STRATA-X
ENERGY

Management Discussion and Analysis

For Quarter Ended
31 March 2018

Quarter Highlights

- **SXE Completes pre-emption transaction, gains 100% control of the Serowe CSG Project.**
- **Serowe CSG Project leasehold term extended to the end of 2025.**
- **Ecosurv preparing an Environmental Management Plan allowing active 2018 appraisal programme.**
- **1,646 KM2 area totaling 406,735 acres added to Strata-X's Serowe CSG portfolio.**
- **MHA Petroleum Consultants have calculated a Prospective Resources of 3.3 TCF (Trillion Cubic Feet) net to Strata-X over the Serowe CSG Prospect.** (1)
- **Represents a 240%, 1.9 TCF, increase in Prospective Resource over the Serowe CSG Project.** (1)

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.

(1) Prospective Resources figures are from an audit report prepared by MHA Petroleum Consultant, a qualified reserves auditor, dated and effective 26 March 2018 following their audit in accordance with the COGE Handbook of the available technical data including the geological interpretation, information from relevant nearby wells, analogous reservoirs and the proposed program for the Project, prepared and presented to MHA by Strata-X. Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development project. Prospective Resources have both an associated chance of discovery and a chance of development. A high level of uncertainty exists with the Prospective resources given the lack of historical drilling, available data and other productivity factors that limit the economic viability of coal seam gas deposits. The Report reviewed only Prospective Resources as the project is not sufficiently developed to assign Contingent Resources or additional Petroleum Reserves to it. Stated Prospective Resource figures are Best Estimate – undiscovered natural gas quantities and net of a royalty and are shown at a 100% working interest in the Project. The total costs associated with establishing the commerciality of this project are unknown at this time given the early stage of the Project's development. There is no certainty that any portion of the resources will be discovered, if discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

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 LIMITED
ARBN - 160 885 343

Contents

Stock Exchanges

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

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Mr. Tim Bradley –
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Disclaimer

The following Management Discussion and Analysis (the "MD&A") for Strata-X Energy Ltd. (hereinafter, "Strata-X Energy", "Company" or "Strata-X") prepared as of 27 April 2018, should be read together with the interim condensed consolidated financial statements for the three months ending 31 March 2018 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 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 21 September 2017 including; 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 prospects due to the expiry of leases; fluctuations in foreign exchange 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 21 September 2017.

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 is 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 to actual results or to changes in the Company's expectations except as otherwise required by applicable Canadian securities legislation.

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.

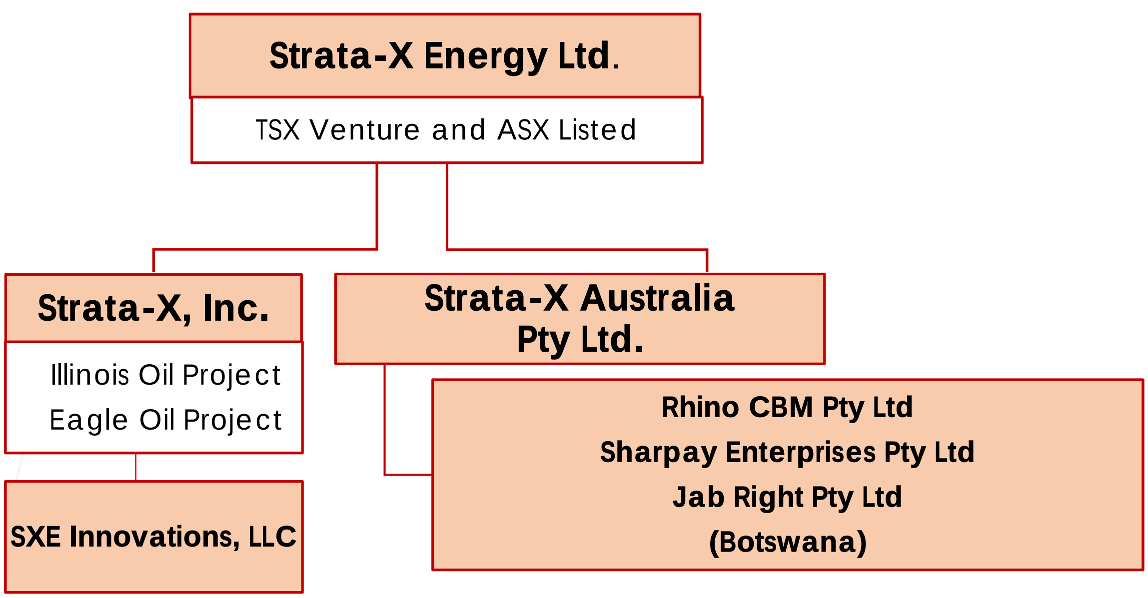
In May 2012, the Company formed a wholly-owned Australian subsidiary, Strata-X Australia Pty. Ltd., for the purpose of acquiring, exploring and developing oil and gas properties in Australia.

