



# ROBIX



## NEWS RELEASE

### ROBIX COMPLETES ACQUISITION OF FORMATION FLUID

**October 11, 2016 – Lethbridge, AB: Robix Environmental Technologies, Inc. (“Robix” or the “Company”) (RZX:CSE, ROX:Frankfurt) and Robix Environmental Technologies Group, Inc., formerly Formation Fluid Management Inc. (“Formation Fluid”) (FFM:TSXV) announced today that, further to the joint press release dated August 29, 2016, Robix has acquired Formation Fluid (the “Acquisition”). The Acquisition was completed pursuant to the terms of the amalgamation agreement (the “Amalgamation Agreement”) made among Formation Fluid, Robix and a wholly-owned subsidiary of Robix, whereby Formation Fluid amalgamated with the wholly-owned subsidiary of Robix, and continues as one wholly-owned subsidiary of the Company (“Amalco”). Approval of the Acquisition was obtained from the shareholders of Formation Fluid (the “Formation Fluid Shareholders”) at a special meeting of the Formation Fluid Shareholders held on October 7, 2016.**

In accordance with the terms of the Amalgamation Agreement, the Formation Fluid common shares (“Formation Fluid Shares”) are to be de-listed from the TSX Venture Exchange (the “TSXV”) pending final approval of the TSXV. Under the terms of the Amalgamation Agreement, upon submission of duly completed and executed letters of transmittal, Formation Fluid Shareholders are entitled to receive approximately 0.425 of a common share of Robix (“Robix Shares”) for every one (1) Formation Fluid Share held. In connection with the Acquisition, Robix has issued 25,419,159 Robix Shares to the former Formation Fluid Shareholders. In addition, Mr. Ken Rose and Mr. Mark Bentsen have joined the Board of Directors of Robix. Ms. Wanda Cutler and Mr. Kevin Aylward have resigned from the Board of Directors of Robix.

Nathan Hansen, President and CEO of Robix commented “I would like to thank Wanda and Kevin for their contribution to the Robix Board. I would also like to extend a warm welcome to the Formation Fluid team both the management and our new board members. This business combination is highly accretive and I look forward to being able to offer customers a full end to end oil recovery solution.”

Upon the closing of the Acquisition, Mohammed Al-Mofty has joined the management team of Robix as the VP Engineering. Mr. Al-Mofty holds a Master of Science in Environmental Engineering and a Bachelor of Science in Chemical Engineering. He brings over 20 years of experience in the design, construction, and commissioning of both conventional and non-conventional oil & gas and industrial wastewater treatment processes, with capacities from 500 m<sup>3</sup>/day to 500,000 m<sup>3</sup>/day. He joined the team at Formation Fluid in 2010.

Pursuant to the terms of the employment agreement with Mr. Al-Mofty, Robix has issued 300,000 Robix Shares. In addition, pursuant to the terms of the employment agreements with other directors and officers of Robix, Robix issued an aggregate of 1,050,000 Robix Shares. Robix has determined that

exemptions from the various requirements of Multilateral Instrument 61-101 are available for the issuance of the Robix Shares to the officers and directors of the Corporation (Formal Valuation - Issuer Not Listed on Specified Markets; Minority Approval - Fair Market Value Not More Than 25% of Market Capitalization).

59,809,787 Formation Fluid Shares were acquired by Robix in connection with the Acquisition, representing 100% of the issued and outstanding Formation Fluid Shares. The total transaction value for Robix to acquire the Formation Fluid Shares was approximately \$5,973,502.36 (based on the deemed price of \$0.235 per Robix Share). Under IFRS 3 *Business Combinations*, the value of the Robix Shares issued as the consideration paid by Robix must be recognized at the effective date fair value. Based on the closing price of the Robix Shares on October 7, 2016 of \$0.235, the value of Robix Share consideration was approximately \$5,973,502.36. Prior to the closing of the Acquisition, Robix did not own or control any Formation Fluid Shares. Following the closing of the Acquisition and the amalgamation, Robix now owns or controls 25,419,160 common shares of Amalco, representing all of the issued and outstanding common shares of Amalco. Discussion of the purpose and details of the Acquisition are included in the Management Information Circular of Formation Fluid dated August 24, 2016, a copy of which is available on Formation Fluid's SEDAR profile at [www.sedar.com](http://www.sedar.com). The head office address for both Robix and Amalco is #3, 1406 - 3rd Avenue South, Lethbridge, Alberta T1J 0K6.

#### **About Formation Fluid:**

Formation Fluid has developed a three stage waste water treatment plant (Hydro-Cycle) that uses a proprietary process to clean waste water. Each plant is mobile and can process up to 1000 m<sup>3</sup> of water per day. This system treats water to meet or exceed CCME Guidelines (Canadian Environmental Quality Guidelines), resulting in reusable water that can be used for: Boilers, Frac Water, Water Floods, and Drilling Operations. Formation Fluids has identified commercial applications for the Hydro-Cycle system within the oil and gas industry. The waste water treatment system has a primary use to reduce producers' costs of dealing with produced water. The system also satisfies the need to reuse and recycle an increasing valuable resource.

#### **About Robix:**

The Corporation is an "industrial products/technology" company, offering to investors a unique opportunity to participate in a leading company in the business of ownership of patents, and their development from commercialization to worldwide expansion through various business arrangements. Robix owns a Clean Ocean Vessel ("COV") patent, which is an oil spill recovery vessel design with the capability to recover oil in rough and debris laden sea conditions. Robix has recognized a worldwide market opportunity for effective containment, recovery and disposal equipment, particularly in the oil spill protection industry, and it proposes to develop a business model as a service provider, and/or equipment provider under licensing agreements with other industry participants, wherein Robix will use its COV patented design solution.

For more information please contact:

**Robix Environmental Technologies, Inc.**

Website: [www.robixenvirotech.com](http://www.robixenvirotech.com)

Nathan Hansen  
President & CEO  
Tel: 250-683-8957  
Email: [nathan@robixenvirotech.com](mailto:nathan@robixenvirotech.com)

or Robin Ray  
Chief Financial Officer  
Tel: 403-327-3094  
Email: [robin@robixfuels.com](mailto:robin@robixfuels.com)

**Formation Fluid Management Inc.**

Ken Rose, Chief Executive Officer  
Investor Inquiries: 1 (403) 550-4421  
E-mail inquiries: [info@fftinc.ca](mailto:info@fftinc.ca)

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This press release contains certain statements which constitute forward-looking statements or information ("forward-looking statements"), including statements regarding Robix's business and the Acquisition. Such forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond Robix's and Formation Fluid's control, including the impact of general economic conditions, industry conditions, volatility of commodity prices, currency fluctuations, environmental risks, operational risks in exploration and development, competition from other industry participants, the lack of availability of qualified personnel or management, stock market volatility and the ability to access sufficient capital from internal and external sources. Although Robix believes that the expectations in the forward-looking statements are reasonable, they are based on factors and assumptions concerning future events which may prove to be inaccurate. Those factors and assumptions are based upon currently available information. Such statements are subject to known and unknown risks, uncertainties and other factors that could influence actual results or events and cause actual results or events to differ materially from those stated, anticipated or implied in the forward looking information. As such, readers are cautioned not to place undue reliance on the forward looking information, as no assurance can be provided as to future results, levels of activity or achievements. The forward-looking statements contained in this document are made as of the date of this document and, except as required by applicable law, Robix does not undertake any obligation to publicly update or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.