

Georox to Acquire Certain Producing Oil and Gas Interests in Southwest Saskatchewan, Amends Non-Brokered Private Placement

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Kelowna, British Columbia (FSCwire) - [Georox Resources Inc.](#) ("Georox" or the "Corporation") (GXR:TSX-V; OF6A:FRA) is pleased to announce that it has entered into an asset purchase agreement to acquire certain high working interest producing oil (~94%) and natural gas (~6%) interests in Southwest Saskatchewan and Eastern Alberta, from arm's-length vendors (the "Acquisition" or the "Transaction"). Georox is lead on the Transaction, having initiated and concluded arrangements, but is significantly supported by an arm's-length private company participant ("Participant"), responsible for 80% of the Transaction.

In connection with the Transaction, the Corporation will terminate its previously announced non-brokered unit private placement and launch a new non-brokered share private placement for up to \$900,000 (18,000,000 Common Shares), at \$0.05 per Share. The Participant has undertaken to identify private placement participants to support 50% of the Georox 20% Transaction participation (approximately \$450,000, subject to adjustments).

Acquisition

The Transaction consists of working interests in a total of 64 sections (41,526 acres) of land (62 net sections) comprised with an average overall 96.6% working interest. Approximately 94% of the land is located in Saskatchewan. There are 164 oil and 12 natural gas wells producing on the properties, as well as 155 suspended wells for potential reactivation. There are also approximately 34 sections of undeveloped land.

The Transaction is expected to close April 30, 2018.

Following closing, Georox will become the operator of the wells where operatorship can be transferred; being the majority of the wells (largely with an acquired 100% working interest). Georox operatorship of the properties acquired in the Transaction will be supported by the Participant for a minimum of 18 months following closing and be subject to the terms of a joint operating agreement to be entered into between Georox and the Participant. The Participant will also grant Georox an option to acquire 10% of the assets acquired in the Transaction for a period of 18 months following closing, for \$1.25 million, with an effective date being the date of the option exercise.

At November 30, 2017, production from the properties subject to the Transaction was approximately 1550boepd (1150bopd and natural gas liquids and 400boepd of natural gas).

Georox believes that there is significant opportunity and potential beyond primary recovery through the implementation of water flood/pressure support as well as reactivations and infill drilling opportunities to significantly extend the life and increase recoverable reserves from the Transaction properties.

The Transaction is subject to several customary conditions, including completion of satisfactory due diligence with minimal negative impact on the value of the Assets. There is no assurance that the Transaction will be completed or completed as currently described.

Non-Brokered Private Placement

The Corporation's previously announced private placement of Units has been terminated and no securities

were issued thereunder. The Corporation is proceeding with a non-brokered private placement of up to 18,000,000 Common Shares of the Corporation ("Shares") at a price of \$0.05 per Share for aggregate gross proceeds of up to \$900,000.

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 in cash or Common Shares 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, if any excess, for general working capital purposes.

The Shares 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 44,372,311 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 Shares 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.

Red Earth, Alberta Update

The Red Earth water flood project is near completion, with expected plant commissioning this week. This will bring on an additional 20-30 bopd as well as the commencement of the water flood. Production increases from the water flood is expected within 12 months of commencement. The completed facility will see a substantial drop in operating costs from the previous contracted producer, as well as full control of production and sales from the field.

The facility will also change economics on currently shut in wells and justify small workovers to bring them on production. Production increases could be as high as 20 bopd from current suspended wells.

About Georox

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

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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, reactivation, 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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Source: [Georox Resources Inc.](#) (TSX Venture:GXR, FWB:OF6A)

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