

Stratex Oil & Gas Holdings, Inc.

Quarterly Financial Report
For the Three Months Ended September 30, 2021
Unaudited

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STRATEX OIL & GAS HOLDINGS, INC.

1669 Thomaston Ave.
Waterbury, CT 06704

November 14, 2021

I hereby certify that the accompanying unaudited consolidated financial statements and related footnotes hereto are based on the best information currently available to the Company. To the best of my knowledge, this information presents fairly, in all material respects, the financial position and stockholders' equity of Stratex Oil & Gas Holdings, Inc. as of September 30, 2021 and December 31, 2020 and the results of its operations and cash flows for the nine months ended September 30, 2021 and 2020 in conformity with accounting principles generally accepted in the United States of America.

/s/ Joseph Mattia
President

Stratex Oil & Gas Holdings, Inc.
Consolidated Balance Sheets
As of September 30, 2021 and December 31, 2020
(Unaudited)

| ASSETS | Balance at September 30, 2021 | Balance at Dec 31, 2020 |
|---|--|------------------------------------|
| Cash & cash equivalents | \$83,213 | \$2,421 |
| Accounts Receivable | \$4,580 | \$4,580 |
| Prepaid Expenses | \$2,000 | \$2,000 |
| Total Current Assets | \$89,793 | \$9,001 |
| Deposits | 0 | 0 |
| Debt Issuance costs | 0 | 0 |
| Proven Property Net | \$425,530 | \$425,530 |
| Support Facilities | 0 | 0 |
| Vehicles | 0 | 0 |
| Total Assets | \$515,323 | \$434,531 |
| LIABILITIES AND STOCKHOLDERS' DEFICIT | | |
| Current Liabilities | | |
| Accounts Payable | \$125,617 | \$347,161 |
| SBA Loan Payable | 94,812 | 96,700 |
| Demand Notes Payable | 775,995 | 721,857 |
| Officers Payable | 2,276,871 | 2,030,871 |
| Current Maturities of Notes Payable | \$ 40,743,834 | \$ 37,486,107 |
| Total Current Liabilities | \$44,017,129 | \$40,682,696 |
| Notes Payable | \$185,000 | 0 |
| Total Liabilities | \$44,202,129 | \$40,682,696 |
| Shareholders Deficit: | | |
| Common stock \$.01 Par Value | | |
| 750,000,000 authorized 119,305,071 | | |
| issued and outstanding Sept. 30, 2021 | 1,193,051 | 1,193,051 |
| and 119,305,071 at Dec. 31, 2020 respectively. | | |
| Preferred stock \$.0001 Par Value | | |
| 1,000 authorized 1,000 | | |
| issued and outstanding Sept. 30, 2021 | \$0 | \$0 |
| And December 31, 2020 respectively. | | |
| Additional Paid In Capital | | |
| Deficit | | |
| Total stockholders equity (deficit) | 10,726,906 | 10,726,906 |
| Total Liab. & Stockholders Equity(Deficit) | (55,606,763) | (52,168,122) |
| Page 2 | (43,686,806) | (40,248,165) |
| See notes to financial statements | \$515,323 | \$434,531 |

Stratex Oil & Gas Holdings Inc.
Consolidated Income Statements
For the Nine Months Ended
September 30, 2021 and 2020
(Unaudited)

| | Nine Months Ended September 30, 2021 | | Nine Months Ended September 30, 2020 | |
|--|---|--------------------|---|--------------------|
| Revenue | | \$33,681 | | \$17,048 |
| Cost of revenue | | - | | - |
| Gross Profit (loss) | | - | | - |
| Operating Expenses | \$ | - | \$ | - |
| General and administrative Expenses | \$ | (80,527) | \$ | (17,600) |
| Operating Income (Loss) | \$ | (46,846) | \$ | (552) |
| Other income (expenses) | | \$0 | | \$0 |
| Other income | | \$0 | | \$0 |
| Loss on sale or disposal | | \$0 | | \$0 |
| Deprecation expense | | \$0 | | \$0 |
| Interest expense | \$ | (3,391,795) | \$ | (3,061,494) |
| Total other income (expenses) | \$ | (3,391,795) | \$ | (3,061,494) |
| Loss before income taxes | \$ | (3,438,641) | \$ | (3,062,046) |
| Minority interest | \$ | - | \$ | - |
| Net (Loss) | \$ | (3,438,641) | \$ | (3,062,046) |
| Net Loss per share | \$ | (0.001) | \$ | (0.001) |
| Basic and diluted | | | | |
| Weighted average number of shares | | 119,305,071 | | 119,305,071 |
| Basic and diluted | | | | |

See notes to the financial statements

Stratex Oil & Gas Holdings, Inc.

