

KELOWNA, BC, April 20, 2016 /CNW/ - Mr. Burkhard Franz, President and Chief Executive Officer of [Georox Resources Inc.](#) ("Georox" or the "Corporation") (GXR: TSX-V; OF6A:FRA) wishes to announce several developments with respect to the Corporation's financial affairs.

#### Share Consolidation

On April 30, 2015, the shareholders of Georox approved a special resolution authorizing (if and when the board of directors of the Corporation deemed it appropriate to do so, but in any event such authorization to be valid only until the next annual shareholders meeting, and subject to TSX Venture ("TSX-V") approval) a share consolidation of Georox's outstanding common shares ("Common Shares") at a share consolidation ratio of one (1) post-consolidation Common Share for every three (3) pre-consolidation Common Shares (the "Consolidation").

On April 19, 2016, the Georox board of directors resolved to effect the Consolidation, subject to TSX-V approval. The Georox board resolved to proceed with the Consolidation after considering the best interests of the Corporation and its shareholders.

Georox currently has 45,826,687 Common Shares issued and outstanding. After giving effect to the Consolidation, but before consideration of the proposed private placement discussed below, Georox will have 15,275,562 Common Shares outstanding on a basic basis.

Once implemented, the Consolidation will not change the par value per share of the Common Shares or the Corporation's authorized share capital and each shareholder will hold the same percentage of Common Shares outstanding immediately after the Consolidation as such shareholder held immediately prior to such event.

Promptly after the date of filing articles of amendment to effect the Consolidation, the Corporation will give written notice thereof to all registered shareholders and will provide them with a form of a letter of transmittal to be used for the purpose of surrendering their certificates representing the currently outstanding Common Shares to the Corporation's registrar and transfer agent in exchange for new share certificates representing whole post-Consolidation Common Shares. After the Consolidation, current issued share certificates representing pre-Consolidation Common Shares will: (a) constitute good delivery for the purposes of trades of post-Consolidation Common Shares; and (b) be deemed for all purposes to represent the number of post-Consolidation Common Shares to which the shareholder is entitled as a result of the Consolidation. No delivery of a new share certificate to a shareholder will be made until the shareholder has surrendered his, her or its current issued share certificates. Following Consolidation, the Common Shares will have a new ISIN or CUSIP number.

The Corporation's name will not be changed in conjunction with the Consolidation.

#### Non-Brokered Private Placement

Georox is also seeking to raise up to \$700,000 in a non-brokered private placement ("Private Placement").

Under the proposed terms of the Private Placement, and subject to TSX-V approval, the Corporation will issue, on a post-Consolidation basis, up to 11,666,667 units at a price of \$0.06 per unit for gross cash proceeds of approximately \$700,000 the ("Offering").

Each unit will consist of one (1) Common Share and one (1) Common Share purchase warrant. Each whole warrant will entitle the holder to acquire one (1) Common Share at a price of \$0.12 for a period to and including April 30, 2018. The Offering will be completed in one or more tranches and the securities under the Offering will have a hold period of four (4) months from the applicable closing date of each tranche. Closing of the Offering 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 Corporation may pay finders' fees to eligible persons consisting of cash of up to 10% of the proceeds from the units sold to investors introduced by and attributable to the efforts of the finders, or 10% per cent of the number of units issued in connection with such investor subscriptions under the Offering.

After giving effect to the maximum Offering, Georox will have 26,942,229 Common Shares outstanding on a basic basis. Any participation by insiders of the Corporation in the Offering will be on the same terms as the arm's length investors. The Corporation has no reason to believe that the Private Placement will result in a change of control of the Corporation.

The Offering is expected to be completed within thirty days.

The Private Placement proceeds will be used for current general payables, general corporate purposes and expenditures related to the optimization of production in its Red Earth Property.

#### Addition to the Georox Board of Directors

Upon closing on at least \$100,000 in gross proceeds under the Private Placement, Mr. Mansoor Anjum will be appointed to the Georox board of directors subject to TSX - V approval. Mr. Anjum is a business executive with 25 years experience in business development and financial management in the oil and gas industry. Mr. Anjum has worked in both the upstream and downstream sectors of the industry and has significant experience in valuing new acquisitions and identifying growth opportunities for the companies.

Mr. Anjum is currently President, the owner and director of Gressenhall Enterprise Ltd., a private company involved in retail of household furniture and appliances. He was formerly President of Nebula Energy Ltd., a private oil and gas consulting company, and was President and CEO of Java Capital Inc., a TSX-V-listed company, CEO of Meteor Marketing Inc., USA, a petroleum products distributor with yearly revenues of over \$50 million. Mr. Anjum holds an MBA degree from the University of Toronto with a focus in strategy and finance and M.Sc. (mathematics) from the University of Punjab.

#### 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) the completion and potential benefits of the Consolidation; (ii) the timing and completion of the Offering and the use of proceeds from the Private Placement; and (iii) the potential appointment of a new director to Georox's board of directors.

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.

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