

**FORM 51-101 F1**  
**STATEMENT OF RESERVES DATA AND**  
**OTHER OIL AND GAS INFORMATION**  
**OF**  
**GEOROX RESOURCES INC.**

Statements in this document may contain forward-looking information. Estimates provided for 2017 and beyond are based on assumptions of future events and actual results could vary significantly from these estimates. The reader is cautioned that assumptions used in the preparation of such 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 the Corporation. The reader is cautioned not to place undue reliance on this forward-looking information.

## **Part 1 - Relevant Dates**

### **Item 1.1 Date of Statement and Statement Information**

This Statement of Reserves Data and Other Oil and Gas Information (the "Statement") is dated February 22, 2017. The effective date of the information provided in the Statement is December 31, 2016 unless otherwise indicated. The information was prepared in January and February 2017.

## **Part 2 - Disclosure of Reserves Data**

Sproule Unconventional Limited ("Sproule") prepared a report dated February 22, 2017 (the "Sproule Report"), in which it has evaluated as at December 31, 2016 the oil and gas reserves attributable to the principal properties of Georox Resources Inc. ("Georox" or the "Corporation").

The Sproule Report also presents the estimated net present value of future net revenue of Georox's properties before and after taxes, at various discount rates. Assumptions and qualifications relating to costs, prices for future production and other matters are summarized in the notes to the following tables.

The extent and nature of all information supplied by Georox and/or the operator of its properties, which may have included ownership data, well information, geological information, reservoir studies, timing and future production, gas sales contract information, current product prices, operating cost data, capital budget forecasts and future operating plans, have been relied upon by Sproule in preparing the Sproule Report and were accepted

as represented without independent verification. In the absence of such information, Sproule relied, with the approval of Georox, upon its opinion of reasonable practice in the industry. All information provided to Sproule was as at December 31, 2016 and, accordingly, certain of such information may not be representative of current conditions.

All of the Corporation's reserves are in the Provinces of Alberta and Saskatchewan, Canada. Additional definitions of the various categories of reserves and expenditures are as set out in National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities ("**NI 51-101**").

BOEs or 'McfGE' or other applicable units of equivalency may be misleading, particularly if used in isolation. A BOE conversion ratio of 6 Mcf: 1 bbl (or an McfGE conversion ratio of 1 bbl: 6 Mcf) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

It should not be assumed that the present worth of estimated future net revenue represents the fair market value of the reserves. There is no assurance that the escalating price and cost assumptions contained in the Sproule Report will be attained and variances could be material. The reserve and revenue estimates set forth below are estimates only and the actual reserves and realized revenue may be greater or less than those estimated.

## Reserves Data - Forecast Prices and Costs

### NI 51-101 Table 2.1.1

The following table discloses, in the aggregate, the Corporation's gross and net proved and probable reserves, estimated using forecast prices and costs, by product type. "Forecast prices and costs" means future prices and costs used by Sproule in the Sproule Report that are generally accepted as being a reasonable outlook of the future, or fixed or currently determinable future prices or costs to which the Corporation is bound.

<b>Georox Resources Inc.</b> <b>Summary of Oil and Gas Reserves</b> <b>As of December 31, 2016</b> <b>Forecast Prices and Costs</b>								
Reserves Category	Light and Medium Crude Oil		Heavy Crude Oil		Conventional Natural Gas (Solution) <sup>(1)</sup>		Natural Gas Liquids (NGLs)	
	Gross Mbbbl	Net Mbbbl	Gross Mbbbl	Net Mbbbl	Gross MMcf	Net MMcf	Gross Mbbbl	Net Mbbbl
<b>Proved</b>								
Developed Producing	139.8	128.8	10.7	9.5	63	60	0.1	0.0
Developed Non-Producing	18.8	13.8	0	0	0	0	0	0
Undeveloped	221.2	201.1	10.3	10.0	0	0	0	0
<b>Total Proved</b>	<b>379.8</b>	<b>343.7</b>	<b>21.0</b>	<b>19.5</b>	<b>63</b>	<b>60</b>	<b>0.1</b>	<b>0.0</b>
Total Probable	255.4	215.1	27.6	25.8	10	9	0.0	0.0
<b>Total Proved + Probable</b>	<b>635.2</b>	<b>558.8</b>	<b>48.6</b>	<b>45.3</b>	<b>73</b>	<b>69</b>	<b>0.1</b>	<b>0.0</b>
Gross Reserves are the working interest share only. Net Reserves are the working interest gross reserves plus all royalty interest reserves receivable less all royalty burdens payable. (1) Conventional Natural Gas (Solution) includes all gas produced in association with Light, Medium and Heavy Crude Oil, and Tight Oil.								