Consolidated Statement of Changes in Stockholders Equity (Deficit)

From December 31, 2017 to September 30, 2021

(Unaudited)

| | Common stock | | Preferred | | Paid-in | | Accumulated | |
|--|---------------|-------------|----------------|--------|---------------|-----------------|-----------------|--|
| | Shares | Amount | Shares | Amount | Capital | Deficit | Total | |
| | Par value .01 | | Par value .001 | | | | | |
| Balance December 31, 2017 | 119,218,671 | \$1,192,187 | 1,000 | \$0 | \$ 10,726,906 | \$ (42,773,117) | \$ (30,854,024) | |
| Net (Loss) for the Year ended Dec. 31, 2018 | | | | | | \$ (2,653,289) | \$ (2,653,289) | |
| Balance December 31, 2018 | 119,218,671 | \$1,192,187 | 1,000 | \$0 | \$ 10,726,906 | \$ (45,426,406) | \$ (33,507,313) | |
| Common shares Issuance | - | | | | | | \$0 | |
| Net (Loss) for the Year ended Dec. 31, 2019 | | | | | | \$ (2,654,025) | \$ (2,654,025) | |
| Balance December 31, 2019 | 119,218,671 | \$1,192,187 | 1,000 | \$0 | \$ 10,726,906 | \$ (48,080,431) | \$ (36,161,338) | |
| Common shares Issuance | 86,400 | \$864 | | | | | \$864 | |
| Net (Loss) for the Year ended Dec. 31, 2020 | | | | | | \$ (4,087,691) | \$ (4,087,691) | |
| Balance December 31, 2020 | 119,305,071 | \$1,193,051 | 1,000 | \$0 | \$ 10,726,906 | \$ (52,168,122) | \$ (40,248,165) | |
| Common shares Issuance | - | | | | | | \$0 | |
| Net (Loss) for the Nine Months ended September 30, 2021 | | | | | | \$ (3,438,641) | \$ (3,438,641) | |
| Balance September 30, 2021 | 119,305,071 | \$1,193,051 | 1,000 | \$0 | \$ 10,726,906 | \$ (55,606,763) | \$ (43,686,806) | |

Stratex Oil & Gas Holdings, Inc.
Consolidated Statement Of Cash Flows
For the Nine Months ended September 30, 2021 and 2020

| (Unaudited) | Nine Months Ended <u>.09/30/21</u> | Nine Months Ended <u>.09/30/20</u> |
|---|--|--|
| Cash flows from operating activities | | |
| Net Profit/Loss | \$ (3,438,641) | \$ (3,062,046) |
| Adjustments: | | |
| Provision for doubtful accounts | - | - |
| Depreciation | \$0 | \$0 |
| Amortization of compensatory options | - | - |
| Gain on sale of equipment | - | - |
| Common stock issued for: | | |
| Consulting services | - | - |
| Changes in Assets & Liabilities: Decrease (Increase) | | |
| Accounts Receivables | - | - |
| Other assets | | |
| Property & equipment | - | - |
| Accounts payable & accrued expenses | \$ (39,316) | \$1,547 |
| Demand & Notes Payable | \$ 3,373,749 | \$ 3,061,494 |
| Net cash used in operating activities | <u>\$ (104,208)</u> | <u>\$995</u> |
| Cash flows from financing activities | | |
| Proceeds from issuance of stock | - | - |
| Convertible note issued converted | - | - |
| Subscription receivable | - | - |
| Proceeds from notes payable | \$ 185,000 | - |
| Net cash provided by financing activities | - | - |
| Net cash increase (decrease) | <u>\$ 80,792</u> | <u>\$ 995</u> |
| Cash at the beginning of period | \$2,421 | \$550 |
| Cash at the end of period | <u>\$83,213</u> | <u>\$1,545</u> |
| Interest paid during the year | \$0 | \$0 |
| Non-cash Financing Activities | | |
| Common Stock issued for debt | \$ - | \$ - |

Stratex Oil & Gas Holdings, Inc.
Notes to Financial Statements
September 30, 2021
(Unaudited)

NOTE – 1 Nature of Operations & Company History:

The financial statements include the accounts of Stratex Oil & Gas Holdings, Inc. (the "Company"), which was incorporated in Delaware.

