

DENVER, COLORADO and BRISBANE, AUSTRALIA and VANCOUVER, BRITISH COLUMBIA--(Marketwired - Sept. 10, 2015) - [Strata-X Energy Ltd.](#) (TSX VENTURE:SXE)(ASX:SXA) -

- Webster Drilling is currently drilling the Kuhlig #1 well which spud on the 10th of September.
- Kuhlig #1 is a 12 Km step-out appraisal well of the Burkett 5-34 horizontal well that reached 300 BOPD in the Illinois Basin.
- Strata-X expects the drilling of the well to be completed within 10 days from spud.

Drilling Update

Strata-X Energy has received notice from the drilling contractor, Webster Drilling, that they have begun drilling the Kuhlig #1 well, the second well in the Company's Lingle Oil Project in the Illinois Basin. The Kuhlig #1 vertical well is a 12 km step-out of the first completed Lingle horizontal well, Burkett 5-34, where peak production rates of 300 barrels of oil per day were achieved. It is anticipated the Kuhlig #1 drilling operations will be completed within ten days including the retrieval of a 60' core and pressure test of the targeted Lingle formation.

The Burkett 5-34 was a "Proof of Concept" well that successfully demonstrated the Lingle can be drilled and completed horizontally and is capable of commercial oil production. Although this first horizontal test accomplished many of the pre-drill goals, Strata-X expects better results from the next horizontal well because it is designed with twice the horizontal leg length and will undergo an improved completion method compared to the Burkett 5-34 well.

Kuhlig #1 is a low cost, vertical well that will core and pressure test the Lingle to acquire important reservoir data required to design the proposed Raccoon Creek #1 horizontal well. A core will be taken through the primary reservoir of the Lingle formation. Confirmation of oil saturation, reservoir thickness and porosity will be key data obtained. The pressure test will be instrumental in the design of future horizontal completion methods as Strata-X fine-tunes the approach to optimizing commercial oil production.

The Kuhlig #1 is expected to intersect up to 16 feet of the Lingle reservoir, and to encounter higher initial reservoir pressure and oil saturations than the Burkett well. It will be drilled a short distance from a historical well that has log data indicating oil saturations in the reservoir. The subsequent Raccoon Creek #1 horizontal well will be drilled up-dip from the Kuhlig #1 location and toward the historical well.

The drilling of Raccoon Creek #1 is tentatively scheduled for early 2016, subject to funding. Strata-X is investigating hybrid methods to fund future horizontal wells, which may include joint ventures. Strata-X's 100% ownership of the projects offers flexibility on the later funding options.

Summary of the Lingle Oil Project

The Lingle Oil Project is targeting light-gravity sweet oil from the Devonian-aged Lingle Formation. Estimates of Petroleum Initially-In-Place under the Company's acreage is approximately 240 million barrels.¹ It is expected that a recovery factor of at least 10% can be achieved in the Lingle Reservoir. 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 recoverable hydrocarbons.

Tim Hoops, the Company's President, stated, "The Kuhlig #1 and the subsequent Raccoon Creek #1 horizontal well are expected to have nearly twice the reservoir thickness, more than twice the horizontal length and have much better reservoir pressure than our pioneering Burkett 5-34 horizontal well. The combination of these favorable factors should provide much improved performance and position us for development of this exciting project."

Company Update

The Company also wishes to advise the market that it has taken austerity measures to reduce the Company's overheads costs in the wake of the industry slowdown associated with the significant drop in the oil price. In total the average reduction in salaries and benefits at the Company is 38% including a decrease of 7% in the benefits plan. A total of \$240,000 has been cut from the current budget in this salary reduction. Additionally, the Company has been working with many of its consultants to also reduce their fees during this slowdown. As part of this reduction, the Company in compensating the employees and management with options to purchase up to 4,900,000 common shares of the Company at an exercise price of CAD\$0.12 per share to certain employees and consultants. Of these options, 800,000 are exercisable until September 9, 2018. The remaining 3,600,000 options are exercisable until September 9, 2020. The options vest with one quarter on each of the 6, 12, 18 and 24 months from the date of the grant. The Option grants remain subject to acceptance for filing by the TSX Venture Exchange.

About Strata-X

Strata-X is a Denver, Colorado (USA) based company and is engaged in the business of oil and gas exploration and development with a variety of exploration opportunities in North Dakota, Illinois, California, Texas and Western Australia and production and development opportunities in California. Strata-X has 166,895,227 common shares outstanding and trades under the symbol "SXE" on the TSX-V and "SXA" on the ASX.

(1) The information in this Presentation that relates to Prospective Resources that was originally prepared and published by AWT International dated 18 December 2012. The information was published in [Strata-X Energy Ltd.](#)'s "Prospectus 2013" (available online at www.strata-x.com), as part of the Company's 2013 Australian Securities Exchange Initial Public Offering.

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

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

FORWARD-LOOKING STATEMENTS

This news release contains forward-looking statements, which relate to future events or future performance, including but not limited to, the completion and size of the Placement, receipt of regulatory approvals and timing thereof, the Corporation's business strategies and plans for the use of such Placement proceeds, capital expenditure programs and estimates relating to timing and costs, and reflect management's current expectations and assumptions, including, but not limited to the timing and receipt of necessary regulatory approvals and third party approvals and completion of the Placement and stability of general economic and financial market conditions. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", and similar expressions is intended to identify forward-looking statements. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to the Company. Readers are cautioned that these forward-looking statements are neither promises nor guarantees, and are subject to risks and uncertainties, including imprecision in estimate capital expenditures and operating expenses, stock market volatility, general economic and business conditions in North America and globally, risks associated with liquidity and capital resource requirements, that may cause future results to differ materially from those expected and the forward-looking statements included in this news release should not be unduly relied upon. See also "Risks Factors" in the Company's Annual Information Form dated September 25, 2014 available on SEDAR at www.sedar.com. Those factors are not, and should not be construed as being exhaustive. These forward-looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances save as required under applicable securities legislation. This news release does not constitute an offer to sell securities and the Company is not soliciting an offer to buy securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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