



Point Loma Resources Announces 2016 Year-End Reserves, Update of Transactions and Operational Update

Calgary, Alberta, February 27, 2017: Point Loma Resources Ltd. (TSX VENTURE: PLX) (the "Corporation" or "Point Loma") is pleased to report the results of its 2016 year-end reserves as evaluated by McDaniel and Associates Ltd. ("McDaniel") and provide an update of operations and acquisitions:

Highlights:

- Total proved plus probable ("2P") reserves of 2,037 mboe and proved ("TP") reserves of 1,533 mboe.
- Discounted at 10% Point Loma year estimated 2P present value of \$19.8 million Cdn and TP present value of \$13.5 million Cdn.
- Pro-forma estimate including two transactions post year-end Ascent Energy Ltd. ("Ascent") and certain properties in the Judy Creek and Thornbury areas of Alberta ("Judy Creek") 2P reserves of 4,976 mboe and TP reserves of 3,923 mboe.
- Pro-forma estimated net present value of the combined entities, as of December 31, 2016, upon closing of the Judy Creek transaction would be \$36.5 million Cdn on 2P reserves and \$27.6 million Cdn on TP reserves discounted at 10%.
- Accretion of the combined transactions of 72 percent per share on a 2P reserve basis.
- Accretion of the combined transactions of 111 percent per share on a producing boe basis.
- Additional behind pipe production of 450 boe/d with the Judy Creek acquisition.

SUMMARY OF PRO-FORMA RESERVES^(1,2,4)

As per the subsequent tables of reserves and values for Point Loma, Judy Creek (proposed closing late February 2017) properties and the properties of Ascent Energy Ltd. that have been amalgamated into Point Loma, the Corporation has prepared the following summary tables of reserves and values. The summary tables are illustrative of the potential combined reserves of the Corporation upon closing of the Judy Creek property acquisition but have been evaluated separately for Point Loma by McDaniel and not included in the Point Loma 2016 year-end evaluation (summarized later in this release as "Summary of Corporate Reserves") due to timing of the two acquisitions occurring post year-end 2016.

The following table is a summary of the combined estimated reserves as at December 31, 2016, based on the McDaniel reserve estimates of Point Loma, the Judy Creek properties and Ascent.

Reserve Category	Light and Medium Oil	Heavy Oil	Conventional Natural Gas	Natural Gas Liquids	Barrels of Oil Equivalent ⁽³⁾
	(mbbl)	(mbbl)	(mmcf)	(mbbl)	(mboe)
Proved					
Producing	313.3	41	8,513	91.9	1,866
Non-Producing	5	1	9,802	82	1,723
Undeveloped	225	0	606	9	335
Total proved	543.3	42	18,922	184.9	3,923
Probable	217.6	9	4,667	48	1,048
Total proved plus probable	760.9	52	23,589	231.9	4,976

Notes:

(1) Reserves are presented on a "company gross" basis, which is defined as Point Loma's working interest (operating and non-operating) share before deduction of royalties and without including any royalty interest of the Company.

(2) Based on McDaniel's December 31, 2016 forecast prices and costs. The forecast of commodity prices used in the McDaniel report can be found at <http://www.mcdan.com/priceforecast>. See also 'Price Forecast' below.

(3) Oil equivalent amounts have been calculated using a conversion ratio of six thousand cubic feet of natural gas to one barrel of oil. See "Cautionary Statements - Barrels of oil equivalent" below.

(4) Columns may not add due to rounding of individual items

Net Present Values of Future Net Revenue Before Income Taxes Discounted at (%/year) ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾

The following table is a summary of the estimated net present values of future net revenue (before income taxes) associated with Point Loma's reserves in combination with the estimated year end reserves of the acquired Judy Creek properties and Ascent as at December 31, 2016

Reserve Category	0%	5%	10%	15%	20%
	(MM\$)	(MM\$)	(MM\$)	(MM\$)	(MM\$)
Proved					
Producing	20.0	16.7	14.5	12.9	11.5
Non-Producing	16.9	12.8	10.0	8.0	6.6
Undeveloped	5.2	4.0	3.1	2.4	1.8
Total proved	42.1	33.5	27.6	23.3	19.9
Probable	18.3	12.3	8.9	6.9	5.6
Total proved plus probable	60.4	45.8	36.5	30.1	25.5

Notes:

(1) Based on McDaniel's December 31, 2016 forecast prices and costs. The forecast of commodity prices used in the McDaniel report can be found at <http://www.mcdan.com/priceforecast>. See also 'Price Forecast' below.