**NI 51-101 Table 2.1.2**

The following table discloses, in the aggregate, the net present value of the Corporation's future net revenue attributable to the reserves categories in the previous table, estimated using forecast prices and costs, before and after deducting future income tax expenses, and calculated without discount and using discount rates of 5%, 10%, 15% and 20%.

<b>Georox Resources Inc.</b>											
<b>Summary of Net Present Values of Future Net Revenue</b>											
<b>As of December 31, 2016</b>											
<b>Forecast Prices and Costs</b>											
<b>Reserves Category</b>	<b>Before Income Tax</b>					<b>After Income Tax</b>					<b>Before Tax Net Value 10%/yr (\$/BOE)</b>
	<b>Discounted at (%/Year)</b>					<b>Discounted at (%/Year)</b>					
	<b>0% M\$</b>	<b>5% M\$</b>	<b>10% M\$</b>	<b>15% M\$</b>	<b>20% M\$</b>	<b>0% M\$</b>	<b>5% M\$</b>	<b>10% M\$</b>	<b>15% M\$</b>	<b>20% M\$</b>	
<b>Proved</b>											
Developed Producing	4,516	4,047	3,631	3,284	2,995	4,516	4,047	3,631	3,284	2,995	24.48
Developed Non-Producing	709	543	427	345	286	709	543	427	345	286	30.96
Undeveloped	6,865	5,445	4,338	3,477	2,801	6,865	5,445	4,338	3,477	2,801	20.55
<b>Total Proved</b>	<b>12,090</b>	<b>10,035</b>	<b>8,396</b>	<b>7,106</b>	<b>6,082</b>	<b>12,090</b>	<b>10,035</b>	<b>8,396</b>	<b>7,106</b>	<b>6,082</b>	<b>22.49</b>
Total Probable	12,813	9,737	7,682	6,248	5,204	9,808	7,432	5,872	4,798	4,022	31.68
<b>Total Proved + Probable</b>	<b>24,903</b>	<b>19,772</b>	<b>16,078</b>	<b>13,354</b>	<b>11,286</b>	<b>21,898</b>	<b>17,466</b>	<b>14,268</b>	<b>11,904</b>	<b>10,104</b>	<b>26.11</b>

NPV of FNR includes all resource income: Sale of oil, gas, by-product reserves, processing income and other income

Unit Values are based on net reserve volumes

Barrel of Oil Equivalent (BOE): 6 Mcf = 1 BOE

**NI 51-101 Table 2.1.3.a.b**

This table discloses, in the aggregate, certain elements of the Corporation's future net revenue attributable to its proved reserves and its proved plus probable reserves estimated using forecast prices and costs, and calculated without discount.

<b>Georox Resources Inc.</b> <b>Total Future Net Revenue</b> <b>(Undiscounted)</b> <b>As of December 31, 2016</b> <b>Forecast Prices and Costs</b>								
<b>Reserve Category</b>	<b>Revenue</b>	<b>Royalties</b>	<b>Operating Costs</b>	<b>Development Costs</b>	<b>Well Abandonment / Other Costs</b>	<b>Future Net Revenue Before Income Taxes</b>	<b>Income Taxes</b>	<b>Future Net Revenue After Income Taxes</b>
	<b>M\$</b>	<b>M\$</b>	<b>M\$</b>	<b>M\$</b>	<b>M\$</b>	<b>M\$</b>	<b>M\$</b>	<b>M\$</b>
Proved	30,628	2,861	10,283	4,127	1,268	12,090	0	12,090
Proved + Probable	53,675	6,294	16,630	4,479	1,369	24,903	3,005	21,898

**NI 51-101 Table 2.1.3.c**

This table discloses, by production group, the net present value of the Corporation's future net revenue attributable to its proved reserves and proved plus probable reserves, before deducting future income tax expenses, estimated using forecast prices and costs, and calculated using a 10% discount rate.

