Petrox Announces Proposed Transaction with Good Time Mega Trade International Limited

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Calgary, January 28, 2020 - PetRox Resources Ltd. (TSXV: PTC) ("Petrox") is pleased to announce that it has signed a non-binding letter of intent effective January 26, 2020 (the "LOI") with Good Time Mega International Trade Limited, a private company with limited liability organized under the laws of Hong Kong ("Good Time"). The LOI outlines the general terms and conditions pursuant to which Petrox and Good Time would be willing to complete a transaction that would result in a reverse take-over of Petrox by the securityholders of Good Time (the "Transaction"). The Transaction, if approved, would constitute a Reverse Takeover transaction and a Change of Business under the policies of the TSX Venture Exchange (the "TSXV") and the company will continue as an Industrial Issuer under the policies of the TSXV.

The Transaction is an Arm's Length Transaction (as defined in the policies of the TSXV). No Non-Arm's Length Parties (as defined in the policies of the TSXV) of Petrox have any interest in Good Time or the assets of Good Time and no Non-Arm's Length Parties of Good Time have an interest in Petrox or its assets.

The LOI provides that pursuant to the Transaction, Petrox will complete a 10:1 consolidation of its common shares and that Petrox will acquire all of the issued and outstanding shares of Good Time from the existing shareholders of Good Time in exchange for 35,325,484 post-consolidation shares of Petrox at a deemed price of $0.05 per share for a total deemed price of $1,766,274.20. The LOI provides that if the consolidation is completed other than on a 10:1 basis, the number of Petrox shares that will be issued in exchange for the Good Time shares will be adjusted accordingly. If the issuance of the 35,325,484 common shares would result in the public float (as defined in TSXV policies) of common shares of Petrox being less than 20% of the total issued common shares of Petrox after the Transaction, then Petrox shall issue a combination of common shares and preferred shares convertible into common shares on a one for one basis, such that the number of common shares issued under the Transaction shall equal 20% of the total issued common shares of Petrox and the remainder shall be convertible preferred shares.

No finder's fee is payable in respect of the transaction.

It is not anticipated that a financing or private placement will be completed in connection with the Transaction.

The transaction will be structured by way of a plan of arrangement, amalgamation, takeover bid, reorganization or other similar form of transaction, as determined following a review of all relevant legal, regulatory and tax matters. The LOI contemplates Petrox and Good Time entering into a definitive agreement with respect to the Transaction prior to or on March 31, 2020 or such other date as may be agreed upon by the parties, failing which the LOI will be terminated.

In connection with the Transaction, it is contemplated that Petrox will change its name to "Good Time Mega Trading International Limited" or such other name as may be requested by Good Time and accepted by Alberta Registries and the TSXV. It is also contemplated that the then current directors of Petrox will resign and be replaced by nominees of Good Time. Once the proposed director nominees are identified, Petrox will issue a subsequent press release providing their names and biographies as well as those of any other persons who will be insiders of Petrox post-Transaction.

Additionally, concurrently with the completion of the Transaction, it is intended that all of the oil and gas assets and liabilities of Petrox held just prior to the closing of the Transaction will be transferred to a newly created wholly-owned subsidiary of Petrox and that all of the shares of the subsidiary will be distributed by Petrox to all of shareholders of Petrox of record at the time of the distribution (the "Spin-Out Transaction"). The Spin-Out Transaction will be completed by way of a plan of arrangement or other form of transaction to be approved by the shareholders of Petrox and, if applicable, by the Court of Queen's Bench of Alberta.

The LOI provides that completion of the Transaction is subject to a number of conditions including the approval from the Petrox shareholders of the proposed consolidation and name change, approval from the Good Time shareholders of the Transaction and approvals from the TSXV, securities regulators and third parties as may be required.

About Petrox

Petrox is a public Canadian junior oil and gas company engaged in the exploration and development of oil and natural gas resources in the Western Canadian Basin. Petrox owns a production property in Fletwode, Saskatchewan that produces approximately 25 boe/d.

Petrox currently has 55,132,258 common shares outstanding. As at September 30, 2019, Petrox had current assets of CA$324,054 and current liabilities of $22,556, and had non-current assets of CA$413,890 (consisting of property and equipment) and non-current liabilities of CA$369,460 (consisting of decommissioning obligations).

About Good Time

Good Time is an apparel trading company based in Hong Kong. It primarily sources its products from manufacturers from China and sells them to clients throughout the world. Based on Good Time's audited financial statements, as at December 31, 2018, Good Time had assets of HK$9,332,440 ((approx. CA$ 1,567,850) (of which HK$9,032,440 (approx. CA$1,517,450) were current assets), and liabilities of HK$3,092,456 (approx. CA$ 519,533) (all of which were current liabilities), sales revenue of HK$40,838,630 (approx. CA$6,860,890) and operating profit of HK$7,744,259 (approx. CA$1,301,035) in its 2018 fiscal year (based on a HK$:CA$ conversion rate of 0.1680).

Additional information regarding Good Time will be provided in a subsequent press release.

Sponsorship

Sponsorship will be required by the TSXV unless exempt in accordance with TSXV policies. Petrox is currently reviewing the requirements for sponsorship. Petrox intends to include any additional information regarding sponsorship in a subsequent press release.

All information contained in this news release with respect to Petrox and Good Time was supplied by the parties respectively, for inclusion herein, and each party and its directors and officers have relied on the other party for any information concerning the other party.

Trading of Petrox Shares

Pursuant to the policies of the TSXV, trading of the shares of Petrox has been halted on the TSXV and will remain halted until the conditions of the TSXV for the resumption of trading have been met.

FOR FURTHER INFORMATION, PLEASE CONTACT:
Edwin Tam, Chief Executive Officer and Director; or
Alan Chan, Chief Financial Officer and Director
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Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable, disinterested shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the management information circular or filing statement

to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Petrox Resources Corp. should be considered highly speculative.

The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.

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

Forward Looking Statements

This press release contains forward-looking statements which reflect management's expectations regarding future growth, results of operations, performance and business prospects of Petrox and Good Time. These forward-looking statements may relate to, among other things, forecasts or expectations regarding business outlook for Petrox and Good Time, and may also include other statements that are predictive in nature, or that depend upon or refer to future events or conditions, and can generally be identified by words such as "may", "will", "expects", "anticipates", "intends", "plans", "believes", "estimates", "guidance" or similar expressions. In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances are forward-looking statements.

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 Petrox and Good Time. The reader is cautioned not to place undue reliance on any forward-looking information. Although such information is considered reasonable by management at the time of preparation, it may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement. The forward-looking statements contained in this press release are made as of the date of this press release, and Petrox and Good Time do 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 required by securities law.

To view the source version of this press release, please visit https://www.newsfilecorp.com/release/51902

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