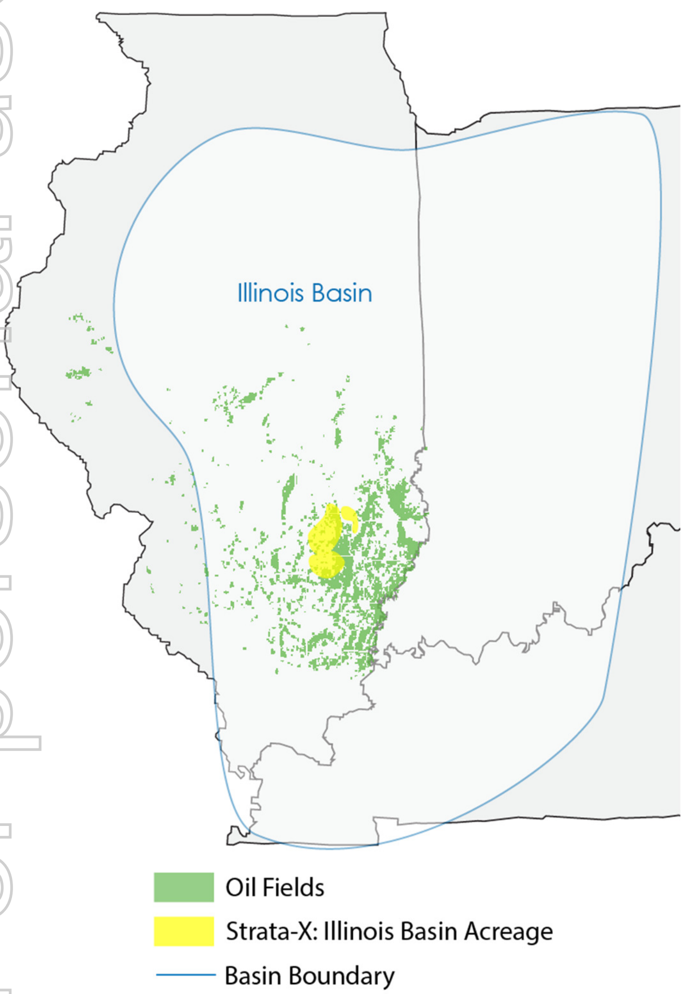


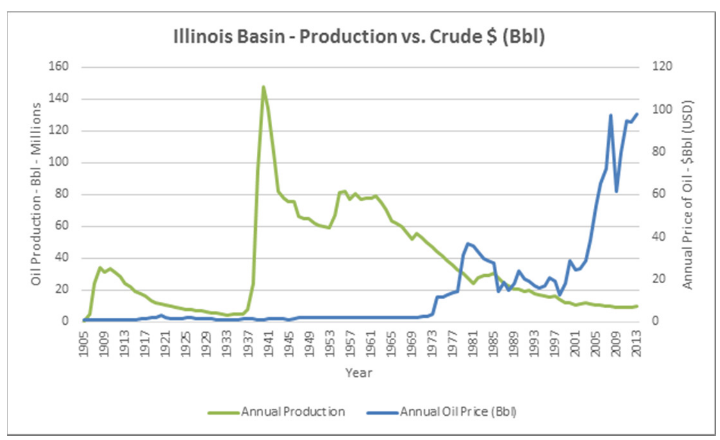


Illinois Basin Overview

The Illinois Basin has historical production of 4 billion barrels of oil and existing infrastructure including oil and gas pipelines with available capacity. Strata-X holds approximately 67,000 net acres in the Illinois Basin which sit on top of and adjacent to several giant oil fields. These oil fields have produced more than 1.5 billion barrels of oil from the same reservoirs Strata-X is targeting.(2) Most of this oil was produced when oil prices were less than $2 per barrel so economical oil flow thresholds were much higher. The chart below shows that more than 80% of the oil in the Illinois Basin was produced long before oil prices began their rise over $2 per barrel in 1972. Most of Illinois' oil was produced without the benefit of modern drilling and completion techniques. These techniques increase the extent to which reservoirs can now be commercially developed.

To date, the Company has secured 100% of the lease rights to approximately 62,500 net acres in the Illinois Basin. The secured lease rights contain favorable terms and provide an average net revenue interest to the Company of 86%. The Company classifies the Illinois Project into two different opportunities: unconventional horizontal projects in the Devonian aged Lingle and Grand Tower formations such as those being targeted by the Company's two existing horizontal wells and conventional vertical projects targeting the prolific shallow Mississippian formations of the Illinois Basin.





(1) Illinois State Geological Survey, Illinois Oil and Gas Database, accessed 10/1/2014, www.isgs.illinois.edu.
(2) I.H.S Production data, Enerdeq, www.ihs.com, assessed 10/1/2014.

Unconventional Horizontal Project in the Illinois Basin

- Burkett #5-34, the Company's first horizontal well targeting the Lingle Formation, was completed in May 2014. Production testing commenced in late July 2014.
- Burkett 5-34 from July – December 2015 totaled ~8,600 bbls of oil. The well reached a peak production rate of 310 bbl/d and 300+Mcf in November 2014.
- Strata-X currently holds an undrilled horizontal location permit (Raccoon Creek #1HOR) and is in the process of permitting one new horizontal location targeting the Lingle Formation.
- The Blessing 1-4H (Grand Tower) well acquired in May 2014 remains on production. The Company is examining the option of stimulating ~75% of the lateral portion of the well which remains unopened to the formation.

Company Wells

Burkett 5-34HOR – Lingle Formation
Status: On Production
Location: Clay County, Illinois

Blessing 1-4H – Grand Tower Formation (acquired in March 2013)
Status: On Production

Lingle Formation

In June 2013, Strata-X acquired all necessary regulatory approvals to drill the Burkett 5-34HOR well, which was designed as a horizontal test of the targeted Devonian Lingle formation, and spudded the well on 10 July 2013. It was designed to be drilled in two stages. First, the Company drilled a vertical hole to the top of the target formation and then cored approximately 60 feet of the formation. Next, the Company plugged back the vertical section of the well and drilled the horizontal leg. The vertical portion of the well reached a total depth of 4,730 feet. The Company successfully cored 59 feet of the target formation and logged the vertical section of the well. Initial core analysis indicated two oil zones in the dolomite reservoir with a total net thickness of 10.5 feet over a 30-foot interval.

On 15 May 2014, the Company successfully completed a 7-stage stimulation of the Burkett 5-34HOR well using approximately 176,000 pounds of proppant. During post completion stimulation production testing, the well flowed back approximately 116 barrels ("bbl") of light-gravity oil along with 2,100 bbls of completion fluid and formation water over a 30-hour test period The well then ceased to flow on its own, a standard flowback occurrence.

A limited production test began in July 2014. Upon final production facility construction in August 2014, the well was placed into full production testing. After monitoring the well proformance, the production facilites were upgraded in October 2014. Thereafter the well "cleaned up" and reached a peak prodution rate of 310 bbl/d and 300+Mcf. Through December

2014 the Burkett 5-34HOR well has produced approxmately 8,600 barrels of light gravity oil. While on production in January 2015, the Burkett 5-34HOR well produced an average of 48 barrels of oil a day.

In advancing the development of the Vail Oil Project, Strata-X acquired a new drilling permit for a well called the Raccoon Creek #1. This well is expected to test the Devonian Lingle formation and is the second horizontal appraisal well for Strata-X in the Vail Oil Project. The well is located in Clay County, Illinois northwest of the town of Flora, Illinois, approximately 7 miles northeast of the Company's first horizontal test well, the Burkett 5-34HOR. The permit issued by the Illinois Department of Natural Resources for the Raccoon Creek #1 authorizes up to the following (approximate) drilling parameters: a true vertical depth of 4,500ft, a true measured depth of 9,300ft and a horizontal leg length of 4,300ft.

Grand Tower Formation

The Company completed an acquisition in March 2014 consisting of approximately 23,595 net acres of production and exploration assets in the Illinois Basin adjacent to its existing assets. Included in the acquisition was the existing, then shut-in, horizontal well called the Blessing 1-4H. This well drilled by the prior operator in mid 2013, targeted the Grand Tower Formation located directly beneath the Lingle Formation (which is the target interval for the Vail Oil Project). Following a stimulation of only 25% of the horizontal portion of the wellbore the previous operator was able to achieve production rates as high as 100 bopd with high water cuts. The Company does not feel that the previous operator has adequately tested the Grand Tower formation. The Blessing 1-4H well was put on production in June 2014 while the Company reviews its options to stimulate the remaining 75% of the lateral portion of the wellbore.

Vertical Well Project in the Illinois Basin

- Blue Spruce #1 well completed as an oil producer.
- Douglas Fir #1 and Blue Spruce #1are the first of a planned initial three well program.
- Douglas Fir #1 is a direct offset to a well that flowed over 300 BOPD (1)
- There are multiple potential locations within each wellbore targeting light gravity crude oil.
- Modern extraction techniques provide new tools to unlock bypassed oil potential.
- Strata-X has submitted other vertical drilling applications to the Illinois Department of Natural Resources.
- Strata-X remains committed to its strategy of delivering an early mover advantage for shareholders.