<b>Georox Resources Inc.</b> <b>Net Present Value of Future Net Revenue</b> <b>By Production Group</b> <b>As of December 31, 2016</b> <b>Forecast Prices and Costs</b>			
Reserves Category	Production Group	Future Net Revenue Before Income Taxes (Discounted at 10%/Year) M\$	Unit Value Before Income Taxes (Discounted at 10%/Year) \$/BOE
<b>Proved</b>	Light and Medium Crude Oil (including Conventional Natural Gas (Solution) and associated by-products)	8,250	23.32
	Heavy Crude Oil (including Conventional Natural Gas (Solution) and associated by-products)	146	7.49
<b>Proved + Probable</b>	Light and Medium Crude Oil (including Conventional Natural Gas (Solution) and associated by-products)	15,729	27.57
	Heavy Crude Oil (including Conventional Natural Gas (Solution) and associated by-products)	350	7.72

In 2016, Georox received a weighted average price of \$43.38 per barrel (before transportation, marketing fees and hedging) for its crude oil. More specifically light oil received a weighted average price of \$44.77 per barrel and Heavy Crude Oil received a weighted average price of \$28.31 per barrel.

**Part 3 - Pricing Assumptions Item 3.2 Forecast Prices Used in Estimates**

<b>Summary of Pricing and Inflation Rate Assumptions as of December 31, 2016 Forecast Prices and Costs</b>									
Year	Canadian Light Sweet Crude 40° API (\$Cdn/bbl)	Western Canada Select 20.5 API (\$Cdn/bbl)	Alberta AECO-C Spot (\$Cdn/MMbtu)	Edmonton Pentanes Plus (\$Cdn/bbl)	Edmonton Butane (\$Cdn/bbl)	Edmonton Propane (\$Cdn/bbl)	Operating Cost Inflation Rate <sup>2</sup> (%/Yr)	Capital Cost Inflation Rate <sup>2</sup> (%/Yr)	Exchange Rate <sup>3</sup> (\$US/\$Cdn)
<b>Historical</b>									
2012	86.57	73.08	2.43	100.76	64.48	47.40	1.0	4.5	1.001
2013	93.27	74.93	3.13	105.48	69.88	38.37	1.0	0.7	0.971
2014	93.99	81.06	4.50	102.39	68.02	44.42	2.0	-1.0	0.905
2015	57.45	44.83	2.70	61.45	36.81	6.17	1.8	-23.2	0.783
2016	52.80	38.30	2.18	55.71	34.32	13.6	1.6	-3.3	0.755
<b>Forecast</b>									
2017	65.58	53.12	3.44	67.95	47.60	22.74	0.0	0.0	0.780
2018	74.51	61.85	3.27	75.61	55.49	28.04	2.0	2.0	0.820
2019	78.24	64.94	3.22	78.82	57.65	30.64	2.0	2.0	0.850
2020	80.64	66.93	3.91	80.47	58.80	32.27	2.0	2.0	0.850
2021	82.25	68.27	4.00	82.15	59.98	33.95	2.0	2.0	0.850
2022	83.90	69.64	4.10	83.86	61.18	35.68	2.0	2.0	0.850
2023	85.58	71.03	4.19	85.61	62.40	37.46	2.0	2.0	0.850
2024	27.29	72.45	4.29	87.39	63.65	39.30	2.0	2.0	0.850
2025	89.03	73.90	4.40	89.21	64.92	41.19	2.0	2.0	0.850
2026	90.81	75.38	4.50	91.07	66.22	43.13	2.0	2.0	0.850
2027	92.63	76.88	4.61	92.96	67.54	45.14	2.0	2.0	0.850
Thereafter	Escalation Rate of 2.0%								

(1) This summary table identifies benchmark reference pricing schedules that might apply to a *reporting issuer*. See Appendix B for more details.

(2) Inflation rates for forecasting prices and costs.

(3) Exchange rates used to generate the benchmark reference prices in this table.

*Notes:*

Product sale prices will reflect these reference prices with further adjustments for quality and transportation to point of sale.