On 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.

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.

In January 2017, Rhino CBM (Proprietary) Limited ("Rhino") was incorporated in accordance with the Companies Act of the Republic of Botswana for the purpose of facilitating a coal seam gas ("CSG") exploration and development project known to the Company as the 'Serowe Gas Project' or 'Serowe CSG Project'. In January 2018, the Rhino licenses were transferred to two new 100% Company owned Botswana subsidiaries, known as Sharpay Enterprises Pty Ltd and Jab Right Pty Ltd, to hold the CSG prospecting licenses in the Republic of Botswana. The shell company Rhino currently isn't being used by the company.

The corporate structure of the Company is as follows:



Company Outlook

An active 2018 exploration programme is planned for the Serowe Gas Project, where the Company recently acquired 100% of the project and almost tripled its acreage position in the Kalahari Basin. The 680,000 acre 3.34 Tcf Prospective Resource net to Strata-X lies in the heart of the Kalahari CSG Fairway, and directly offsets projects approved for commercial CSG development. The Serowe Gas Project will be the growth driver for the Company in 2018 as it executes on a staged exploration plan to delineate and prove the CSG resource. The initial focus of the Company's 2018 exploration programme will be to production test direct offset areas, where ASX listed peers have converted more than 3 TCF of prospective resources into contingent resources. Along with the offset testing, Strata-X will explore a sizeable position it holds in the North-Central portion of the Kalahari Basin CSG Fairway, where previous core holes identified thicker potentially viable coal stems.

During the exploration programme, the Company will be seeking commercial market opportunities to sell the CSG resource within Botswana. The Republic of Botswana is moving to generate more electricity from clean resources like natural gas, along with searching for alternatives to coal and the widespread use of expensive imported diesel fuel. Along these lines, the initial market opportunities for the Company's natural gas will be gas-to-electric power plants and diesel-to-CNG conversions at large industrial facilities.

Strata-X continues to review its development options in the Illinois Basin where the Company has 2P reserves of 1.419 million barrels net (1). The Company plans to either bring projects forward in the Illinois Basin over the next year or seek to farm out the opportunities providing Strata-X shareholders upside value. Consistent with the above approach, the Company is continuously reviewing project opportunities that will be accretive and complimentary to management's skillset and build shareholder value.

For the quarter ended 31 March 2018, the Company invested ~USD$2,000 in the Illinois Basin Oil Project, principally on project maintenance and ~USD$168,000 into the Serowe CSG Project mainly on legal expenses related to the pre-emption offer and in-country consulting.

Information originally appears in the Company's NI 51-101 Report for FYE 2017 which is available for review at www.strata-x.com

Production Summary

For the three months ended 31 March 2018, oil production to the Company's net revenue interest was down 47% to 330 barrels (bbls) compared to 626 bbls for the three months ended 31 March 2017. The decrease in oil production is attributable to limited production on the Burkett 5-34HOR, which was offline for the majority of the quarter due to a reduction in wellbore fluid entry which complicates producing the well with the current downhole electric pump. The Company is reviewing its pumping options for a long-term solution to the Burkett 5-34HOR. For each of the three month periods ended 31 March 2018 and 31 March 2017, no natural gas was sold.

Total revenue for the three months ended 31 March 2018 was $15,394 compared to $36,241 for the three months ended 31 March 2017, an decrease of 57%. This increase is attributable to higher production volumes and an increase in the weighted average price of crude oil. The average daily production for the Company during the three months ended 31 March 2018 was 3.6 bbls. of oil at an average realized sale price of $57.92 per barrel of oil. Royalties per barrel of oil averaged $9.78 (16.9%), with production operating expenses for the period of $25.84 per barrel of oil. The netback received by the Company per barrel of oil sold during the three months ended 31 March 2018 was $32.07.