In December 2014, the Company drilled its first well in a multi-well drilling program in the Illinois Basin, the Blue Spruce #1. The well, which reached a total depth of 3,280 feet encountered multiple oil and gas shows in the targeted shallow Mississippian formations. Preliminary wireline and mud log interpretation indicates approximately 33 feet of total oil pay (calculated) in the Aux Vasse and McClosky formations, the primary target zones for the well. The Company elected to case the well with 5.5 inch casing before releasing the drilling rig.

In January 2015, the Company mobilized completion equipment to the location of the Blue Spruce #1 to test the productivity of the well. After successfully testing two oil zones in the Blue Spruce #1 well on the Illinois Shallow Oil Project, the well has been set up for production in the Aux Vases formation. The testing consisted of individually perforating and swabbing 3 of the 4 interpreted oil zones starting with the bottom zone and continuing to the top zone. The Company has determined that 2 of the 3 tested zones, the Middle McClosky and Aux Vases, the main targets of the well, are expected to be commercially productive. The successful stimulation of the Aux Vases formation late last week resulted in 10 barrels of fluid entry per hour with a 25% cut of light oil. Following installation of long-term production facilities, the oil cut is expected to increase as the water pumped into the formation during the stimulation is recovered.

Production tubing, rods and a downhole pump were placed in the hole to individually produce the Aux Vases formation. At a later date, pending the near-term productivity evaluation of the Aux Vases formation, the Company may elect to comingle the Aux Vases production with the Middle McClosky formation in the well.

Pending positive commercial oil flow results, the Company intends to drill offsetting production wells during 2015. Permitting is underway and the next well is planned for March 2015. The area has experienced a warmer than normal winter resulting in muddy ground conditions. The installation of facilities required for long-term production may be delayed until conditions improve.

Assuming success, the Company anticipates implementing a continuous low risk development program, which offers the potential for Strata-X to have a predictable and substantial production growth profile over the next 12 months and beyond.

1. *Illinois State Geological Survey, Illinois Oil and Gas Database, accessed 10/1/2014,www.isgs.illinois.edu.*
2. *Prospective Resource information cited herein are Prospective Resources, per an independent third party report effective 2 October 2014 ("Report") from Chapman Petroleum Engineering Ltd. ("Chapman") who's author, Charles Moore, a registered Professional Engineer in the Province of Alberta, Canada, consents to the inclusion of this resource information as it appears and information relating to the Prospective Resource is based on, and fairly represents, information and supporting documentation prepared by Strata-X and reviewed by Charles Moore.*



Exploration and Evaluation Project (E&E)

Maverick Oil Project

- Eagle Ford Shale
- 9,777 net Acres

The Maverick Oil Project consists of 9,777 mostly contiguous acres net to Strata-X and is situated in the Eagle Ford shale fairway in southern Texas, USA. The Company is targeting light shale oil and associated gas and condensate. Within the Maverick Oil Project area is the El Indio-1H well drilled by a previous operator. The operator reported flows on this well from the Eagle Ford shale of 175 barrels of oil and 1.8 Mmcf (million cubic feet) of gas per day over a 12-day test period despite having conducted a less than adequate completion stimulation and testing program.

In the Company's assessment, the nature of the hydrocarbons and reservoirs within the Eagle Ford shale formation in and around the Maverick Basin requires a different approach to drilling and completion methods than those currently being utilized in deeper portions of the Eagle Ford shale trend. To this end, Strata-X carried out specialized seismic analysis to select drilling locations, then vertically drilled and continuously cored prospective sections of the Eagle Ford shale and Buda formations. The next stage involved a detailed core analysis to select intervals for a multi-stage vertical stimulation completion.

In drilling the Cinco Saus Creek #1, Strata-X recovered 100% of a 600-foot continuous core of the target interval and the well was drilled to a total depth of 4,220 feet. Upon reaching total depth, the well was logged and 4 ½ inch casing was set and cemented into place.

The 600-foot core of the Eagle Ford shale and Buda formations was sent to a laboratory for analysis. The initial analysis of the core has identified several prospective oil bearing intervals, some of which have never been tested in the Strata-X project area. These prospective intervals will be stimulated and tested individually by the Company to determine the production potential of each individual zone.

The Company plans to start the multi-stage stimulation of targeted intervals in the Cinco Saus Creek #1 well with the deepest Buda formation and advance to additional intervals in the Eagle Ford shale located above the Buda. The stimulation of the well is expected to occur in 2015. Strata-X is the operator of the Cinco Saus Creek #1 well and retains an approximate 96.9% working interest in it. Strata-X's joint venture partner on the Maverick Oil Project elected not to participate in the Cinco Saus Creek #1 well. This election granted Strata-X an additional 3.1% working interest in the well, which interest is subject to a 300% payback penalty.

Sleeping Giant Gas Project

- Williston Basin, North Dakota
- 100% of 115,000 net Acres

The Company has acquired the rights to approximately 115,000 net acres in the Williston Basin in North Dakota having multiple prospective structures for natural gas. The targets are shallow gas accumulations in reservoirs at depths generally under 2,000 feet.

The Sleeping Giant Project is located on relatively flat agricultural lands with existing roads and infrastructure. Two interstate natural gas pipelines transect the prospect providing a sales avenue for developed natural gas. Oil and natural gas field services are readily available in Bismarck and Williston, North Dakota.

The Niobrara Formation is a significant petroleum system in the USA and has produced over 1 TCF of natural gas from shallow accumulations. There has been relatively little drilling in the Sleeping Giant prospect area. The limited drilling there has been located off structure from these gas prospects with prior wells predominantly targeting deeper Cretaceous or Paleozoic targets. The Niobrara Formation in this area has been overlooked despite gas shows and small flares being reported. In the mid 2000s, four wells were drilled in this part of North Dakota to test shallow gas shows. None of them were completed as all were drilled off-structure for the Niobrara gas play.

In December 2013, the Company received permits for 4 drilling locations from the North Dakota Industrial Commission. On 20 June 2014, Strata-X spudded the Rohweder #1-11 well, the first of its four permitted locations and the Company's first vertical appraisal well in the Sleeping Giant Gas Project.

The Rohweder #1-11 well was drilled to a total depth of 1,450 feet. Gas shows were encountered immediately after penetrating the regional hydrocarbon seal. In total, gas shows peaked at approximately 300 units over a background of 25 units. Oil fluorescence and oil cut were also observed in portions of the targeted Niobrara formation. After casing, the well was shut-in to allow the Company time to design an optimal completion stimulation method utilizing data obtained during the drilling of the well. The Rohweder #1-11 well is the Company's first proof of concept well on the Sleeping Giant Gas Project and is expected to be tested in 2015. Under the terms of the Purchase and Sale Agreement with the Sellers of the Sleeping Giant Gas Project, the Company had until 30 September 2014 to drill its remaining 3 obligation wells or rights to the project would revert to the Sellers. In August 2014, the Company and the Sellers of the project executed an extension agreement granting Strata-X until July 2015 to drill the remaining obligation wells.

Canning Basin

- Laurel Shale, Western Australia
- 100% of 1.4 million acres

In March 2012, the Company was conditionally awarded 100% of a permit to explore approximately 1.4 million acres in the Canning Basin in northwest Australia. The Permit, L 11-3, in the rapidly emerging Laurel shale petroleum province, was won in a competitive acreage release round based on a work program. Granting of this permit is conditional upon complying with the Native Title Act of 1993. The Company is continuing its negotiation process towards securing access agreements with the Native Title claimants.

The Company believes the L 11-3 onshore Canning Basin block is prospective for both conventional and unconventional petroleum resources within the Carboniferous Laurel Formation where discoveries have been made by Buru Energy along similar geologic trends in the basin.



Vallecitos Oil Project

San Benito County, California, USA

The Company has a 22.5% working interest and a 19.5% net revenue interest in approximately 21,000 gross acres of leasehold in the Vallecitos area in California, including a 120 acre F&I Pool.

Multiple leads and prospects have been interpreted using a 24 square mile 3D seismic survey acquired in 2009. The 3D seismic was recently reprocessed incorporating VSP data obtained during the drilling of a prior well on the project to help high-grade the leads and prospects that the Company is considering developing.

In December 2012, the partners of the Vallecitos project were the high bidders for multiple Bureau of Land Management (BLM) leases covering 10,373 gross acres, with 2,334 acres net to the Company's interest. The leases were subsequently named in a lawsuit between an environmental activist group and the BLM delaying the vesting of the leases to the partners until the case is resolved. Neither the partners of the project nor the Company have any liability associated with the third party suit.

In September 2013, the Company was notified by the operator of the Vallecitos Oil Project, Patriot Resources Inc., of its intent to recomplete two shut-in wells on the project. The net cost to the Company of the proposed workovers is approximately $50,000. After completing the first of the two workovers, the operator of the project established production of approximately 10 bopd gross from a zone which was not originally targeted in the workover. As a result, the operator of the project has delayed working over the targeted zone until a production test determines the productivity of the currently producing zone. The operator of the project started operations on the second planned well workover in October of 2014 which results are not yet available.

Eagle Project

Kings County, California, USA

The Company now has a 23.9% working interest in 5,160 gross acres of land in the Eagle Project in the San Joaquin Valley area in California and is the operator of the project. One previously drilled well in the Eagle Project area encountered good oil shows in the Eocene Age Gatchell sands that tested up to 192 barrels of light oil and 427 Mcf of gas per day. Although light oil was recovered, the well was considered to be non-commercial at the time due primarily to formation damage by heavy drilling mud and cement squeezing. Subsequent activity on the prospect was met with mechanical issues despite continuing indications of oil shows in the primary target.