## Part 4 - Reconciliation of Changes In Reserves

### Item 4.1 Table R-1

<b>NI 51-101 Reconciliation of Company Gross<sup>(1)</sup> Reserves by Product Type As of December 31, 2016 Forecast Prices and Costs</b>															
Factors	Light and Medium Crude Oil			Heavy Crude Oil			Conventional Natural Gas (Solution)			Natural Gas Liquids			BOE		
	Gross Proved (Mbbbl)	Gross Probable (Mbbbl)	Gross Proved Plus Probable (Mbbbl)	Gross Proved (Mbbbl)	Gross Probable (Mbbbl)	Gross Proved Plus Probable (Mbbbl)	Gross Proved (MMcf)	Gross Probable (MMcf)	Gross Proved Plus Probable (MMcf)	Gross Proved (Mbbbl)	Gross Probable (Mbbbl)	Gross Proved Plus Probable (Mbbbl)	Gross Proved (MBOE)	Gross Probable (MBOE)	Gross Proved Plus Probable (MBOE)
December 31, 2015	388.5	112.3	500.8	28.4	29.3	57.7	105	19	124	3.3	0.9	4.2	437.7	145.7	583.4
Product Type Transfer	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0
Extensions	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0
Infill Drilling	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0
Improved Recovery	45.5	116.2	161.7	0.0	0.0	0.0	0	0	0	0.0	0.0	0.0	45.5	116.2	161.7
Technical Revisions	(14.7)	28.1	13.4	3.9	(1.8)	2.1	(28)	(9)	(36)	(2.8)	(0.9)	(3.7)	(18.1)	23.9	5.8
Discoveries	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0
Acquisitions	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0
Dispositions	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0	0.0	0.0	0.0	0.0	0.0	0.0
Economic Factors	(8.7)	(1.2)	(9.9)	(1.1)	0.1	(1.0)	(2)	(0)	(3)	0.0	0.0	0.0	(10.2)	(1.1)	(11.3)
Production	(30.8)	0.0	(30.8)	(10.2)	0.0	(10.2)	(12)	0	(12)	(0.4)	0.0	(0.4)	(43.5)	0.0	(43.5)
December 31, 2016	379.8	255.4	635.2	21.0	27.6	48.6	63	10	73	0.1	0.0	0.1	411.4	284.7	696.1

(1) Gross Reserves means the Corporation's working interest reserves before calculation of royalties, and before consideration of the Corporation's royalty interests.

(2) Conventional Natural Gas (Solution) includes all gas produced in association with Light, Medium and Heavy Crude Oil, and Tight Oil.



## Part 5 - Additional Information Relating To Reserves Data

### Item 5.1 Undeveloped Reserves

The following discussion generally describes the basis on which Georox attributes proved and probable undeveloped reserves and its plans for developing those undeveloped reserves.

<b>Georox Resources Inc.</b> <b>NI 51-101</b> <b>Undeveloped Reserves Vintage by Principal Product Type</b> <b>As of December 31, 2016</b> <b>Forecast Prices and Costs</b>								
	Light and Medium Oil		Heavy Crude Oil		Natural Gas		Natural Gas Liquids	
	First	Booked	Attributed	Gross	Gross	Gross	Attributed	Booked
	Attributed	Gross	Gross	Mbbl				
	Gross	Mbbl	Mbbl	First	MMcf	MMcf	Gross	Gross
Mbbl	First	Booked	Attributed	Booked	First	Mbbl	Mbbl	
<b>Proved Undeveloped</b>								
Dec. 31, 2014	102.3	102.3	0.0	10.3	12	12	1.1	1.1
Dec. 31, 2015	67.5	169.5	0.0	10.3	0	13	0.0	1.1
Dec. 31, 2016	45.5	221.2	0.0	10.3	0	0	0.0	0.0
<b>Probable Undeveloped</b>								
Dec. 31, 2014	36.8	36.8	0.0	20.0	4	4	0.4	0.4
Dec. 31, 2015	31.1	67.8	0.0	23.5	0	5	0.0	0.4
Dec. 31, 2016	161.7	186.8	0.0	23.5	0	0	0.0	0.0

---

### **Proved Undeveloped Reserves**

Undeveloped reserves are attributed by Sproule in accordance with standards and procedures contained in the COGE Handbook. Proved undeveloped reserves are those reserves that can be estimated with a high degree of certainty and are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production.

#### **Silverdale Property – General Petroleum (Heavy Crude Oil)**

Proved undeveloped reserves have been assigned to three GP horizontal locations at Silverdale. The company share of undiscounted capital costs included for these three locations is \$211,100. These locations are scheduled to come on stream in 2017.

