

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Strata-X Energy Limited

ABN

160 885 343

Quarter ended ("current quarter")

30 September 2016

| Consolidated statement of cash flows | Current quarter \$USD'000 | Year to date (3 months) \$USD'000 |
|---|------------------------------|---|
| 1. Cash flows from operating activities | | |
| 1.1 Receipts from customers | 1 | 1 |
| 1.2 Payments for | | |
| (a) exploration & evaluation | - | - |
| (b) development | (6) | (6) |
| (c) production | (129) | (129) |
| (d) staff costs | (61) | (61) |
| (e) administration and corporate costs | (84) | (84) |
| 1.3 Dividends received (see note 3) | - | - |
| 1.4 Interest received | - | - |
| 1.5 Interest and other costs of finance paid | - | - |
| 1.6 Income taxes paid | - | - |
| 1.7 Research and development refunds | - | - |
| 1.8 Other (provide details if material) | - | - |
| 1.9 Net cash from / (used in) operating activities | (279) | (279) |

| | | |
|--|---|---|
| 2. Cash flows from investing activities | | |
| 2.1 Payments to acquire: | | |
| (a) property, plant and equipment | - | - |
| (b) tenements (see item 10) | - | - |
| (c) investments | - | - |
| (d) other non-current assets | - | - |

| Consolidated statement of cash flows | | Current quarter \$USD'000 | Year to date (3 months) \$USD'000 |
|---|---|--------------------------------------|--|
| 2.2 | Proceeds from the disposal of: | | |
| | (a) property, plant and equipment | - | - |
| | (b) tenements (see item 10) | - | - |
| | (c) investments | - | - |
| | (d) other non-current assets | - | - |
| 2.3 | Cash flows from loans to other entities | - | - |
| 2.4 | Dividends received (see note 3) | - | - |
| 2.5 | Other (provide details if material) | - | - |
| 2.6 | Net cash from / (used in) investing activities | - | - |

| | | | |
|-------------|---|----------|----------|
| 3. | Cash flows from financing activities | | |
| 3.1 | Proceeds from issues of shares | - | - |
| 3.2 | Proceeds from issue of convertible notes | - | - |
| 3.3 | Proceeds from exercise of share options | - | - |
| 3.4 | Transaction costs related to issues of shares, convertible notes or options | - | - |
| 3.5 | Proceeds from borrowings | - | - |
| 3.6 | Repayment of borrowings | - | - |
| 3.7 | Transaction costs related to loans and borrowings | - | - |
| 3.8 | Dividends paid | - | - |
| 3.9 | Other (provide details if material) | - | - |
| 3.10 | Net cash from / (used in) financing activities | - | - |

| | | | |
|------------|--|------------|------------|
| 4. | Net increase / (decrease) in cash and cash equivalents for the period | | |
| 4.1 | Cash and cash equivalents at beginning of period | 744 | 744 |
| 4.2 | Net cash from / (used in) operating activities (item 1.9 above) | (279) | (279) |
| 4.3 | Net cash from / (used in) investing activities (item 2.6 above) | - | - |
| 4.4 | Net cash from / (used in) financing activities (item 3.10 above) | - | - |
| 4.5 | Effect of movement in exchange rates on cash held | (1) | (1) |
| 4.6 | Cash and cash equivalents at end of period | 464 | 464 |

| 5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts | Current quarter \$USD'000 | Previous quarter \$USD'000 |
|--|------------------------------|-------------------------------|
| 5.1 Bank balances | 464 | 744 |
| 5.2 Call deposits | - | - |
| 5.3 Bank overdrafts | - | - |
| 5.4 Other (provide details) | - | - |
| 5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above) | 464 | 744 |

| 6. Payments to directors of the entity and their associates | Current quarter \$USD'000 |
|--|------------------------------|
| 6.1 Aggregate amount of payments to these parties included in item 1.2 | |
| 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3 | - |
| 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2 | |

| 7. Payments to related entities of the entity and their associates | Current quarter \$USD'000 |
|--|------------------------------|
| 7.1 Aggregate amount of payments to these parties included in item 1.2 | 9.5 |
| 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3 | - |
| 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2 | |

The Company utilizes the services of an outside firm in which the majority owner of the firm is a member of the board of directors of the Company. The contract with this firm for ongoing accounting, reporting and tax compliance.

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| 8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i> | Total facility amount at quarter end \$USD'000 | Amount drawn at quarter end \$USD'000 |
|--|---|--|
| 8.1 Loan facilities | - | - |
| 8.2 Credit standby arrangements | - | - |
| 8.3 Other (please specify) | - | - |
| 8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well. | | |

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| 9. Estimated cash outflows for next quarter | \$USD'000 |
|--|------------------|
| 9.1 Exploration and evaluation | - |
| 9.2 Development | - |
| 9.3 Production | 15 |
| 9.4 Staff costs | 90 |
| 9.5 Administration and corporate costs | 66 |
| 9.6 Other (provide details if material) | - |
| 9.7 Total estimated cash outflows | 171 |

| 10. Changes in tenements (items 2.1(b) and 2.2(b) above) | Tenement reference and location | Nature of interest | Interest at beginning of quarter | Interest at end of quarter |
|--|--|---------------------------|---|-----------------------------------|
| 10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced | | | | |
| 10.2 Interests in mining tenements and petroleum tenements acquired or increased | | | | |

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

On behalf of the Board

DP Cornish

Company Secretary

27 October 2016

Notes

1. 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”).
2. The expected cash out flow listed in Section 4 includes exploratory drilling expenditures and other expenditures for the acquisition of additional oil and gas leases including project maintenance.
3. The functional reporting currency of Strata-X Energy Ltd is United States of America dollars (USD). Therefore this ASX Appendix 5B (Statement of Cash Flows) is denoted in USD, unless otherwise noted.