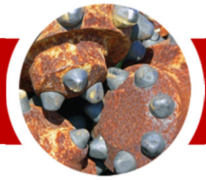
Person Compiling Information

Technical information contained herein is based on the information compiled by the Company's President and Managing Director, Tim Hoops. Mr. Hoops has over 33 years of experience in the petroleum industry and is a graduate of the Colorado School of Mines with a degree is Geological Engineering. Mr. Hoops consents to the inclusion in this document of the matters based on the information, in the form and context in which it appears.

Signed in accordance with a resolution of the Directors

On behalf of the Directors.

Timothy Hoops
President and Managing Director
As at 13 February 2015



Petroleum Tenements

Project	Location	% Interest	Net Acres
Illinois Oil	Illinois, USA	100%	62,500
Maverick Oil[1]	Texas, USA	100%	9,777
Canning	Western Australia	100%	1,438,120
Sleeping Giant	North Dakota, USA	100%	115,000
Vallecitos	California, USA	22.5%	4,728
Eagle	California, USA	23.9%	770
Margarita	Texas, USA	37.5%	90
Total			**1,630,985**

(1) Strata-X Energy has a 100% interest in most of the project areas, however, pursuant to the Maverick Purchase Agreement it has a 15% interest in one 660 acre area.

The ownership of in-situ hydrocarbons in the United States differs from almost all other countries in that the owners are typically private individuals or private entities. The vast majority of the exploration tenements or leases held by the Company in the USA are with private parties. Currently, the Company holds rights to over 1,800 leases in the USA. These leases differ from each other in numerous ways including the size of each parcel of land, financial terms, royalties and contract duration. Differences in expiration dates allow for a gradual release or roll-over or, if renewed, continuation, of exploration rights. The tenement or leasehold position for each project, including its relative location, reflects the position of the Company as of the date of this report. If the disposal of a Company position was material or represented a change from a prior reporting period then this aggregate change would be reflected in the total position listed by the Company.

Generally, petroleum rights in the USA are purchased from the owner as leases on negotiated terms which may include cash payments up front, royalties and rental arrangements. Competition for leases can become very heated, particularly in highly sought-after productive areas. Strata-X's goal has been and continues to be to minimize lease purchase costs while maximizing shareholder growth potential, by striving to be the first or early mover on areas or projects. To accomplish this, the Company carries out its own in-house geological mapping and analysis to high-grade areas or projects for acquisition. Further, the Company will not be making public detailed geological maps or detailed lease maps as this may attract competitors, especially much larger and better financed rivals, potentially increasing the Company's lease purchase costs and diminishing its ability to consolidate significant land positions on attractive terms.

During the quarter ended 31 December 2014, Strata-X reduced the tenement acres it held on the Illinois Oil and Sleeping Giant Gas Projects. On the Sleeping Giant Gas Project, non-core leases were allowed to expire reducing the Company's net acreage position from 120,000 to 115,000, a loss of ~5,000 net acres to Strata-X's interest. On the Illinois Oil Project, non-core leases were allowed to expire reducing the Company's acreage position to ~62,500 acres from ~67,000, a loss of 4,500 acres net to the Company's interest. Due to the change in the economic environment, the Company has decided to let a significant amount of exploration acreage it currently has under lease expire. The Company believes that most of the acreage can be re-leased at better terms in the future. Subject to available funds, the Company will pursue extending or acquiring new leases in its core area in the Illinois Basin vertical oil play. While this action may result in the write-down of the Company's asset base, Strata-X feels this is the most prudent course of action in light of significantly lower oil prices.

This year, the Company expects lease reductions of approximately 60,000 net acres on the Sleeping Giant Gas Project, 770 net acres on the Eagle Project, 35,000 net acres on the Illinois Project, 90 net acres on the Margarita Project and 9,777 net acres on the Maverick Oil Project. These reductions may result in a write-down of the Company's asset base.



Collins Barrow
Chartered Accountants

Collins Barrow Edmonton LLP
2380 Commerce Place
10155 – 102 Street N.W.
Edmonton, Alberta
T5J 4G8 Canada

T. 780.428.1522
F. 780.425.8189

www.collinsbarrow.com

February 10, 2015

Strata-X Energy Ltd.
Suite 300A, 1624 Market Street
Denver, CO 80202

To the Audit Committee of Strata-X Energy Ltd.:

Dear Sirs:

In accordance with our engagement letter dated January 13, 2015, we have reviewed the interim condensed consolidated statement of financial position of Strata-X Energy Ltd. as at December 31, 2014, the interim condensed consolidated statements of comprehensive loss, changes in equity and cash flows for the six-month period ended December 31, 2014. These interim condensed consolidated financial statements are the responsibility of Strata-X Energy Ltd.'s management.

We performed our review in accordance with Canadian generally accepted standards for a review of interim financial statements by an entity's auditor. Such an interim review consists principally of applying analytical procedures to financial data, and making enquiries of and having discussions with persons responsible for financial and accounting matters. An interim review is substantially less in scope than an audit, whose objective is the expression of an opinion regarding the financial statements; accordingly, we do not express such an opinion. An interim review does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit.

Based on our review, we are not aware of any material modification that needs to be made for these interim condensed consolidated financial statements to be in accordance with IAS 34 "Interim Financial Reporting".

This report is solely for the use of the Audit Committee of Strata-X Energy Ltd. to assist it in discharging its regulatory obligation to review these interim condensed consolidated financial statements, and should not be used for any other purpose. Any use that a third party makes of this report, or any reliance or decisions made based on it, are the responsibility of such third party. We accept no responsibility for loss or damages, if any, suffered by any third party as a result of decisions made or actions taken based on this report.

Yours very truly,

Collins Barrow Edmonton LLP

COLLINS BARROW EDMONTON LLP

STRATA-X ENERGY LTD.
(Unaudited)
Interim Condensed Consolidated Statement of Financial Position
31 December 2014
(Expressed in U.S. Dollars)

	31 December 2014	30 June 2014
ASSETS:		
Current assets:		
Cash and cash equivalents	$ 2,164,976	$ 3,758,172
Accounts receivable	257,134	116,360
Prepaids, deposits and other (Note 5)	36,939	36,920
Total current assets	2,459,049	3,911,452
Other assets (Note 6)	265,498	326,060
Exploration and evaluation assets (Note 7)	22,848,606	22,176,955
Property and equipment (Note 9)	2,111,116	2,194,484
Total assets	$ 27,684,269	$ 28,608,951
LIABILITIES:		
Current liabilities:		
Accounts payable and accrued liabilities	$ 564,025	$ 1,600,375
Deposits	23,126	23,126
Amounts due to related parties (Notes 8 and 15)	206,201	367,168
Derivative warrants (Note 11)	10,408	115,734
Total current liabilities	803,760	2,106,403
Derivative warrants (Note 11)	101,888	439,545
Accrued liabilities	63,048	63,048
Decommissioning provisions (Note 10)	966,370	916,934
Total liabilities	1,935,066	3,525,930
SHAREHOLDERS' EQUITY:		
Share capital (Note 11)	34,934,188	33,524,413
Share based compensation reserve	1,241,961	1,152,318
Warrant reserve	1,009,486	1,009,486
Contributed surplus (Note 12)	22,066,879	22,066,879
Accumulated other comprehensive income	(838,818)	(895,570)
Deficit	(32,664,493)	(31,774,505)
Total shareholders' equity	25,749,203	25,083,021
Total liabilities and shareholders' equity	$ 27,684,269	$ 28,608,951

See accompanying notes

STRATA-X ENERGY LTD.
(Unaudited)
Interim Condensed Consolidated Statement of Comprehensive Income (Loss)
(Expressed in U.S. Dollars)

	Three months ended 31 December		Six months ended 31 December	
	2014	2013	**2014**	2013
Oil and gas revenue	$ 507,041	$ 31,459	$ 770,351	$ 46,203
Expenses				
Production and exploration	120,065	51,515	189,206	115,957
General and administrative	529,990	488,623	879,492	803,286
Depletion, depreciation and amortization	31,461	19,771	84,583	33,096
Impairment of oil and gas properties	697,601	-	878,145	-
	1,379,117	559,909	2,031,426	952,339
Net operating loss	(872,076)	(528,450)	(1,261,075)	(906,136)
Gain on valuation of derivative liabilities	49,161	492,896	416,512	34,326
Gain on conversion of convertible debentures	-	-	-	-
Net finance expense	(8,378)	592	(45,425)	1,253
Net loss	(831,293)	(34,962)	(889,988)	(870,557)
Other comprehensive income (loss)				
Items that will not be reclassified subsequently to profit or loss	-	-	-	-
Items that may be reclassified subsequently to profit or loss				
Exchange differences in translating foreign operations	44,670	(73,323)	56,752	(85,262)
Other comprehensive income (loss) for the period	44,670	(73,323)	56,752	(85,262)
Comprehensive loss	$ (786,623)	$ (108,285)	$ (833,236)	$ (955,819)
Net loss per common share, basic and diluted (Note 13)	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.01)

See accompanying notes



STRATA-X ENERGY LTD.
(Unaudited)
Interim Condensed Consolidated Statement of Changes in Equity
For the Six Months Ended December 31, 2012
(Expressed in U.S. Dollars)

