

KELOWNA, BC, Feb. 19, 2016 /CNW/ - Mr. Burkhard Franz, President and CEO of [Georox Resources Inc.](#) ("Georox" or the "Corporation") (GXR: TSX-V; OF6A:FRA) wishes to announce developments with respect to the Corporation's financial affairs.

Credit Facility Restructuring

Georox is pleased to announce that it has entered into an agreement to restructure and consolidate its credit facilities and will no longer be dealing with its primary banker. Tallinn Capital, Georox' mezzanine financier, has agreed to take over and consolidate Georox' credit facility of an aggregate of approximately \$4.5 million. The credit facility will be non-revolving for a fixed term to April 30, 2018, requiring principal repayments of \$25,000 per month, increasing to higher principal repayments depending on timing and a consistent increase in the WTI oil price during the term of the facility. In connection with the restructured credit facility, Georox will pay Tallinn certain fixed and variable fees and issue to Tallinn 1,000,000 Georox non-transferable common purchase warrants, exercisable at price of \$0.05 per warrant for a term of two years. Tallinn will surrender warrants previously issued to it in June 2015 in connection with its original renewed credit facility.

Georox believes that this restructured credit facility will leave Georox with free cash flow, after debt service and other costs, such that it will be able to initiate operations on its properties with a view to improving production and financial netbacks to the Corporation.

About Georox

The Corporation currently produces approximately 140 boepd of which 75% is light oil, 24% is heavy oil and 1% is gas.

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) timing and completion of the Offering, and (iii) potential development opportunities associated with the Corporation's properties.

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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Contact
Burkhard Franz, President and Chief Executive Officer, Tel: (403) 457-9010, Fax: (403) 265-7424, Website: www.georoxresources.com