#### **Red Earth Property - Granite Wash (Light Crude Oil)**

Proved undeveloped reserves have been assigned to two Granite Wash vertical locations at Red Earth and a Granite Wash water flood in section 11-087-08W5. The company share of undiscounted capital costs included for these is \$2,780,000. These entities are scheduled to come on stream in 2017.

#### **Pouce Coupe Property - Boundary Lake (Light Crude Oil)**

Proved undeveloped reserves have been assigned to two Boundary Lake vertical locations at Pouce Coupe. The company share of undiscounted capital costs included for these two locations is \$1,100,800. These locations are scheduled to come on stream in 2017.

### **Probable Undeveloped Reserves**

Probable undeveloped reserves are those reserves that are less certain to be recovered than proved reserves and are expected to be recovered from known accumulations where a significant expenditure is required to render them capable of production.

#### **Silverdale Property – General Petroleum (Heavy Crude Oil)**

Proved plus probable undeveloped reserves have been assigned to eight horizontal General Petroleum locations at Silverdale. Capital expenditures for all eight locations are scheduled to be spent in 2017.

---

### Other future forecast material capital

Additional capital expenditures of \$35,000 company share (proved developed non-producing) have been included in 2017 for a planned workover to optimize a producing well in the Red Earth property.

### Item 5.2 Significant Factors or Uncertainties

Sproule conducted an independent engineering evaluation on Georox's reserves as at December 31, 2016. The process of establishing reserves requires significant judgments and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change.

As circumstances change and additional data becomes available, reserve estimates also change. Estimates made are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, prices, economic conditions and governmental restrictions.

Although every reasonable effort is made to ensure that reserve estimates are accurate, reserve estimation is an inferential science. As a result, new geological or production information and a changing environment may impact these estimates. Revisions to reserve estimates can arise from changes in year-end oil and gas prices, and reservoir performance.

### Item 5.3 (1)

NI 51-101 Table 5.3 1. (a)

<b>Georox Resources Inc. Future Development Costs As of December 31, 2016 Forecast Prices and Costs (\$000s)</b>		
	<b>Proved Reserves</b>	<b>Proved Plus Probable Reserves</b>
2017	4,127	4,479
2018	0	0
2019	0	0
2020	0	0
2021	0	0
Remaining	0	0
Total Undiscounted	4,127	4,479

---

### Item 5.3 (2)

The Corporation expects that funds for future capital costs will be obtained from internally generated cash flow, farm-outs and occasional equity financing.

## Part 6 - Other Oil and Gas Information

### Item 6.1 Oil and Gas Properties and Wells

As at December 31, 2016, Georox had twenty four (24) producing oil wells and twelve (12) inactive wells. The following table shows information regarding the Corporation's wells at December 31, 2016.

<b>Georox Resources Inc.</b>				
<b>Oil Wells at December 31, 2016</b>				
	<b>Producing</b>		<b>Non-Producing</b>	
	<b>Gross</b>	<b>Net<sup>(1)</sup></b>	<b>Gross</b>	<b>Net<sup>(1)</sup></b>
Alberta	10	8.5	6	4.3
Saskatchewan	14	1.5	6	0.7
<b>TOTAL</b>	<b>24</b>	<b>10.0</b>	<b>12</b>	<b>5.0</b>

(1) Company working interest wells

### Item 6.2 Properties with No Attributed Reserves

The following table sets forth information respecting Georox's undeveloped lands as at December 31, 2016.

<b>Georox Resources Inc.</b>		
<b>Effective December 31, 2016</b>		
<b>Undeveloped Land<sup>(1)</sup></b>		
	<b>Undeveloped Acres</b>	
	<b>Gross Acres</b>	<b>Net Acres</b>
Alberta	3,400	3,400
Saskatchewan	0	0
<b>Total</b>	<b>3,400</b>	<b>3,400</b>

(1) Unproved Properties have no attributed reserves as of December 31, 2016. Undeveloped acreage within properties where reserves have been booked as of December 31, 2016 has not been included.

As of December 31, 2016 Georox had no outstanding material work commitments. In all other areas of its operations, Georox's significant obligations are discretionary.

---

### Item 6.3 Forward Contracts

Georox is not currently party to any forward sale contracts.