	Share Capital	Share based Compensation Reserve	Warrants Reserve	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total
Balance, 1 July 2014	$ 33,524,413	$ 1,152,318	$ 1,009,486	$ 22,066,879	$ (895,570)	$ (31,774,505)	$ 25,083,021
Private placement, 7 December 2014 (Note 11)	852,691	-	-	-	-	-	852,691
Private placement, 21 December 2014 (Note 11)	138,420	-	-	-	-	-	138,420
Shares issued on debt conversion (Note 11)	418,664	-	-	-	-	-	418,664
Stock options issued (Note 11)	-	89,643	-	-	-	-	89,643
Comprehensive loss	-	-	-	-	56,752	(889,988)	(833,236)
Balance, 31 December 2014	$ 34,934,188	$ 1,241,961	$ 1,009,486	$ 22,066,879	$ (838,818)	$ (32,664,493)	$ 25,749,203

	Share Capital	Share based Compensation Reserve	Warrants Reserve	Contributed Surplus	Accumulated Other Comprehensive Income	Deficit	Total
Balance, 1 July 2013	$ 26,674,351	$ 930,617	$ 890,954	$ 22,066,879	$ (883,488)	$ (30,364,450)	$ 19,314,863
Private placement, 6 November 2013 (Note 11)	5,300,723	-	-	-	-	-	5,300,723
Stock options issued (Note 11)	-	147,106	-	-	-	-	147,106
Exercise of stock options (Note 11)	15,533	-	-	-	-	-	15,533
Finders warrants issued (Note 11)	-	-	100,638	-	-	-	100,638
Comprehensive income (loss)	-	-	-	-	(85,262)	(870,557)	(955,819)
Balance, 31 December 2013	$ 31,990,607	$ 1,077,723	$ 991,592	$ 22,066,879	$ (968,750)	$ (31,235,007)	$ 23,923,044

See accompanying notes



STRATA-X ENERGY LTD.
(Unaudited)
Interim Condensed Consolidated Statement of Cash Flows
For the Six Months Ended 31 December 2014 and 31 December 2013
(Expressed in U.S. Dollars)

	Six months ended 31 December	
	2014	2013
Cash and cash equivalents provided by (used in):		
Operating activities:		
Net loss for the period	$ (889,988)	$ (870,557)
Adjustments for:		
Depletion, depreciation and amortization	84,583	33,096
Accretion of decommissioning provisions	49,436	9,959
Share-based compensation	89,643	147,106
Impairment of oil and gas properties	878,145	-
Dry hole costs	-	-
Gain on valuation of derivative liabilities	(416,512)	(34,326)
Operating cash flow before changes in non-cash working capital	(204,693)	(714,722)
Changes in non-cash working capital (Note 14)	(409,293)	(259,574)
Net cash used in operating activities:	(613,986)	(974,296)
Investing activities:		
Acquisition of exploration and evaluation assets	(2,317,646)	(4,490,634)
Acquisition of property and equipment	(1,216)	(2,797)
Acquisition of investments	-	(100,000)
Proceeds from sale of investments	60,000	-
Net cash used in investing activities:	(2,258,862)	(4,593,431)
Financing activities:		
Advances from related parties	418,664	-
Proceeds from issuance of common stock	1,059,957	5,837,355
Proceeds from exercise of stock options	-	15,533
Payment of share issuance costs	(68,846)	(435,994)
Deposits paid, net	-	(27,174)
Amounts paid to related parties	(160,967)	(76,550)
Net cash provided by financing activities:	1,248,808	5,313,170
Increase (decrease) in cash and cash equivalents	(1,624,040)	(254,557)
Cash and cash equivalents, beginning of period	3,758,172	8,566,438
Effect of exchange rate translation	30,844	(87,918)
Cash and cash equivalents, end of period	$ 2,164,976	$ 8,223,963

See accompanying notes

STRATA-X ENERGY LTD.

(Unaudited)
Notes to the Interim Condensed Consolidated Financial Statements
31 December 2014
(Expressed in U.S. Dollars)

1. Nature of Business and Going Concern

Nature of Business

Strata-X Energy Ltd. (the Company) was incorporated by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act of Alberta on 18 June 2007. Through its subsidiaries, the Company's business activities are directed primarily toward the acquisition, exploration and development of oil and gas properties in the states of Texas, California, North Dakota and Illinois within the United States and within Western Australia. In October 2012, the Company announced a continuation into the province of British Columbia. The registered office of the Company is located at 2080-777 Hornby Street, Vancouver, British Columbia, Canada, V6Z 1S4.

Going Concern

The interim condensed consolidated financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards, which assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company incurred a net loss of $889,988 for the six months ended 31 December 2014 and has an accumulated deficit of $32,664,493 as of 31 December 2014. There is a material uncertainty that may cast significant doubt about the ability of the Company to continue as a going concern.

The ability of the Company to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due is dependent on the success of the Company's exploration and development of its oil and gas properties, as well as the ability of the Company to obtain additional financing or equity to fund the exploration and development of those oil and gas properties. In March 2013, the Company completed its initial public offering on the Australian Securities Exchange (ASX) resulting in proceeds of approximately $12,668,000 and completed private placements in November 2013, June 2014 and December 2014 resulting in proceeds of approximately $7,845,000 in total. The proceeds of such offerings are utilized primarily towards funding of exploration and development of the Company's various oil and gas properties as well as ongoing working capital for general and administration expenses. Management anticipates the need for further financing and/or equity funding in the future to continue to fund budgeted development and operational activities.

The interim condensed consolidated financial statements do not reflect adjustments that would be necessary if the "going concern" assumption were not appropriate. In particular, adjustments would be required to the carrying value of the assets and liabilities, the reported profits and losses, and the balance sheet classifications used.

2. Basis of Presentation

a) Statement of Compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34, "Interim Financial Reporting", as issued by the "International Accounting Standards Board" ("IASB"). Accordingly, certain financial information and disclosure normally included in annual financial statements prepared in accordance with IFRS have been omitted or condensed. The disclosure herein is incremental to the disclosure included in the annual financial statements. The interim condensed consolidated financial statements should be read in conjunction with the Company's audited financial statements for the year ended 30 June 2014.

The policies applied in these interim condensed consolidated financial statements are based on IFRS issued and outstanding as of 11 February 2015, the date of the Board of Directors approval of the statements. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending 30 June 2015 could result in restatement of these interim condensed consolidated financial statements.

b) Basis of Measurement

The interim condensed consolidated financial statements have been prepared on the historical cost basis.

c) Functional Currency

The interim condensed consolidated financial statements are presented in United States dollars, which is the Company's functional currency.

d) Use of Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the interim condensed consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

2. Basis of Presentation (continued)

d) Use of Estimates (continued)

The following paragraphs discuss management's most critical estimates and judgments in determining the value of assets, liabilities and equity.

Recorded amounts for impairment, depletion and depreciation of oil and gas properties and equipment are based on estimates. These estimates include proved and probable reserves, production rates, future oil and natural gas prices, future development costs, remaining lives and periods of future benefits of the related assets and other relevant assumptions. The Company's reserve estimates are evaluated annually pursuant to the parameters and guidelines stipulated under National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities.

The value of exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves which in turn, is dependent on future oil and natural gas prices, future capital expenditures and environmental and regulatory restrictions.

The value of decommissioning liabilities depends on estimates of current risk-free interest rates, future restoration and reclamation expenditures and the timing of those expenditures. Actual results could differ from those estimates.

The determination of Cash Generating Units ("CGUs") requires judgment in defining the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash flows from other assets or groups of assets. CGUs are determined primarily by similar geological structure, shared infrastructure and geographical proximity.

The amounts recorded relating to the fair value of stock options issued are based on estimates of the future volatility of the Company's share price, estimated market price of the Company's shares at grant date, expected lives of the options, expected dividends and other relevant assumptions.

The amounts recorded relating to the fair value of derivative liabilities associated with warrants issued is based on estimates of the future volatility of the Company's share price, estimated market price of the Company's shares at the grant date and subsequent measurement dates, the remaining expected lives of the derivative instruments, expected dividends and other relevant assumptions.

The amounts recorded for deferred income taxes are based on the probability of the Company utilizing certain tax pools and assets which, in turn, is dependent on estimates of proved and probable reserves, production rates, future oil and natural gas prices, tax rates and interpretations by taxation authorities.

3. Significant Accounting Policies

The interim condensed consolidated financial statements have been prepared following the same accounting policies and methods of computation as the Company's 30 June 2014 annual financial statements. The Company continues to assess the impact of adopting the pronouncements of the IASB as described in the Company's 30 June 2014 annual financial statements.

4. Segment Reporting

The Company operates in one industry segment, being the oil and gas industry, in several geographic locations. Segmented information by geographic location is as follows:

	Canada	United States	Australia	Total
Revenues	-	770,351	-	770,351
Depreciation	-	84,593	-	84,593
Net income (loss)	(99,506)	(791,028)	546	(889,988)
Assets	69,659	27,395,693	218,917	27,684,269
Liabilities	200,492	1,717,831	16,743	1,935,066

5. Prepaids, Deposits and Other

Deposits as of 31 December 2014 represent funds held in escrow by the operator of the Vallecitos project located in California in the United States to be utilized toward future exploration activities.