Tenements

Project	Location	% Interest	Net Acres
Serowe CSG	R. Botswana	100%	680,000
Illinois Oil	Illinois, USA	100%	1,467
Eagle	California, USA	23.9%	770
Total			**682,237**

During the quarter ended 31 March 2018, 7,850 net acres were dropped from the Illinois Oil Project. In the second half of 2018, the Company expects further lease reductions of approximately 934 net acres on the Illinois Oil Project.

Features of Serowe CSG Project – Republic of Botswana

- **Active 2018 exploration programme planned.**
- **SXE Completes pre-emption transaction, gains 100% control of the Serowe CSG Project.**
- **Serowe CSG Project leasehold term extended to the end of 2025.**
- **Ecosurv preparing an Environmental Management Plan allowing active 2018 appraisal programme.**
- **1,646 KM2 area totaling 406,735 acres added to Strata-X's Botswana CSG portfolio.**
- **MHA Petroleum Consultants have calculated a Prospective Resources of 3.3 TCF (Trillion Cubic Feet) net to Strata-X over the Serowe CSG Prospect.** (1)
- **Represents a 240%, 1.9 TCF, increase in Prospective Resource over the Serowe CSG Project.**

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.

In November 2016, SXE executed a Farm-in Agreement with Magnum Gas and Power (ASX:MPE) for a staged farm-in to earn up to 75% of the Serowe CSG Project located on the Kalahari Basin CSG Fairway in Botswana, Africa. The Serowe project is located in the Kalahari Basin CSG fairway, and offsets tenements of ASX peer TLOU (ASX:TOU). As announced on 2 January 2018, the Company has pre-empted a third party offer to buy out MPE's 25% interest in those licenses totaling 273,000 acres with a 1.4Tcf Prospective Resource(1) and on March 6, 2018 the preempt transaction was closed.

In January 2018, the Company's Prospecting Licenses held in the Republic of Botswana, covering the Serowe CSG Project, were re-issued until the end of 2025 opening the door to an active 2018 appraisal programme. The previous remaining term of the inherited prospecting licenses to the end of 2018 was insufficient and the Company sought and has been granted the reissuance primarily to protect shareholder investment. Strata-X currently holds the tenements through its Republic of Botswana subsidiary, Sharpay Enterprises PTY LTD.

In March 2018, the Company acquired two new Prospecting Licenses for its Serowe CSG Project covering 406,735 acres. The new acreage lies adjacent to the Company's existing prospecting Licenses and to a bitumen highway between Serowe, the regional capital, and Orapa, the site of the world's largest diamond mine and a duel fuel (gas/diesel) electricity generation facility currently using 100% diesel which can be substituted with the Company's gas reserves when established.

The new lands cover 406,735 acres (1,646 KM2) bringing the total Serowe CSG area to 680,000 acres. With the addition of the offsetting prospecting licenses acquired in March 2018, the company increased the Prospective Gas Resources in the Serowe CSG Project, located within the Botswana CSG fairway, to 3.3 TCF.

The Company has initiated environmental surveys to complete an Environmental Management Plan ("EMP") for its 2018-2019 drilling and testing programme. The Company has selected EcoSurv Environmental Consultants of Gaborone, Botswana to complete the EMP. EcoSurv has extensive experience in environmental management surveys and plans in Botswana in both the energy and mining arenas. EcoSurv has completed other CSG plans which should serve the Company's efforts well and provide a timely report for approval by the Government. Upon concluding the EMP, the Company will move forward with an active drilling and testing programme. The appraisal program is designed to prove commercial completion methods and convert resources to reserves. To achieve this, the Company plans to apply the latest completion and production methods designed to yield commercial gas flow rates. With 100% ownership in the project, the Company now has the option to consider seeking alternative funding.