### Item 6.4 Additional Information Concerning Abandonment and Restoration Costs

Sproule has included costs for downhole abandonment, surface disconnection and reclamation for wells that were assigned reserves in the reserve evaluation. Costs for salvage values have not been included in the reserves evaluation. Abandonment, disconnect and reclamation costs included in the reserve evaluation report are summarized below:

<b>Abandonment, Disconnect and Reclamation Costs for Wells Assigned Reserves</b>		
<b>\$000's</b>	<b>Proved Reserves</b>	<b>Proved Plus Probable Reserves</b>
Undiscounted	1,268	1,369
Discounted at 10%	376	340

In addition to these abandonment costs, Georox estimates the total additional abandonment costs related to suspended wells and reclamation of all wells and facilities to be an additional \$313,540.

### Item 6.5 Tax Horizon

The Corporation was not required to pay income taxes during the year ended December 31, 2016. The Corporation does not expect to pay taxes for at least the next two years. No taxes are payable for the proved reserves case. A small amount of tax is payable for the proved plus probable reserve case.

### Item 6.6 Costs Incurred

The following table summarizes certain expenditures of the Corporation during the year ended December 31, 2016.

<b>Table 6.6</b> <b>NI 51-101</b> <b>Capital Expenditures</b> <b>for the Year Ending December 31, 2016</b>	
	<b>Amount (M\$)</b>
<b>Property Acquisition</b>	
Proved	0.0
Unproved	0.0
<b>Capital Expenditures</b>	
Exploration Costs	61.2
Development Costs	0.0
<b>Total</b>	<b>61.2</b>

### Item 6.7 Exploration and Development Activities

The following table sets forth the gross and net wells completed by Georox during the year ended December 31, 2016.

<b>Table 6.7</b> <b>NI 51-101</b> <b>Oil and Gas Well Activity in Year 2016<sup>(1)</sup></b>		
	<b>Well Activity</b>	
<b>WELLS</b>	<b>Gross (2)</b>	<b>Net (3)</b>
<b>Development</b>		
Gas	-	-
Oil	-	-
Dry	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>Exploratory</b>		
Gas	-	-
Oil	-	-
Dry	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>-</b>	<b>-</b>
<p>(1) Results of Development/Exploratory activities during the financial year ending Dec. 31, 2016.</p> <p>(2) "Gross" wells means the number of wells in which the Corporation has a working interest or a royalty interest that may be converted to a working interest.</p> <p>(3) "Net" wells means the aggregate number of wells obtained by multiplying each gross well by the Corporation's percentage working interest therein.</p>		

---

### Item 6.8 Production Estimates for 2017

All of Georox production occurs in Canada as per the table below;

<b>Table 6.8.1 and 6.8.2 NI 51-101 Summary of First Year Production Forecast by Product Type Total Proved and Probable Reserves for Year 2017 As of December 31, 2016 Forecast Prices and Costs</b>					
	<b>Light and Medium Crude Oil (bbl/d)</b>	<b>Heavy Crude Oil (bbl/d)</b>	<b>NGL (bbl/d)</b>	<b>Natural Gas (mcf/d)</b>	<b>Oil Equivalent (boepd)</b>
Total Proved	146	19	0	17	168
Probable	8	7	0	0	15
Total Proved Plus Probable	154	26	0	18	183

### Item 6.9 Production History and Quarterly Revenue, Royalties, Operating Costs and Field Income

The following table summarizes the Corporation's Quarterly average daily production volumes, product prices received, royalties paid and resulting net back for the year ended December 31, 2016, by major product type.

