



## **Point Loma Resources Announces Closing of Brokered Private Placement and Over-Allotment**

**Calgary, Alberta, October 26, 2016:** Point Loma Resources Ltd. (TSX VENTURE: PLX) (the "Corporation" or "Point Loma") is pleased to announce that it has closed the previously announced private placement (the "Offering") with Mackie Research Capital Corporation (the "Agent"). Point Loma has closed the Offering in the amount of \$1.7 million in common shares of the Corporation issued on a "flow-through" basis (the "FT Common Shares") under the Income Tax Act (Canada) (the "Tax Act") with respect to Canadian Exploration Expense "CEE" at a price of \$0.35 per FT Common Share.

The Agent has exercised their "Over-Allotment Option" to increase the size of the Offering to approximately \$2.0 million in gross proceeds to Point Loma.

All FT Common Shares issued will be subject to a four month hold period.

Point Loma has increased its production since inception and is now averaging approximately 500 barrels of oil equivalent per day (40% oil & natural gas liquids and 60% natural gas), a 300 percent increase since completing the asset and corporate transactions on June 28, 2016.

### **Point Loma intends to use the proceeds of the offering and cash on hand as follows:**

- To tie-in additional behind pipe oil and natural gas production from a horizontal well in the West Cove field of central Alberta. The well was drilled in 2014.
- To tie-in additional behind pipe oil and natural gas production from a vertical Glauconite Mannville well in the Thorsby area.
- Initiate horizontal drilling operations on Point Loma's large undeveloped land base of over 140,000 net acres (219 net sections) focused on the captured Mannville play fairway.
- Subject to budget approval, drill additional horizontal development wells in 2017 focused on the Mannville to the Mississippian formations of west central Alberta.

### **About Point Loma**

Point Loma is a public oil and gas development and exploration company focused on horizontally exploiting conventional oil and gas reservoirs in west central Alberta. Point Loma's business plan is to utilize its experience to drill, develop and acquire accretive assets with potential for horizontal multi-stage frac technology and exploit opportunities for secondary recovery. For more information and our current presentation please visit Point Loma's website at [www.pointloma.ca](http://www.pointloma.ca) or Point Loma's profile on the System for Electronic Document Analysis and Retrieval website at [www.sedar.com](http://www.sedar.com).

***For further information, please contact:***

Terry Meek  
President and CEO  
Telephone: (403) 705-5051 ext.101  
[tmeek@pointloma.ca](mailto:tmeek@pointloma.ca)

Kevin Angus  
Executive Vice-President Business Development  
Telephone: (403) 705-5051 ext. 103  
[kangus@pointloma.ca](mailto:kangus@pointloma.ca)

Randall Boyd  
Vice President Finance and CFO  
Telephone: (403) 705-5051 ext. 105  
[rboyd@pointloma.ca](mailto:rboyd@pointloma.ca)

***A Note Regarding Forward-Looking Information***

*This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws, including without limitation, statements pertaining to Point Loma's expectations as to production and future potential production increases, as well as increases in cash flow and the timing thereof; the anticipated use of proceeds of the Offering; future gas processing rates; Point Loma's expectations as to future prices of oil and natural gas; the focus of Point Loma's management team and go-forward strategy.*

*The use of any of the words "will", "expects", "believe", "plans", "potential" and similar expressions are intended to identify forward-looking statements or information. Although Point Loma believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because Point Loma cannot give assurance that they will prove to be correct.*

*Since forward-looking statements and information 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, the risks associated with the oil and gas industry in general such as 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 and resource estimates; the inability of Point Loma to bring additional production on stream or in the anticipated quantities disclosed herein; the uncertainty of estimates and projections relating to reserves, resources, production, costs and expenses; health, safety and environmental risks; commodity price and exchange rate fluctuations; marketing and transportation; loss of markets; environmental risks; competition; incorrect assessment of the value of acquisitions; failure to realize the anticipated benefits of acquisitions; ability to access sufficient capital from internal and external sources; changes in legislation, including but not limited to tax laws, royalties and environmental regulations, actual production from the acquired assets may be greater or less than estimates. Management has included the above summary of assumptions and risks related to forward-*

*looking information provided in this press release in order to provide security holders with a more complete perspective on Point Loma's future operations and such information may not be appropriate for other purposes.*

*The forward-looking statements and information contained in this press release are made as of the date hereof and Point Loma does not undertake any obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.*

***Oil and Gas Information***

*“BOEs” may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet of natural gas to one barrel of oil equivalent (6 Mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. As the value ratio between natural gas and crude oil based on the current prices of natural gas and crude oil 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.*