The Republic of Botswana is one of the oldest democracies in Africa, becoming independent in 1966. The rule of law is well established and long-standing, and Botswana is recognized as having the lowest rate of corruption in Africa. The geography of the project area is predominantly flat with good road access. These factors, combined with a 3% government royalty (there is also a 3% private royalty payable to parties associated with MPE) on produced gas, make Botswana one of the more favorable economic settings in the world for natural resource development. The growing demand for power in Botswana and neighboring countries offers immediate and expanding domestic gas markets.

The Serowe Gas Project is an underexplored and underdeveloped opportunity, covering the coal seam gas deposit fairway in the Republic of Botswana. The economies of the Republic of Botswana and its regional neighbors are rapidly growing with energy demand poised to skyrocket. The Republic has set goals for promoting the exploration and development of natural gas resources in the county to meet these demands.

(2) Prospective Resources figures are from an audit report prepared by MHA Petroleum Consultant, a qualified reserves auditor, dated and effective 26 March 2018 following their audit in accordance with the COGE Handbook of the available technical data including the geological interpretation, information from relevant nearby wells, analogous reservoirs and the proposed program for the Project, prepared and presented to MHA by Strata-X. Prospective Resources are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development project. Prospective Resources have both an associated chance of discovery and a chance of development. A high level of uncertainty exists with the Prospective resources given the lack of historical drilling, available data and other productivity factors that limit the economic viability of coal seam gas deposits. The Report reviewed only Prospective Resources as the project is not sufficiently developed to assign Contingent Resources or additional Petroleum Reserves to it. Stated Prospective Resource figures are Best Estimate – undiscovered natural gas quantities and net of a royalty and are shown at a 100% working interest in the Project. The total costs associated with establishing the commerciality of this project are unknown at this time given the early stage of the Project's development. There is no certainty that any portion of the resources will be discovered, if discovered, there is no certainty that it will be commercially viable to produce any portion of the resources.

Illinois Basin – USA
Blue Spruce Waterflood

In December 2014, the Company drilled the Blue Spruce # 1, its first well in a multi-well drilling program in the Illinois Basin. The well, which reached a total depth of 3,280 feet, encountered multiple oil and gas shows in the targeted shallow Mississippian formations. 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 was set up for production in the Aux Vases formation. Blue Spruce #1 was placed on production until April 2015 when it was determined its production would cease until additional facilities were installed to maintain pressure in the field via water flooding.

In a report dated 30 June 2017, Strata-X's independent engineer, Chapman Petroleum Engineering Ltd (Chapman), confirmed Proved plus Probable Reserves are 1.282 million barrels of light oil net to the Company on the Blue Spruce project. Strata-X currently has the rights to 720 net acres of the Blue Spruce project where it has identified 19 oil development locations. Chapman calculated a before tax Net Present Value (BTNPV disc 10%) of the Blue Spruce project to the Company of USD$39.5 million (unrisked). [(1)]

To increase oil recovery and oil flow rates, the Blue Spruce project will require water pressure maintenance involving water flooding of the Aux Vases formation. It is estimated that the waterflood development will extract approximately 40% of the Petroleum Initially In Place ("PIIP" unrisked) resulting in a projected recovery of 1.282 million barrels of oil net to Strata-X. Chapman estimates that once all wells are drilled, total oil production from the Blue Spruce waterflood development project will exceed 500 barrels of oil per day net to the Company.[(2)]

Past water flooding projects in the Aux Vases formation in areas immediately adjacent to the Company's Blue Spruce Project have been successful. Previous yielded recoveries have been in excess of the forecasted 40% rate for Blue Spruce.[(2)] Following water flooding, tertiary recovery methods may also be considered by the Company which could further increase the recovery of the PIIP and oil reserves from the Blue Spruce oil field.

Other Projects

The Company now has a 23.9% working interest in 3,221 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.

(1) Information originally appeared in the Company's FYE 2017 51-101 Reserve Report available for viewing at www.strata-x.com

Historical quarterly information is as follows:

	31 March 2018	31 Dec 2017	30 Sep 2017	30 June 2017	31 March 2017	31 Dec 2016	30 Sep 2016	30 June 2016
Total Assets	$12,932,222	$13,071,918	$13,217,828	$13,451,366	$13,718,890	$13,889,763	$13,242,254	$13,515,577
Revenue, net of Royalties	$22,440	$13,332	$7,716	$26,996	$36,242	$30,134	$73,892	$10,932
Net Income (Loss)	$(102,202)	$(159,222)	$(147,788)	$(35,603)	$(173,778)	$(287,431)	$(209,340)	$(25,310)
Basic & diluted net income (loss) per share (1)	($0.00)	($0.00)	($0.00)	($0.01)	($0.00)	($0.00)	$0.00	$0.00

(1) Basic and diluted net loss per share has been retrospectively restated to reflect the 3:1 share consolidation that was completed effective 23 November 2016.