NI 51-101 Table 6.9.1

Georox Resources Inc. Year Ended December 31, 2016					
	Q4	Q3	Q2	Q1	Full Year Ended Dec. 31, 2016
<b>Average</b>					
<b>Daily Production</b>					
Light Oil and NGL (bbl/d)	91	83	84	87	86
Heavy Crude Oil (bbl/d)	33	25	24	29	28
Natural Gas (Mcf/d)	9	5	6	7	7
Total (boe/d)	133	113	114	123	121
<b>Average Net Production</b>					
<b>Prices Received</b>					
Light Oil and NGL (\$/bbl)	35.93	53.05	53.07	60.73	50.51
Heavy Crude Oil (\$/bbl)	14.98	32.18	32.50	36.39	28.31
Natural Gas (\$/Mcf)	3.60	24.84	17.87	24.58	16.22
Total (\$/boe)	28.65	46.49	46.83	52.76	43.38
<b>Royalties Paid</b>					
Light Oil and NGL (\$/bbl)	0.75	1.33	3.78	3.66	2.36
Heavy Crude Oil (\$/bbl)	6.01	3.05	1.58	6.23	4.45
Natural Gas (\$/Mcf)	0.12	0.00	0.14	0.00	0.06
Total (\$/boe)	2.21	1.73	3.36	4.3	2.91
<b>Operating Expenses</b>					
Light Oil and NGL (\$/bbl)	9.82	45.41	28.20	35.76	29.10
Heavy Crude Oil (\$/bbl)	17.81	24.79	33.12	20.16	23.30
Natural Gas (\$/Mcf)	1.56	0.00	1.01	0.00	3.80
Total (\$/boe)	13.40	38.54	29.11	31.35	27.67
<b>Netback Received</b>					
Light Oil and NGL (\$/bbl)	18.26	3.89	16.88	18.47	15.11
Heavy Crude Oil (\$/bbl)	8.87	17.06	28.86	13.13	18.49
Natural Gas (\$/Mcf)	2.90	0.00	0.61	0.00	0.42
Total (\$/boe)	13.04	6.22	14.36	17.11	12.80

**Comment [c1]:** When I compared with the Lease Operating Statements, it appears that the data is reversed (Q4 numbers appeared in the Q1 column, Q3 numbers in the Q2 column, etc). Double check this and give me a call if you have questions.

**Comment [c2]:** Grand total boe/day does not match Lease Operating Statements. The math also does not flow through. (For example, for the full year:  $86 + 28 + 7/6 = 115$ , not 121)

**Comment [c3]:** Make sure that the data in Q1 is actually from Q1 and not Q4. Please compare against Lease Operating Statements to make sure directionally, the numbers are making sense. When I reviewed the LOS, the pricing increased as the months went by. This table is describing otherwise.

**Comment [c4]:** Make sure that the data in Q1 is actually from Q1 and not Q4. See comment [c7]

**Comment [c5]:** Make sure that the data in Q1 is actually from Q1 and not Q4. See comment [c7]

**Comment [c6]:** Make sure that the data in Q1 is actually from Q1 and not Q4. See comment [c7]



---

## ABBREVIATIONS

### Oil and Natural Gas Liquids

bbl	barrel
bbls	barrels
Mbbls	thousand barrels
Mstb	1,000 stock tank barrels
bopd	barrels of oil per day
NGLs	natural gas liquids
STB	stock tank barrels

### Natural Gas

Mcf	thousand cubic feet
MMcf	million cubic feet
Mcf/d	thousand cubic feet per day
MMbtu	million British Thermal Units
Bcf	billion cubic feet
Tcf	trillion cubic feet
Gj	gigajoule

### Other

AECO	EnCana Corp.'s natural gas storage facility located at Suffield, Alberta
API	American Petroleum Institute
°API	an indication of the specific gravity of crude oil measured on the API gravity scale
ARTC	Alberta Royalty Tax Credit
BOE or boe	barrel of oil equivalent of natural gas and crude oil on the basis of 1 BOE for 6 Mcf of natural gas
m3	cubic metres
MBOE	1,000 barrels of oil equivalent
Mstboe	1,000 stock tank barrels of oil equivalent
\$000's or M\$	Thousands of dollars
\$mm	Millions of dollars
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade
psi	pounds per square inch

---

## CONVERSIONS

The following table sets forth certain conversions between Standard Imperial Units and the International System of Units (or metric units).

To Convert From	To	Multiply By
Mcf	cubic metres	28.174
cubic metres	cubic feet	35.494
bbls	cubic metres	0.159
cubic metres	bbls oil	6.293
feet	Metres	0.305
metres	Feet	3.281
miles	kilometres	1.609
kilometres	Miles	0.621
acres	Hectares	0.405
hectares	Acres	2.471
gigajoules	MMbtu	0.950

All calculations converting natural gas to barrels of oil equivalent ("**boe**") have been made using a conversion ratio of six thousand cubic feet (6 Mcf) of natural gas to one barrel of oil, unless otherwise stated. The use of boes may be misleading, particularly if used in isolation, as the conversion ratio of 6 Mcf of natural gas to one barrel of oil is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

---

## CERTAIN DEFINITIONS

In this 51-101F1, the following words and phrases have the following meanings:

"**Associated gas**" means the gas cap overlying a crude oil accumulation in a reservoir;