6. Other Assets

Other assets consist of certificates of deposit and other financial instruments held by the Company as required by state agencies in California, Colorado, Texas, Illinois and North Dakota as restricted amounts to be utilized for potential future remediation of certain properties in these states.

7. Exploration and Evaluation Assets

	Six months ended 31 December 2014	Year ended 30 June 2014
Balance, beginning of period	**$ 22,176,955**	$ 12,303,585
Addition	**1,549,796**	9,873,370
Impairment incurred	**(878,145)**	-
Dry hole costs expensed	**-**	-
Balance, end of period	**$ 22,848,606**	**$ 22,176,955**

During the six months ended 31 December 2014 the Company recorded an impairment of $878,145 related to a property in Illinois.

8. Amounts due to Related Parties

Amounts due to companies controlled by directors of the Company are unsecured, bear no interest and have no specific terms of repayment. See further discussion of related party amounts in Note 15.

9. Property and Equipment

	Cost						
	Balance at 1 July 2013	Additions	Disposals and Adjustments	Balance at 30 June 2014	Additions	Disposals and Adjustments	Balance at 31 December 2014
Oil and gas properties	$ 554,917	$ 1,748,519	$ -	$ 2,303,436	$ -	$ -	$ 2,303,436
Computer equipment and software	14,982	2,796	-	17,778	1,216	-	18,994
	$ 569,899	$ 1,751,315	$ -	$ 2,321,214	$ 1,216	$ -	$ 2,322,430

	Accumulated Depletion, Depreciation, Amortization and Impairment						
	Balance at 1 July 2013	Additions	Disposals	Balance at 30 June 2014	Additions	Disposals	Balance at 31 December 2014
Oil and gas properties	$ 40,597	$ 79,339	$ -	$ 119,936	$ 960,829	$ -	$ 1,080,765
Computer equipment and software	3,188	3,606	-	6,794	1,900	-	8,694
	$ 43,785	$ 82,945	$ -	$ 126,730	$ 962,729	$ -	$ 1,089,459

	Net Book Value	
	Balance at 30 June 2014	Balance at 31 December 2014
Oil and gas properties	$ 2,183,500	$ 1,222,671
Computer equipment and software	10,984	10,300
	$ 2,194,484	$ 1,232,971



10. Decommissioning Provisions

	Six months ended 31 December 2014	Year ended 30 June 2014
Balance, beginning of period	**$ 916,934**	$ 639,061
Net present value of new obligation	**-**	190,654
Accretion expense	**49,436**	87,219
Balance, end of period	**$ 966,370**	**$ 916,934**

The Company has calculated the fair value of decommissioning provisions using a range of discount rates from 2.8% to 4.6%. The estimated undiscounted future cash flows to settle decommissioning provisions are $1,162,525 (30 June 2014 - $1,162,525) and are expected to be realized over a period defined as the remaining useful life in the Company's most recent reserve report which ranges from six to thirty years.

11. Share Capital

Authorized:

Unlimited number of common shares without nominal or par value

Unlimited number of preferred shares without nominal or par value

The preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares and determine the designation, rights, privileges, restrictions and conditions attached to each series of shares.

Issued and outstanding:

	Number		Amount
Balance at 30 June 2013	123,752,453	$	26,674,351
Exercise of stock options	160,000		15,533
Shares issued for cash, 6 November 2013	15,872,962		5,837,355
Share issuance costs	-		(536,632)
Shares issued for cash, 26 June 2014	6,503,554		1,704,739
Share issuance costs	-		(170,933)
Balance at 30 June 2014	146,288,969		33,524,413
Shares issued for cash, 7 December 2014	6,518,230		921,537
Share issuance costs	-		(68,846)
Shares issued on debt conversion	2,777,778		418,664
Shares issued for cash, 21 December 2014	1,000,000		138,420
Balance at 31 December 2014	156,584,977	$	34,934,188

Common Stock Offerings

On 6 November 2013, the Company completed a private placement of 15,872,962 CDIs with each CDI equivalent to and exchangeable for one common share of stock of the Company. The CDIs trade on the ASX. The offering resulted in proceeds of US$5,837,355 (AUD$6,031,726). Share issuance costs of $536,632 have been netted against the proceeds from the issuance.

On 27 June 2014, the Company completed a private placement of 6,503,554 CDIs with each CDI equivalent to and exchangeable for one common share of stock of the Company. The CDIs trade on the ASX. The offering resulted in proceeds of US$1,704,739 (AUD $1,820,995). Share issuance costs of $170,933 have been netted against the proceeds from the issuance.



11. Share Capital (continued)

Common Stock Offerings (continued)

On 7 December 2014 the Company completed a private placement of 6,518,230 CDIs with each CDI equivalent to and exchangeable for one common share of stock of the Company. The CDIs trade on the ASX. The offering resulted in proceeds of US$921,537 (AUD$1,108,099). Share issuance costs of US$68,846 have been netted against the proceeds from the issuance.

On 21 December 2014 the Company closed a second tranche of the 7 December private placement with the issuance of an additional 1,000,000 CDIs with each CDI equivalent to and exchangeable for one common share of stock of the Company. The CDIs trade on the ASX. The offering resulted in proceeds of US$138,420 (AUD$170,000).

Conversion of Debt

In November 2014, the Company entered into loan agreements with three directors of the Company, including the President and CEO of the Company. The loan balances totalled US$418,664 (AUD$500,000), were unsecured and did not accrue interest. The notes contained a conversion feature to convert the loan balances to CDIs at the higher of AUD$0.18 per CDI or the closing price of CDIs on the ASX the day prior to conversion. On 21 December 2014 the Company issued 2,777,778 CDIs as repayment of the notes.

Stock Purchase Warrants

Stock purchase warrants have been classified as a derivative financial liability since the exercise price of the warrants is fixed in Canadian dollars, but the functional currency of the Company is US dollars.

The activity related to derivative warrants is as follows:

	Six months ended 31 December 2014	30 June 2014
Balance, beginning of period	$ 555,279	$ 906,649
Additions	-	-
Fair value adjustments	(416,512)	(388,529)
Foreign exchange (gain) loss	(26,471)	37,159
Balance, end of period	112,296	555,279
Less: current portion	10,408	115,734
	$ 101,888	$ 439,545

11. Share Capital (continued)

Stock Purchase Warrants (continued)

The fair value of the derivative warrants was determined as at 31 December 2014 and 30 June 2014 using the following weighted average assumptions:

	31 December 2014	30 June 2014
Risk-free rate	0.42%	0.30%
Expected life (years)	1.2	1.7
Expected volatility	63.6%	57.3%
Dividend yield	0.0%	0.0%

<u>Finder warrants</u>

A total of 603,172 finder common share purchase warrants were issued on 6 November 2013 to the joint lead managers for the private placement of CDIs closed on this date, with each finder warrant exercisable at AUD$0.50 per share to acquire one CDI of the Company until 6 November 2016, at which time the warrants expire. The fair value of the finder warrants of AUD$105,732 (US$100,638) is reflected as share issuance costs during the year ended 30 June 2014.

A total of 162,100 finder common share purchase warrants were issued on 26 June 2014 to the joint lead managers for the private placement of CDIs closed on this date, with each finder warrant exercisable at AUD$0.50 per share to acquire one CDI of the Company until 26 June 2017, at which time the warrants expire. The fair value of the finder warrants of AUD$19,027 (US$17,894) is reflected as share issuance costs during the year ended 30 June 2014.

Finder warrants are considered share-based payment transactions. As such they are accounted for under IFRS 2, Share-Based Payments, which considers them to be equity. Accordingly, they are initially measured at fair value and are not re-measured at each reporting date. The finder warrants issued during the year ended 30 June 2014 are measured using the Black Scholes model with the following weighted average assumptions:

	30 June 2014
Risk-free rate	0.86%
Expected life (years)	3.0
Expected volatility	83.6%
Dividend yield	0.0%

11. Share Capital (continued)

Stock Purchase Warrants (continued)

Activity related to common share purchase warrants for the Company for the six months ended 31 December 2014 and the year ended 30 June 2014 is as follows:

	Six months ended 31 December 2014			Year ended 30 June 2014		
	Number	Weighted Average Exercise Price	Currency	Number	Weighted Average Exercise Price	Currency
Balance, beginning of period	19,092,754	$ 0.49		20,045,482	$ 0.49	
Finder w arrants - 6 November 2013	-	-		603,172	0.50	AUD
Finder w arrants - 26 June 2014	-	-		162,100	0.50	AUD
Expiration of w arrants	-	-		(1,718,000)	0.41	CDN
Balance, end of period	19,092,754	$ 0.49		19,092,754	$ 0.49	

11. Share Capital (continued)

Stock Option Plan

The Company has established a stock option plan for the benefit of directors, officers and technical consultants of the Company.

Pursuant to the Stock Option Plan, 10% of the issued and outstanding common shares have been reserved for options to be granted to the directors and officers of the Company. The vesting period and the exercise price of the options shall be determined by the Board of Directors. The period during which an option is exercisable shall be determined by the Board of Directors at the time of grant, but subject to the rules of the stock exchange or other applicable regulatory body.