- (2) Estimated future net revenues are stated without any provision for interest costs, other debt service charges or general and administrative expenses, and after deduction of royalties, operating costs, estimated well abandonment and reclamation costs and estimated future development costs.
- (3) Estimated future net revenue, whether discounted or not, may not represent fair market value.
- (4) Columns may not add due to rounding of individual items.

SUMMARY OF CORPORATE RESERVES^(1,2,4)

The following table is a summary of the estimated reserves as at December 31, 2016, based on the McDaniel report.

Reserve Category	Light and Medium Oil (mdbl)	Heavy Oil (mdbl)	Conventional Natural Gas (mmcf)	Natural Gas Liquids (mdbl)	Barrels of Oil Equivalent ⁽³⁾ (mboe)
Proved					
Producing	262	41	2,246	35	713
Non-Producing	5	1	2,631	41	486
Undeveloped	225	0	606	9	335
Total proved	492	42	5,483	86	1,533
Probable	207	9	1,571	26	504
Total proved plus probable	699	52	7,054	111	2,037

Notes:

- (1) Reserves are presented on a "company gross" basis, which is defined as Point Loma's working interest (operating and non-operating) share before deduction of royalties and without including any royalty interest of the Company.
- (2) Based on McDaniel's December 31, 2016 forecast prices and costs. The forecast of commodity prices used in the McDaniel report can be found at <http://www.mcdan.com/priceforecast>. See also 'Price Forecast' below.
- (3) Oil equivalent amounts have been calculated using a conversion ratio of six thousand cubic feet of natural gas to one barrel of oil. See "Cautionary Statements - Barrels of oil equivalent" below.
- (4) Columns may not add due to rounding of individual items

Net Present Values of Future Net Revenue Before Income Taxes Discounted at (%/year) ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾

The following table is a summary of the estimated net present values of future net revenue (before income taxes) associated with Point Loma's reserves as at December 31, 2016.

Reserve Category	0%	5%	10%	15%	20%
	(MM\$)	(MM\$)	(MM\$)	(MM\$)	(MM\$)
Proved					
Producing	10.9	9.4	8.4	7.6	6.9
Non-Producing	3.5	2.6	2.0	1.6	1.3
Undeveloped	5.2	4.0	3.1	2.4	1.8
Total proved	19.6	16.0	13.5	11.6	10.1
Probable	11.5	8.3	6.3	5.1	4.2
Total proved plus probable	31.1	24.3	19.8	16.7	14.3

Notes:

(1) Based on McDaniel's December 31, 2016 forecast prices and costs. The forecast of commodity prices used in the McDaniel report can be found at <http://www.mcdan.com/priceforecast>. See also 'Price Forecast' below.

(2) Estimated future net revenues are stated without any provision for interest costs, other debt service charges or general and administrative expenses, and after deduction of royalties, operating costs, estimated well abandonment and reclamation costs and estimated future development costs.

(3) Estimated future net revenue, whether discounted or not, may not represent fair market value.

(4) Columns may not add due to rounding of individual items

Price Forecast

The following table summarizes McDaniel's commodity price forecast and foreign exchange rate and inflation rate ⁽¹⁾ assumptions as at December 31, 2016, as applied in the McDaniel report.

Year	Exchange Rate	WTI Crude Oil	Edmonton Light Crude Oil	Edmonton Butane	Natural gas Alberta AECO Spot
	\$US/\$Cdn	\$US/bbl	\$Cdn/bbl	\$Cdn/bbl	\$Cdn/MMBtu
2017	0.750	55.00	69.80	43.50	3.40
2018	0.775	58.70	72.70	47.90	3.15
2019	0.800	62.40	75.50	49.80	3.30
2020	0.825	69.00	81.10	56.40	3.60
2021	0.850	75.80	86.60	63.40	3.90

Note:

(1) Inflation rate is accounted for at 2% per year.

Future Development Costs (“FDC”)

The following table provides a summary of the estimated FDC required to bring Point Loma's TP and 2P undeveloped reserves to production, which have been deducted in the estimation of future net revenue attributable to such reserves.

Future Development Costs (\$millions)	Total Proved	Total Proved plus Probable
2017	5.7	5.7
2018	0.3	0.3
2019	0.0	0.0
2020	0.0	0.0
2021	0.0	0.0
Remainder	0.0	0.0
Total FDC undiscounted	6.0	6.0
Total FDC discounted at 10%	5.7	5.7

Note:

(1) FDC as per McDaniel report, based on McDaniel's December 31, 2016 forecast prices and costs.