Results of Operations

As noted above, total revenue for the quarter ended 31 March 2018 was $22,440 compared to $36,242 for the quarter ended 31 March 2017. The decrease is due to decreased oil production.

Production and exploration expenses for the quarter ended 31 March 2018 were $835 compared to $23,435 for the same quarter last year, consistent with the decrease in oil and gas revenues over the same period.

General and administrative expenses for the quarter ended 31 March 2018 decreased by $91,165 to $112,178 from $203,343 for the same quarter last year primarily due to cost reduction efforts and lower share-based compensation cost due to vesting of stock options.

Liquidity and Capital Resources

The interim condensed consolidated financial statements have been prepared on a going concern basis 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 $(102,202) for the three months ended 31 March 2018.

Management has been and continues to be active in seeking additional means to sustain the Company's financial position during the current economic environment including but not limited to investigating potential partnership, merger and/or joint venture opportunities and acquiring and disposing of oil and natural gas properties. In addition, the Company continues to focus on moving forward in Stage 1 of the Serowe CSG Project.

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 consolidated financial statements, during the twenty-four months ended 30 June 2017, the Company was successful in completing three private placements for gross proceeds of approximately $2,160,000. As a result of these equity offerings, the Company had a working capital surplus of approximately $295,000 as at 31 March 2018. The Company cannot provide any assurance that sufficient cash flows will be generated from operating activities or that proceeds from other activities noted above will be able to sustain the Company's financial position.

The Company currently has no contractual obligations.

The Company is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares. As at 31 March 2018 and as at the date hereof, a total of 89,825,208 common shares and CDIs were issued and outstanding with a resulting share capital of $36,955,438. The Company has 3,881,250 warrants and 8,740,000 stock options outstanding with 4,940,000 options exercisable as of 31 March 2018 and as at the date hereof.

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 and no outstanding future financial obligations.

Transactions with Related Parties

The Company utilizes the services of an outside firm the majority owner of which is 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 $4,100. During the nine months ended 31 March 2018, the Company incurred approximately $27,500 (2017 - $36,600) in costs with the outside firm for accounting services.

Summary of Significant Accounting Policies

The interim condensed consolidated financial statements have been prepared following the same accounting policies and methods of computation used in preparing the Company's 30 June 2017 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 2017 annual financial statements.

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. There have been no changes to these policies during the nine months ended 31 March 2018.

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. There have been no significant changes to the Company's market risks.

Credit risk

The Company's exposure to credit risk relates to cash and cash equivalents, accounts receivable and other assets and arises from the possibility that the third party does not satisfy its contractual obligations. The Company minimizes its exposure to credit risk and concentration risk by keeping the majority of its cash and cash equivalents and other assets with major chartered banks. The Company performs continuous evaluation of its accounts receivable and records an allowance for doubtful accounts when determined necessary. 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.

As of 31 Mach 2018, the Company recorded an allowance for doubtful accounts of $156,090 (30 June 2017 - $156,090) related to an amount due from a project operator that was greater than 90 days outstanding. Included in accounts receivable is an amount past due of $48,172.

Critical Accounting Estimates

The timely preparation of financial statements 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. Accordingly, 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. There have been no changes to the application of the critical accounting estimates since the year ending 30 June 2017.

Future Changes in Accounting Policies

Management is currently assessing the potential impact of the adoption of new standards on the Company's consolidated financial statements as disclosed in the Company's annual consolidated financial statements at 30 June 2017 and does not expect a significant change as a result of adoption.

Other Company Information

Additional disclosure information for Strata-X Energy Ltd. can be located in its latest Annual Management Discussion and Analysis, Annual Information Form and Audited Financials for the year ended 30 June 2017. All documents are available on SEDAR and the Company's website.

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