The following table summarizes the activity of the stock options as follows:

	Six months ended 31 December 2014		Year ended 30 June 2014	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of period	6,270,000	$ 0.36	5,080,000	$ 0.34
Granted	1,800,000	-	1,550,000	0.39
Exercised	-	-	(160,000)	0.10
Expired	(1,300,000)	0.31	(200,000)	0.30
Outstanding, end of period	6,770,000	$ 0.33	6,270,000	$ 0.36
Exercisable, end of period	4,095,000	$ 0.33	5,045,000	$ 0.35



11. Share Capital (continued)

Stock Option Plan (continued)

The following table summarizes information on stock options outstanding and exercisable at 31 December 2014:

Exercise Price		Currency	Number Outstanding	Number Exercisable	Weighted Average Contractual Life (years)
$	0.30	CDN	4,220,000	2,420,000	6.15
$	0.34	CDN	900,000	900,000	7.73
$	0.35	CDN	700,000	175,000	4.42
$	0.41	CDN	800,000	450,000	3.81
$	0.50	AUD	50,000	50,000	1.95
$	0.50	CDN	100,000	100,000	3.30
			6,770,000	4,095,000	

The Company uses the Black-Scholes option pricing model to value the options at each grant date under the following weighted average assumptions:

	Exercise Price					
	$0.30 CDN	$0.34 CDN	$0.35 CDN	$0.41 CDN	$0.50 AUD	$0.50 CDN
Weighted average grant date fair value	$0.22	$0.34	$0.34	$0.41	$0.32	$0.28
Expected dividend rate	0%	0%	0%	0%	0%	0%
Expected volatility	87%	83%	76%	81%	93%	82%
Risk-free interest rate	1.76%	1.81%	1.70%	1.89%	0.30%	0.67%
Expected life of options (years)	7.92	10.00	5.00	5.00	1.82	5.00

The fair value recognized for stock options during the six months ended 31 December 2014 is $89,643. The fair value of stock options is expensed in general and administrative costs and included as a component of share based compensation reserve in shareholders' equity.

12. Contributed Surplus

Contributed surplus consists of amounts contributed by the former parent of Strata-X, Inc. over a period of years to fund exploration and development activities. The contribution was considered to be a net investment in Strata-X, Inc. and is classified as equity.

13. Net Loss per Common Share

The basic net loss per common share is based on the weighted average number of common shares outstanding for the three and six months ended 31 December 2014 of 148,400,005 and 147,334,487, respectively (2013 – 133,401,724 and 128,622,306, respectively). The stock options and warrants are anti-dilutive and have not been included in the weighted average number of common shares for the calculation of diluted loss per common share.

14. Details of Cash from Operating Activities

Changes in non-cash working capital items:

	Six months ended 31 December 2014	2013
Accounts receivable	$ (140,774)	$ 24,120
Prepaids and other	(3)	(118,923)
Accounts payable and accrued liabilities	(268,516)	(164,771)
	$ (409,293)	$ (259,574)

15. Related Party Transactions

The Company utilizes the services of an outside firm in which the former Chief Financial Officer (CFO) of the Company is a majority shareholder. The former CFO resigned his position with the Company effective 21 May 2013 and remains a member of the board of directors of the Company. The contract with this firm for ongoing accounting, reporting and tax compliance services calls for monthly retainer payments of approximately $6,000. During the six months ended 31 December 2014, the Company incurred approximately $32,500 (2013 - $39,200) in costs payable to the outside firm for accounting services. These costs are allocated to general and administrative expenses and exploration and evaluation assets.

The Company utilizes the services of outside consultants to perform the services of Corporate Secretary of the Company in both Canada and Australia. The current contract with the Canadian consultant calls for monthly payments of CDN $2,500 and the current contract with the Australian consultant calls for monthly payments of AUD $2,500. During the six months ended 31 December 2014, the Company incurred approximately CDN $13,300 and AUD $15,900 in costs payable to the outside consultants for Canada and Australia, respectively, for corporate services, all of which is included in general and administrative expenses. During the six months ended 31 December 2013, the Company incurred approximately CDN $15,800 and AUD $12,900 in costs payable to the outside consultants for Canada and Australia, respectively, for corporate services, all of which is included in general and administrative expenses.

The Company entered into note payable agreements with certain directors of the Company in November 2014 as discussed in Note 11.

Total compensation paid to key management personnel, including the related parties identified above as well as incentive stock compensation related to the granting and vesting of stock options during the period, was approximately $280,400 (2013 - $344,400) for the six months ended 31 December 2014.

16. Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, other assets, accounts receivable, accounts payable and accrued liabilities, derivative financial liabilities and amounts due to related parties.

Financial risk management

The Company's activities are exposed to a variety of financial risks: interest rate risk, market risk, credit risk, liquidity risk and foreign exchange risk. The Company's overall risk management program focuses on the unpredictability of financial and economic markets and seeks to minimize potential adverse effects on the Company's financial results. Risk management is carried out by financial management in conjunction with overall corporate governance.

Market risk

The Company's exposure to financial market risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk and foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate due to changes in market interest rates.

The Company is exposed to interest rate risk arising from fluctuations in interest rates received on its cash. Management does not believe this risk is significant.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value or future cash flows from a financial instrument will fluctuate as a result of a change in foreign exchange rates. The Company cannot give any assurance that any future movements in the exchange rates of the U.S. dollar against the Canadian dollar and the Australian dollar will not adversely affect the financial statements. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

Credit risk

The Company's exposure to credit risk relates to cash and accounts receivables and arises from the possibility that the third party does not satisfy its contractual obligations. The Company minimizes its exposure to credit risk by keeping the majority of its cash with major chartered banks. The Company performs continuous evaluation of its accounts receivables and records an allowance for doubtful accounts when determined necessary. The Company's maximum exposure to credit risk is equal to the carrying value of the financial assets. It is management's opinion that the level of credit risk is low due to the credit-worthiness of the counterparties involved and that its counterparties currently have the financial capacity to settle outstanding obligations in the normal course of business.

16. Financial Instruments (continued)

Liquidity risk

The Company's exposure to liquidity risk is dependent on the collection of accounts receivable, purchasing commitments and obligations and raising of funds to meet commitments and sustain operations. The Company controls liquidity risk by the management of working capital and cash flows. As at 31 December 2014, the Company had a positive working capital of approximately $1,655,300.

17. Capital Management

The Company's objective when managing capital is to maintain adequate cash resources to support planned activities, which include the acquisition and development of oil and gas properties. The Company includes shareholders' equity in the definition of capital.

In managing capital, the Company estimates its future cash requirements by preparing a budget. The budget establishes the activities for the upcoming year and estimates the costs associated with these activities.

Historically, funding for the Company's plan was primarily managed through the issuance of additional common shares and through its commercial activities. There are no assurances that funds will be made available to the Company when required.

The Company is not subject to externally imposed capital requirements.

Common Stock and Convertible Debenture Offerings

On 6 November 2013, the Company completed a private placement consisting of 15,872,962 CDIs (representing 15,872,962 common shares) to raise AUD$6.03 million at a price of AUD$0.38 per CDI. The capital raising was jointly led by BBY Limited and Helmsec Global Capital Limited (JLMs). The JLMs were paid a cash commission of 6% of the gross proceeds and 603,172 broker warrants. Each broker warrant allows the JLMs to purchase one CDI of the Company at a price of AUD$0.50 for a period of 3 years from the date of closing.

On 27 June 2014, the Company completed a private placement consisting of 6,503,554 CDIs (representing 6,503,554 common shares) to raise AUD$1.82 million at a price of AUD$0.28 per CDI. The capital raising was jointly led by BBY Limited and Helmsec Global Capital Limited (JLMs). The JLMs were paid a cash commission of $97,260 and 162,100 broker warrants. Each broker warrant allows the JLMs to purchase one CDI of the Company at a price of AUD$0.50 for a period of 3 years from the date of closing.

On 7 December 2014, the Company completed a private placement consisting of 6,518,230 CDIs (representing 6,518,230 common shares) to raise AUD$1.11 million at a price of AUD$0.17 per CDI. The capital raising was jointly led by BBY Limited and Helmsec Global Capital Limited (JLMs). The JLMs were paid a cash commission of AUD$73,625.

On 21 December 2014, the Company completed a second tranche of the private placement dated 7 December 2014 consisting of 1,000,000 CDIs (representing 1,000,000 common shares) to raise AUD$170,000 at a price of AUD$0.17 per CDI.

During the six months ended 31 December 2014, a fair value of $89,643 was recognized for the vesting of stock options.

As of 31 December 2014, a total of 156,584,977 common shares were issued and outstanding along with 19,092,754 common share purchase warrants and 6,770,000 incentive stock options.