Stratex Oil & Gas Holdings, Inc. ("the "Company") was incorporated on August 15, 2003 as Poway Muffler and Brake Inc. in California to enter the muffler and brake business. On December 15, 2008, a merger was effected with Ross Investments Inc., a Colorado shell corporation. Ross Investments was the acquirer and the surviving corporation. Ross Investments Inc. then changed its name to Poway Muffler and Brake, Inc. On May 25, 2012, we filed an Amendment to our Certificate of Incorporation by which we changed our name from Poway Muffler and Brake, Inc., a Colorado corporation, to Stratex Oil & Gas Holdings, Inc., with the Secretary of the State of Colorado. On July 6, 2012, Stratex Acquisition Corp., a wholly-owned subsidiary of Stratex Oil & Gas Holdings, Inc. merged with and into Stratex Oil & Gas, Inc., a Delaware corporation ("Stratex") Stratex Oil & Gas Holdings, Inc was the surviving corporation of that Merger. (The Company's current name)

The Company is engaged in the sale of oil and gas and the exploration for and development of oil and gas reserves in Texas, Kansas, North Dakota, Montana, Colorado and Utah.

NOTE – 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of three months or less are considered to be cash equivalents.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. Significant estimates include valuation of convertible notes payable and the valuation allowance of deferred tax assets.

Fair value of financial instruments and financial statements

The Company measures financial assets and liabilities in accordance with generally accepted accounting principles. The financial statements have been prepared in accordance with generally accepted accounting principles.

Stratex Oil & Gas Holdings, Inc.
Notes to Financial Statements
September 30, 2021
(Unaudited)

Revenue recognition

Revenue from sales of products and services is recognized when persuasive evidence of an arrangement exists, products have been shipped or services have been delivered to the customer, the price is fixed or determinable and collection is reasonably assured.

Stock-based compensation

The Company accounts for stock-based instruments issued to employees in accordance with ASC Topic 718. ASC Topic 718 requires companies to recognize in the statement of operations the grant-date fair value of stock options and other equity based compensation issued to employees and earned. The Company accounts for non-employee share-based awards in accordance with ASC Topic 505-50.

Fixed Assets

Fixed assets are recorded at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Repairs and maintenance are charged to expense as incurred. Expenditures for betterments and renewals are capitalized. The cost of fixed assets and the related accumulated depreciation are removed from the accounts upon retirement or disposal with any resulting gain or loss being recorded in operations.

Intangible Assets

Intangible assets with no determinable life are initially assessed for impairment upon purchase, with subsequent assessments required annually. When there is reason to suspect that their values have been diminished or impaired, a write-down is recognized as necessary. Intangible assets with rights that expire over time are amortized over the time period that the rights exist.

Income taxes

Income Taxes - The Company accounts for income taxes using the provisions of Statement of Financial Accounting Standards ("SFAS") No.109, Accounting for Income Taxes. Under this standard, deferred tax assets and liabilities represent the estimated tax effects of future deductible or taxable amounts attributed to differences between the financial statements carrying amounts and the tax bases of existing assets and liabilities. The standard also allows recognition of income tax benefits for loss carry-forwards, credit carry-forwards and certain temporary differences for which tax benefits have not previously been recorded. Valuation allowances are provided for uncertainties associated with deferred tax assets.

Stratex Oil & Gas Holdings, Inc.
□ Notes to Financial Statements
September 30, 2021
(Unaudited)

Net loss per share

The Company computes net earnings (loss) per share in accordance with ASC 260-10, "Earnings per Share." ASC 260-10 requires presentation of both basic and diluted earnings per share ("EPS") on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders by the weighted average number of common shares outstanding during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period. Diluted EPS excludes all dilutive potential common shares if their effect is anti-dilutive

NOTE 3 – Going Concern:

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. Currently, the Company has incurred operating losses, and as of September 30, 2021 the Company also had a working capital deficit and an accumulated deficit. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management believes that the Company's capital requirement will depend on many factors including the success of the Company's development efforts and its efforts to raise capital. Management also believes the Company needs to raise additional capital for working capital purpose. There is no assurance that such financing will be available in the future. The conditions described above raise substantial doubt about our ability to continue as a going concern. The financial statements of the Company do not include any adjustments relating to the recoverability and classification of recorded assets, or the amount and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.