

# Georox to Acquire Producing Oil and Gas Interests in Red Earth/Otter, Alberta and Initiates Non-Brokered Private Placement

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KELOWNA, BC, April 21, 2014 /CNW/ - [Georox Resources Inc.](#) ("Georox" or the "Corporation") (GXR:TSX-V) (OF6A:FRA) is pleased to announce that it has entered into a letter of intent to acquire certain high working interest producing oil and gas interests in Red Earth, Alberta, approximately 106 kms north of Lesser Slave Lake (320 kms north west of Edmonton) from an arm's-length corporation (the "Red Earth/Otter Acquisition" or the "Transaction") and to initiate a non-brokered private placement.

## Red Earth/Otter Acquisition

The properties subject to the Transaction consist of working interests in a total of 11.38 sections of land comprised of 2.125 sections in Red Earth that has nine producing oil wells and one standing oil well in which Georox will acquire a 100% working interest subject to reduction, in most instances, to a 97% working interest after payout. In addition, Georox will acquire the well bores to three abandoned wells in which it will hold a 100% working interest in one and a 50% working interest in the two others. In Otter, located 25 kms to the NW of Red Earth, Georox will acquire a 100% working interests in 9.25 sections of prospective land.

Georox will become the operator for all wells except two of the abandoned wells.

At December 31, 2013, production from the properties subject to the Transaction was approximately 113 boe per day (109 barrels of oil and natural gas liquids and 16 mcf/d of natural gas). Georox believes that there is an opportunity to drill two additional wells at Red Earth and potential beyond primary recovery through the implementation of water flood/pressure support to significantly extend the life and recoverable reserves from the Red Earth properties.

The purchase price for the Red Earth/Otter Acquisition is approximately \$6,100,000 with a proposed effective date of April 1, 2014. The Transaction is expected to close the second week of May.

The Transaction is subject to a number of customary conditions, completion of satisfactory due diligence and receipt of regulatory approvals (including TSX Venture Exchange approval), as well as confirmation of bank financing. There is no assurance that the Transaction will be completed, or completed as currently described. The Transaction is expected to be funded from the Corporation's working capital, the proposed private placement and third party credit facilities.

## Non-Brokered Private Placement

The Corporation will initiate a non-brokered private placement (the "Private Placement") of up to 8,000,000 units of the Corporation ("Units") at a price of \$0.065 per Unit for aggregate gross proceeds of up to \$520,000. Each Unit shall consist of one common share of the Corporation (a "Common Share") and one-half of one Common Share purchase warrant (each whole such warrant, a "Warrant"). The Warrants will not be listed. Each whole Warrant shall be exercisable for one Common Share at a price of \$0.14 per Common Share for the period to and including April 30, 2015. It is anticipated the closing of the Private Placement will occur on or about May 1, 2014.

All securities in the Private Placement will be subject to a four month hold period from closing. Agents may be paid a finder's fee of up to 10% of the aggregate subscription price plus 10% of the number of Units in brokers warrants with terms the same as the Units for subscriptions secured by such agents pursuant to the Private Placement.

Closing of the Private Placement is not subject to a minimum aggregate subscription amount but shall be subject to receipt of all required regulatory approvals, including the TSX Venture Exchange.

The proceeds of the Private Placement are intended to be used in connection with closing the Transaction and for general working capital purposes.

The Units will be issued to purchasers pursuant to exemptions from the prospectus requirements of applicable securities legislation and will be subject to resale restrictions, as required under the applicable securities legislation. After giving effect to a fully subscribed Private Placement, Georox will have 35,146,185 Common Shares outstanding on a basic basis.

Any participation by insiders of the Corporation in the private placement will be on the same terms as the arm's length investors. It is anticipated that certain directors or officers will subscribe for Units but in any event not in excess of 50% of the Private Placement. The Corporation has no reason to believe that the Private Placement will result in a change of control of the Corporation.

Trading in the shares of the Corporation will be halted at the request of the TSX Venture Exchange pending their receipt and approval of satisfactory documentation pursuant to TSX-V Policy 5.3.

## **About Georox**

Georox is a Canadian natural resource company engaged in the acquisition, exploration and development of oil and gas properties in Western Canada.

*Production volumes are commonly expressed on a barrel of oil equivalent ("BOE") basis whereby natural gas volumes are converted at a ratio of six thousand cubic feet to one barrel of oil. The intention is to convert oil and natural gas measurement units into one basis for improved analysis of results and comparisons with other industry participants. The term BOE may be misleading, particularly if used in isolation. The conversion ratio is based on an energy equivalent method and does not represent an economic value equivalency at the wellhead.*

## **FORWARD-LOOKING STATEMENTS**

*This news release contains forward-looking statements relating to the future operations of the Corporation and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. All statements other than statements of historical fact, included in this release, including, without limitation, statements regarding future plans and objectives of the Corporation, are forward looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. More particularly, it contains forward-looking statements concerning: (i) production (ii) planned drilling, development and waterflood activities, (iii) the potential number of drilling locations at certain of the Transactions properties, (iv) timing and completion of the Transaction, including expectations and assumptions concerning timing of receipt of required regulatory approvals and the satisfaction of other conditions to the completion of the Transaction, and (v) potential development opportunities associated with the Transaction.*

*Although Georox believes that the expectations and assumptions on which the forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because Georox can give no assurance that they will prove to be correct. Since forward-looking statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, risks associated with the oil and gas industry in general (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price and exchange rate fluctuations and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures.*

*The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of Georox. As a result, we cannot guarantee that any forward-looking statement will materialize and the reader is cautioned not to place undue reliance on any forward-looking information. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking*

*statements contained in this news release are made as of the date of this news release, and Georox does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by Canadian securities law.*

*This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the Units in the United States. The Units (or constituent securities) have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*

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

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