Summary of Annual Results

Historical annual information is as follows:

	30 June 2014 (IFRS)	30 June 2013 (IFRS)	30 June 2012 (IFRS)
Revenue	$200,080	$128,818	$120,124
Expenses	$(1,849,284)	$(2,432,363)	$(4,591,258)
Other income and net finance expense	$239,149	$996,795	$6,635
Impairment of oil and gas properties	$-	$(40,564)	$(1,811,750)
Gain (loss) on disposal of property and equipment	$-	$-	$-
Net Loss	$(1,410,055)	$(1,347,314)	$(6,276,249)
Basic & diluted net loss per share	$0.01	$0.02	$0.17
Assets	$28,608,951	$21,714,394	$7,565,748
Liabilities	$3,525,930	$2,399,531	$5,637,477



Historical quarterly information is as follows:

	31 Dec 2014	30 Sep 2014	30 June 2014	31 Mar 2014	31 Dec 2013	30 Sep 2013	30 Jun 2013	31 Mar 2013
Revenue	$507,041	$263,310	$114,483	$39,394	$31,459	$14,744	$30,781	$34,151
Expenses	$(681,516)	$(471,765)	$(510,476)	$(386,662)	$(559,717)	$(392,429)	$(565,309)	$(296,209)
Other Income	$-	$-	$-	$-	$-	$-	$10,296	$6,500
Impairment of oil and gas properties	$(697,601)	$(180,544)	$-	$-	$-	$-	$(307)	$(31,634)
Gain (loss) on valuation of derivative liabilities	$49,161	$367,351	$185,836	$89,689	$492,896	$(458,570)	$432,301	$(21,361)
Gain on conversion of convertible debentures	$-	$-	$-	$-	$-	$-	$-	$417,779
Dry Hole Costs	$-	$-	$-	$-	$-	$-	$(7,171)	$(38,904)
Net Loss	$(831,292)	$(58,696)	$(172,396)	$(367,102)	$(34,961)	$(835,596)	$(276,473)	$(33,820)
Other Comprehensive Income (Loss): Currency translation adjustment	$44,670	$12,082	$61,196	$11,984	$(73,323)	$(11,939)	$(1,410,252)	$479,803
Comprehensive Income (Loss)	$(786,622)	$(46,614)	$(111,200)	$(355,118)	$(108,284)	$(847,535)	$(1,686,725)	$445,983
Basic & diluted net income (loss) per share	$(0.01)	$(0.00)	$(0.00)	$(0.00)	$(0.00)	$(0.01)	$(0.01)	$0.00

Results of Operations

As noted above, total revenue for the quarter ended 31 December 2014 was $507,041 compared to $31,459 for the comparable quarter ended 31 December 2013 due to higher production from the Vallecitos project and the Burkett well beginning production.

Production and exploration expenses for the quarter ended 31 December 2014 increased 133.1% to $120,065 from $51,515 for the comparable quarter last year.

General and administrative expenses for the quarter ended 31 December 2014 increased by $41,367 to $529,990 from $488,623 for the same quarter last year. The increase is primarily due to expenses related to the private placement offerings.

Impairment expense of $697,601 was recorded for the quarter ended 31 December 2014 related to the Burkett property located in Illinois.

The monetary assets and liabilities of Strata-X Energy Ltd. and Strata-X Australia Pty. Ltd. are denominated in Canadian and Australian dollars, respectively. The translation of these assets and liabilities at the reporting date into United States dollars, which is the functional currency of the Company, resulted in a currency translation gain of $44,670 for the quarter ended 31 December 2014. This gain is included as a component of other comprehensive income for the quarter. The currency translation rate from Canadian and Australian dollars to United States dollars was taken from the close of currency trading on 31 December 2014.

Liquidity and Capital Resources

The interim condensed consolidated financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards (IFRS), which assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company incurred a net loss of $831,292 for the quarter ended 31 December 2014.

The ability of the Company to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities when due depends on the success of the Company's exploration and development of its oil and gas properties, as well as the ability of the Company to obtain additional financing or equity to fund the exploration and development of those oil and gas properties. As discussed in the notes to the interim condensed consolidated financial statements, in March 2013 the Company completed its initial public offering of CDIs on the Australian Securities Exchange, raising net proceeds of approximately $11,302,000, and completed private placements in November 2013, June 2014 and December 2014 resulting in proceeds of approximately $7,845,000 in total. As a result of these offerings, the Company had a working capital surplus of approximately $1,655,289 as at 31 December 2014.

The interim condensed consolidated financial statements do not reflect adjustments that would be necessary if the "going concern" assumption were not appropriate. In particular, adjustments would be required to the carrying value of the assets and liabilities, the reported profits and losses, and the balance sheet classifications used.

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares. As at 31 December 2014, a total of 156,584,977 common shares and CDIs were issued and outstanding with a resulting share capital of $34,934,188.

The Company has established a Stock Option Plan (Plan) for the benefit of directors, officers, employees and consultants of the Company. Pursuant to the Plan, 10% of the issued and outstanding common shares have been reserved for options to be granted to the Company's directors, officers, employees and consultants. The vesting period and the exercise price of the options shall be determined by the Board of Directors. The period during which an option is exercisable shall be determined by the Board of Directors at the time of grant, but subject to the rules of the stock exchange or other applicable regulatory body.



Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Transactions with Related Parties

The Company utilizes the services of an outside firm in which the former Chief Financial Officer (CFO) of the Company is a majority shareholder. The former CFO resigned his position with the Company effective 21 May 2013 and remains a member of the board of directors of the Company. The contract with this firm for ongoing accounting, reporting and tax compliance services calls for monthly retainer payments of approximately $6,000. During the six months ended 31 December 2014, the Company incurred approximately $32,500 (2013 - $39,200) in costs with the outside firm for accounting services. These costs are allocated to general and administrative expenses and exploration and evaluation assets.

The Company utilizes outside consultants to perform corporate secretarial services in Canada and Australia. The current contract with the Canadian consultant calls for monthly payments of CDN$2,500 and the current contract with the Australian consultant calls for monthly payments of AUD$2,500. During the six months ended 31 December 2014, the Company incurred approximately CDN$13,300 and AUD$15,900 in costs with the outside consultants for Canada and Australia, respectively, for corporate services, all of which are included in general and administrative expenses.

Total compensation paid to key management personnel, including the related parties identified above, together with incentive stock compensation related to the granting and vesting of stock options, was approximately $280,400 (2013 - $344,400) for the six months ended 31 December 2014.

Summary of Significant Accounting Policies

The condensed interim consolidated financial statements have been prepared following the same accounting policies and methods of computation as were used in preparing the Company's 30 June 2014 annual financial statements. The Company continues to assess the impact of adopting the pronouncements of the IASB as described in the Company's 30 June 2014 annual financial statements.

Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, other assets, accounts receivable, accounts payable and accrued liabilities, derivative financial liabilities and amounts due to related parties.

Financial risk management

The Company's activities are exposed to a variety of financial risks: interest rate risk, market risk, credit risk, liquidity risk and foreign exchange risk. The Company's overall risk management program focuses on the unpredictability of financial and economic markets and seeks to minimize potential adverse effects on the Company's financial results. Risk management is carried out by financial management in conjunction with overall corporate governance.

Market risk

The Company's exposure to financial market risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate because of changes in market prices. Market risk comprises interest rate risk and foreign exchange risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate due to changes in market interest rates.

The Company is exposed to interest rate risk arising from fluctuations in interest rates received on its cash. Management does not believe this risk is significant.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of future cash flows from a financial instrument will fluctuate as a result of a change in foreign exchange rates. The Company cannot give any assurance that any future movements in the exchange rates of the U.S. dollar against the Canadian dollar and the Australian dollar will not adversely affect the financial statements. The Company does not use derivative instruments to reduce its exposure to foreign currency risk.

Credit risk

The Company's exposure to credit risk relates to cash and accounts receivable and arises from the possibility that the third party does not satisfy its contractual obligations. The Company minimizes its exposure to credit risk by keeping the majority of its cash with major chartered banks. The Company performs continuous evaluation of its accounts receivable and records an allowance for doubtful accounts when determined necessary. The Company's maximum exposure to credit risk is equal to the carrying value of the financial assets. It is management's opinion that the level of credit risk is low due to the credit-worthiness of the counterparties involved and that its counterparties currently have the financial capacity to settle outstanding obligations in the normal course of business.

All of the Company’s oil and natural gas production is sold to major crude purchasers. The Company has assessed the risk of non-collection from the buyers of its sold commodities to be low due to the buyers’ financial condition.

Liquidity risk

The Company's exposure to liquidity risk is dependent on the collection of accounts receivable, purchasing commitments and obligations, and raising of funds to meet commitments and sustain operations. The Company controls liquidity risk by the management of working capital and cash flows. As at 31 December 2014, the Company had a positive working capital of approximately $1,655,300. The Company’s contractual obligations as of 31 December 2014 consisted of accounts payable and accrued liabilities of approximately $564,025 and deposits of approximately $23,126.

Loss per Share

Basic loss per share is computed by dividing the loss by the weighted average shares outstanding during the period. Diluted loss per share is computed similarly to the basic loss per share, except that the weighted average shares outstanding are increased to include additional shares from the assumed exercise of stock options, convertible debentures and warrants if dilutive, using the treasury stock method. Under the treasury stock method, the number of additional shares is calculated by assuming that the outstanding stock options, convertible debentures and warrants are exercised and that the proceeds from such exercises are used to acquire shares of common stock at the average market price during the period.

Income Taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in the statement of comprehensive income except to the extent that it relates to items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.



Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and carry-forward of unused tax losses and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences and carry-forward of unused tax losses and unused tax credits can be utilized.

Deferred tax is not recognized on the initial recognition of assets or liabilities in a transaction that is not a business combination. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from these estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

The following paragraphs discuss management's most critical estimates and assumptions in determining the value of assets, liabilities and equity.

Recorded amounts for impairment, depletion and depreciation of oil and gas properties and equipment are based on estimates. These estimates include proved and probable reserves, production rates, future oil and natural gas prices, future development costs, remaining lives and periods of future benefits of the related assets and other relevant assumptions. The Company's reserve estimates are evaluated annually pursuant to the parameters and guidelines stipulated under *National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities*.