"**COGE Handbook**" means the Canadian Oil and Gas Evaluation Handbook prepared jointly by the Society of Petroleum Evaluation Engineers (Calgary chapter) and the Canadian Institute of Mining, Metallurgy & Petroleum;

"**Crude Oil (or Oil)**: means a mixture consisting mainly of pentanes and heavier hydrocarbons that exists in the liquid phase in reservoirs and remains liquid at atmospheric pressure and temperature. Crude oil may contain small amounts of sulphur and other non-hydrocarbons but does not include liquids obtained from the processing of natural gas. Refer to the COGE Handbook for a more complete definition;

"**Gross**" or "**gross**" means:

- (a) in relation to the Corporation's interest in production and reserves, its "Corporation gross reserves", which are the Corporation's interest (operating and non-operating) share before deduction of royalties and without including any royalty interest of the Corporation;
- (b) in relation to wells, the total number of wells in which the Corporation has an interest; and
- (c) in relation to properties, the total area of properties in which the Corporation has an interest;

"**Net**" or "**net**" means:

- (a) in relation to the Corporation's interest in production and reserves, the Corporation's interest (operating and non-operating) share after deduction of royalties obligations, plus the Corporation's royalty interest in production or reserves;
- (b) in relation to wells, the number of wells obtained by aggregating the Corporation's working interest in each of its gross wells; and
- (c) in relation to the Corporation's interest in a property, the total area in which the Corporation has an interest multiplied by the working interest owned by the Corporation.

"**NGL**" or "**NGLs**" means natural gas liquid or natural gas liquids; and

"**Non-associated gas**" means an accumulation of natural gas in a reservoir where there is no crude oil.

---

## Reserve Categories

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, from a given date forward, based on:

- analysis of drilling, geological, geophysical and engineering data;
- the use of established technology; and
- specified economic conditions, specifically the forecast prices and costs.

Reserves are classified according to the degree of certainty associated with the estimates.

- (a) Proved reserves are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.
- (b) Probable reserves are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

Other criteria that must also be met for the categorization of reserves are provided in the COGE Handbook.

Each of the reserve categories (proved and probable) may be divided into developed and undeveloped categories:

- a) Developed reserves are those reserves that are expected to be recovered from existing wells and installed facilities or, if facilities have not been installed, that would involve a low expenditure (for example, when compared to the cost of drilling a well) to put the reserves on production. The developed category may be subdivided into producing and non-producing.
  - (I) Developed producing reserves are those reserves that are expected to be recovered from completion intervals open at the time of the estimate. These reserves may be currently producing or, if shut-in, they must have previously been on production, and the date of resumption of production must be known with reasonable certainty.
  - (II) Developed non-producing reserves are those reserves that either have not been on production, or have previously been on production, but are shut-in, and the date of resumption of production is unknown.

- 
- b) Undeveloped reserves are those reserves expected to be recovered from known accumulations where a significant expenditure (for example, when compared to the cost of drilling a well) is required to render them capable of production. They must fully meet the requirements of the reserves classification (proved, probable) to which they are assigned. In multi-well pools it may be appropriate to allocate total pool reserves between the developed and undeveloped categories or to subdivide the developed reserves for the pool between developed producing and developed non-producing. This allocation should be based on the estimator's assessment as to the reserves that will be recovered from specific wells, facilities and completion intervals in the pool and their respective development and production status.

### **Levels of Certainty for Reported Reserves**

The qualitative certainty levels referred to in the definitions above are applicable to individual reserve entities (which refers to the lowest level at which reserves calculations are performed) and to reported reserves (which refers to the highest level sum of individual entity estimates for which reserve estimates are prepared). Reported reserves should target the following levels of certainty under a specific set of economic conditions:

- (a) at least a 90 percent probability that the quantities actually recovered will equal or exceed the estimated proved reserves; and
- (b) at least a 50 percent probability that the quantities actually recovered will equal or exceed the estimated proved plus probable reserves.

A qualitative measure of the certainty levels pertaining to estimates prepared for the various reserves categories is desirable to provide a clearer understanding of the associated risks and uncertainties. However, the majority of reserves estimates will be prepared using deterministic methods that do not provide a mathematically derived quantitative measure of probability. In principle, there should be no difference between estimates prepared using probabilistic or deterministic methods.

Additional clarification of certainty levels associated with reserves estimates and the effect of aggregation is provided in the COGE Handbook.