



Point Loma Resources Announces Third Quarter 2016 Financial and Operating Results

Calgary, Alberta, November 24, 2016: Point Loma Resources Ltd. (TSX VENTURE: PLX) (the "Corporation" or "Point Loma") is pleased to report financial and operating results for the third quarter at September 30, 2016. Several significant accomplishments were achieved during the period:

- Point Loma was formed on June 28, 2016 through the reverse take-over of First Mountain Exploration Inc. ("First Mountain"), a publicly traded company by Point Loma Energy Ltd. ("Point Loma Energy"), a private company.
- On June 28, 2016, Point Loma Energy acquired petroleum and natural gas assets focused in the Paddle River area of Alberta for total consideration of \$5.5 million. The effective date of the transaction was May 1, 2016. The consideration was paid through the issuance of \$2.5 million of common shares and a \$3.0 million convertible debenture. Subsequently, First Mountain acquired all the issued and outstanding shares of Point Loma Energy in exchange for common shares of First Mountain. Upon completion of the transaction, First Mountain changed its name to Point Loma Resources Ltd. The transaction resulted in Point Loma Energy shareholders owning approximately 85 percent of the issued and outstanding shares of First Mountain. As a result, this is accounted for as a reverse take-over of First Mountain by Point Loma Energy.
- Point Loma began trading on the TSXV exchange July 5, 2016.
- On July 18, 2016, Point Loma Resources and Point Loma Energy were amalgamated.
- On July 22, 2016, Point Loma sold a 2.5 percent gross overriding royalty for \$1.0 million consideration. Under the terms of the agreement Point Loma has received \$0.7 million of the total consideration to date. The balance is to be paid upon meeting certain production thresholds.
- Point Loma increased production from 135 boe/d at the beginning of July 2016 to over 500 boe/d at the end September 2016 through the tie-in and facility work of wells previously suspended.

HIGHLIGHTS

Three Months ended September 30, 2016

Financial

(\$ thousands, except share amounts)

Gross revenue	629
Cash flow from (used in) operations	(167)
Per share - basic	(0.01)
Net loss	(124)
Per share - basic	(0.01)
Capital expenditures	2,395
Working capital deficit	608

Share capital	
Weighted average shares outstanding for period	21,517,702
Outstanding shares at end of period	21,630,040

Operations

Daily average production

Crude oil and liquids (bbls/d)	122
Natural gas (mcf/d)	618
Total production (boe/d at 6:1)	225
Third quarter exit rate (boe/d)	500

Average sales price

Crude oil and liquids (\$/bbl)	44.11
Natural gas (\$/mcf)	2.38
Equivalent (\$/boe)	30.49

Netback (\$/boe)

Revenues	30.49
Royalties	(4.59)
Operating expense	(14.35)
Transportation expense	<u>(3.14)</u>
Netback	<u>8.41</u>

Third Quarter Summary

The third quarter of 2016 saw Point Loma initiate operatorship of the assets purchased in June 2016 from Madalena Energy Inc., which were largely suspended at the time.

Capital expenditures of \$2.4 million were incurred during the quarter, primarily on pipelines and facilities to re-activate production in the Paddle River area. Point Loma was successful in concluding the tie-in and increase in facility capacity that will allow for first call on up to 4.0 mmcf/d of gas processing capacity at preferred rates.

Point Loma was also able to improve the productive rates of the existing wells with a series of well enhancements that allowed the Corporation to achieve an exit rate of 500 boe/d in September 2016.

Current Activity

On October 26, 2016, Point Loma issued 5,561,499 flow-through common shares, at \$0.35 per share, for gross proceeds of \$2.0 million.

Point Loma is currently executing the second phase of production activities with the tie-in of a previously standing Nordegg well in the West Cove area. The well will be connected to the same gathering system Point Loma expanded in the third quarter with the capital expenditures noted above. Once on production, the Corporation anticipates an increase in production beyond 700 boe/d. In addition, Point Loma will be working to tie-in another standing well in the Thorsby area. In 2017, Point Loma will seek to drill

additional horizontal exploration and development wells on the Mannville trend of central Alberta. This drilling activity has the potential to lead to growth in production and reserves for the Corporation.

Options Granted

A total of 565,000 stock options have been granted to directors, officers and employees of the Corporation. Of the total granted, 465,000 stock options were granted to directors and officers of Point Loma.

Additional Information

Point Loma has filed its interim financial statements and related Management's Discussion and Analysis (MD&A) for the three and nine months ended September 30, 2016 with Canadian securities regulators. These filings, and additional information including the Corporation's recently updated corporate presentation can be found at Point Loma's website at www.pointloma.ca or Point Loma's profile on the System for Electronic Document Analysis and Retrieval website at www.sedar.com.

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 or Point Loma's profile on the System for Electronic Document Analysis and Retrieval website at www.sedar.com.

For further information, please contact:

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

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

Randall Boyd
Vice President Finance and CFO
Telephone: (403) 705-5051 ext. 105
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; 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.