The value of exploration and evaluation assets is dependent upon the discovery of economically recoverable reserves which, in turn, is dependent on future oil and natural gas prices, future capital expenditures and environmental and regulatory restrictions.

The value of decommissioning liabilities depends on estimates of current risk-free interest rates, future restoration and reclamation expenditures and the timing of those expenditures. Actual results could differ from those estimates.

The determination of Cash Generating Units ("CGUs") requires judgement in defining the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash flows from other assets or groups of assets. CGUs are determined primarily by similar geological structure, shared infrastructure and geographical proximity.

The amounts recorded relating to the fair value of stock options are based on estimates of the future volatility of the Company's share price, expected lives of the options, expected dividends and other relevant assumptions.

The amounts recorded relating to the fair value of derivative liabilities associated with warrants issued is based on estimates of the future volatility of the Company's share price, estimated market price of the Company's shares at the grant date and subsequent measurement dates, the remaining expected lives of the derivative instruments, expected dividends and other relevant assumptions.

The amounts recorded for deferred income taxes are based on the probability of the Company utilizing certain tax pools and assets which, in turn, is dependent on estimates of proved and probable reserves, production rates, future oil and natural gas prices, tax rates and interpretations by taxation authorities.

Control Certification

Disclosure Controls and Procedures

Disclosure controls and procedures have been designed to ensure information required to be disclosed by the Company is accumulated and communicated to management to allow for timely decisions regarding required disclosures. The Company carried out an evaluation of the effectiveness of the Company's disclosure controls and procedures as of 30 June 2014. The evaluation was carried out under the supervision and with the participation of the Chief Executive Officer and the Chief Financial Officer. The Company's Chief Executive Officer and Chief Financial Officer have concluded, based on their evaluation of the effectiveness of the Company's disclosure controls and procedures as at year-end, that the Company's disclosure controls and procedures are ineffective to ensure that information required to be disclosed by the Company is (i) recorded, processed, summarized and reported within the time periods specified by Canadian securities law and (ii) accumulated and communicated to the Company's Management, including its Chief Executive Officer and the Chief Financial Officer, to allow timely decisions regarding required disclosure. It should be noted that while the Company's Chief Executive Officer and the Chief Financial Officer believe that the Company's disclosure controls and procedures provide a reasonable level of assurance that they are effective, they do not expect that the disclosure controls and procedures will necessarily prevent all error and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control systems are met.

Material Weakness

A material weakness is a deficiency, or a combination of deficiencies, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statement will not be prevented or detected on a timely basis. The Company identified the following ongoing material weakness that applies to both disclosure controls and procedures and internal control over financial reporting;

> Due to the limited size of the Company, the Company does not have sufficient resources for reviewing the financial statement and cannot maintain adequate segregation of duties as is necessary to absolutely ensure complete and accurate financial reporting. Specifically, the Company's Chief Financial Officer is responsible for preparing, authorizing and reviewing information that is integral to the preparation of financial reports and is also responsible for day-to-day accounting. He is also responsible for preparing and reviewing the resulting financial reports. The weakness has the potential to result in material misstatement in the Company's consolidated financial statement that would not be prevented or detected, and as such has been determined to be a material weakness in internal controls over financial reporting which also impacts the Company's disclosure controls and procedures.

As of the date of this report, Management has not yet developed a plan to remediate the material weakness. Management has concluded that, taking into account the present state of the Company's development, the Company does not have sufficient size and scale to warrant, and cannot reasonably rationalize the expenditure for curing the material weakness given Management's view of the perceived risk in the material weakness.

Internal Controls over Financial Reporting

The Company's Chief Executive Officer and the Chief Financial Officer have designed, or caused to be designed under their supervision, a system of internal controls over financial reporting to provide reasonable assurances regarding the reliability of the Company's financial reporting and the preparation of the financial statements for external purposes in accordance with IFRS. As at the financial year-end of the Company, such officers have evaluated, or caused to be evaluated under their supervision, the Company's internal controls over financial reporting and have determined that such internal control system is ineffective for the foregoing purposes. The Company is required to disclose herein any change in its internal controls over financial reporting during the period that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting. No change in the Company's internal controls over financial reporting was identified during such period that has materially affected, or is reasonably likely to materially affect, the Company's internal controls over financial reporting. It should be noted that a control system, including the Company's disclosure and internal control procedures, no matter how well conceived can provide only reasonable, but not absolute, assurance that the objectives of the control system will be met and it should not be expected that the disclosure and internal controls and procedures will prevent all errors and fraud.

Adoption of New Accounting Policies

IAS 32 "Financial Instruments, Presentation" ("IAS 32") is effective for annual periods beginning on or after 1 January 2014. IAS 32 was amended to clarify that the right of offset must be available on the current date and cannot be contingent on a future date. Earlier adoption is permitted. The adoption of IAS 32 by the Company had no material impact on the consolidated financial statements.

In May 2013, IAS 36 "Impairment of Assets" ("IAS 36") was amended by the IASB to clarify the requirements to disclose the recoverable amounts of impaired assets and require additional disclosures about the measurement of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. The amendments to IAS 36 are effective for annual periods beginning on or after 1 January 2014. The adoption of IAS 36 by the Company had no material impact on the consolidated financial statements.

IFRIC 21 "Interpretation of IAS 37 Provisions, Contingent Liabilities and Assets". IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event. The interpretation clarifies that the obligation that gives rise to the liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods beginning on or after 1 January 2014. The adoption of IFRIC 21 had no material impact on the consolidated financial statements.

Future Changes in Accounting Policies

The following standards have been issued but are not yet effective:

IFRS 9 "Financial Instruments" ("IFRS 9") was issued by the IASB in October 2010 and will replace IAS 39 "Financial Instruments: Recognition and Measurement" ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after 1 January 2015.

Other Company Information

Additional disclosure information for Strata-X Energy Ltd. can be located in its latest Annual Management Discussion and Analysis and Audited Financials for the year ended 30 June 2014. Both documents are available on SEDAR and the Company's website.

Tim Hoops	David Hettich
CEO, President and Managing Director	Chief Financial Officer

Definitions

In this document, the abbreviations set forth below have the following meanings:

Oil and Natural Gas

Bbl	barrel
Bbls	barrels
Mbbls	thousand barrels
MMbbls	million barrels
Mcf	thousand standard cubic feet
MMcf	million standard cubic feet
Bcf	billion cubic feet
TCF	trillion cubic feet

Other

Hydrocarbon Index- measure of the hydrogen richness of the source rock, and when the kerogen type is known it can be used to estimate the thermal maturity of the rock.

BOPD – Barrels of Oil per day.

OOIP – Original Oil in Place.

Permeability – the ability or measurement of a rock's ability to transmit fluids.

Porosity – percentage of pore volume or void space or that volume within rock that can contain fluids.

Reservoir Rock – refers to a subsurface pool of hydrocarbons contained in porous or fractured rock formations.

Rock Eval – is used to identify the type and maturity of organic matter and to detect petroleum potential in sediments.

Source Rock - refers to carbon bearing rocks from which hydrocarbons have been generated or are capable of being generated.

Tmax -highest temperature incurred by a Source Rock, generally higher temperatures equates to larger hydrocarbon generation.

Total Organic Carbon (TOC) – amount of carbon in a geological formation, mainly Source Rocks.



Corporate Directory

Directors

Mr. Ron Prefontaine –
Chairman of the Board of Directors

Mr. Tim Hoops –
President and Managing Director

Mr. Dennis Nerland –
Non Executive Director

Mr. Tim Bradley –
Non Executive Director

Mr. Bohdan (Don) Romaniuk –
Non Executive Director

Mr. Don Schurman –
Non Executive Director

Company Management

Mr. David Hettich –
Chief Financial Officer

Mr. Ira Pasternack –
V.P. of Exploration

Company Secretaries

Shaun Maskerine – Canada

Duncan Cornish – Australia

Head Office

Strata-X Energy Ltd
1624 Market St. #300A
Denver, CO USA 80202
Tel: +1-720-515-8793

www.strata-x.com
info@strata-x.com

Canadian Office

c/o Armstrong Simpson
2080 – 777 Hornby Street
Vancouver, B.C.
Canada V6Z 1S4

Australian Office

c/o Corporate Administration Services
Level 5, 10 Market Street
Brisbane QLD 4000, Australia

Solicitors

Canada
Armstrong Simpson
Suite 2080 – 777 Hornby Street
Vancouver, British Columbia
Canada, V6Z 1S4

Australia
HopgoodGanim
Level 8, Waterfront Place
1 Eagle Street
Brisbane QLD 4000, Australia

Share Registries

Canada
Computershare
Suite 600, 530 – 8th Ave SW
Calgary, Alberta, Canada T2P 358
Tel: +1-403-267-6800

Australia
Link Market Services Ltd
Level 15 ANZ Building
324 Queen Street
Brisbane QLD 4000, Australia
Tel: 1300-554-474

Auditor

Collins Barrow Edmonton LLP
Commerce Place, Suite 2380
10155-102 Street NW

Edmonton, Alberta, Canada T5J 4G8

Stock Exchanges

- TSX Venture Exchange (TSX-V)
- Australian Securities Exchange (ASX)