SUMMARY OF ACQUIRED JUDY CREEK RESERVES^(1,2,4,5)

Point Loma has entered into an agreement to acquire certain assets in the Judy Creek and Thornbury areas of Alberta. The transaction is anticipated to close in late February 2017 and is subject to standard closing conditions and the subsequent Alberta Energy Regulator approval of the transfer of licenses. The following is a summary of the reserve evaluation prepared by McDaniel for Point Loma as at December 31, 2016.

The following table is a summary of the estimated acquired reserves as at December 31, 2016, based on the McDaniel preliminary report.

Reserve Category	Light and Medium Oil (mdbl)	Heavy Oil (mdbl)	Conventional Natural Gas (mmcf)	Natural Gas Liquids (mdbl)	Barrels of Oil Equivalent ⁽³⁾ (mboe)
Proved					
Producing	0	0	6,015	47	1,050
Non-Producing	0	0	7,171	41	1,237
Undeveloped	0	0	0	0	0
Total proved	0	0	13,187	89	2,287
Probable	0	0	3,036	20	526
Total proved plus probable	0	0	16,223	109	2,813

Notes:

- (1) Reserves are presented on a "company gross" basis, which is defined as Point Loma's working interest (operating and non-operating) share before deduction of royalties and without including any royalty interest of the Company.
- (2) Based on McDaniel's December 31, 2016 forecast prices and costs. The forecast of commodity prices used in the McDaniel report can be found at <http://www.mcdan.com/priceforecast>. See also 'Price Forecast' below.
- (3) Oil equivalent amounts have been calculated using a conversion ratio of six thousand cubic feet of natural gas to one barrel of oil. See "Cautionary Statements - Barrels of oil equivalent" below.
- (4) The property reserves have been prepared by McDaniel for Point Loma as an extraction of a Corporate report prepared by McDaniel.
- (5) Columns may not add due to rounding of individual items.

Net Present Values of Future Net Revenue Before Income Taxes Discounted at (%/year) ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾

The following table is a summary of the estimated net present values of future net revenue (before income taxes) associated with the acquired property reserves as at December 31, 2016.

Reserve Category	0%	5%	10%	15%	20%
	(MM\$)	(MM\$)	(MM\$)	(MM\$)	(MM\$)
Proved					
Producing	7.3	5.9	5.0	4.4	3.9
Non-Producing	13.4	10.2	8.0	6.4	5.3
Undeveloped	0.0	0.0	0.0	0.0	0.0
Total proved	20.7	16.1	13.0	10.8	9.1
Probable	6.3	3.8	2.5	1.7	1.3
Total proved plus probable	27.0	19.9	15.5	12.5	10.4

Notes:

- (1) Based on McDaniel's December 31, 2016 forecast prices and costs. The forecast of commodity prices used in the McDaniel report can be found at <http://www.mcdan.com/priceforecast>. See also 'Price Forecast' below.
- (2) Estimated future net revenues are stated without any provision for interest costs, other debt service charges or general and administrative expenses, and after deduction of royalties, operating costs, estimated well abandonment and reclamation costs and estimated future development costs.
- (3) Estimated future net revenue, whether discounted or not, may not represent fair market value.
- (4) Columns may not add due to rounding of individual items.

SUMMARY OF ACQUIRED ASCENT ENERGY LTD. RESERVES^(1,2,4,5)

Point Loma has completed a transaction to acquire the corporation Ascent and has amalgamated Ascent into Point Loma effective January 24, 2017. The following is a summary of the reserve evaluation prepared by McDaniel for Point Loma as at December 31, 2016. The reserves were not part of the Point Loma year end evaluation due to the timing of the acquisition.

The following table is a summary of the estimated acquired reserves as at December 31, 2016, based on the McDaniel preliminary report.

Reserve Category	Light and Medium Oil (mdbl)	Heavy Oil (mdbl)	Conventional Natural Gas (mmcf)	Natural Gas Liquids (mdbl)	Barrels of Oil Equivalent ⁽³⁾ (mboe)
Proved					
Producing	51.3	0	252	9.9	103
Non-Producing	0	0	0	0	0
Undeveloped	0	0	0	0	0
Total proved	51.3	0	252	9.9	103
Probable	10.6	0	60	2.0	18
Total proved plus probable	61.9	0	312	11.9	126

Notes:

- (1) Reserves are presented on a "company gross" basis, which is defined as Point Loma's working interest (operating and non-operating) share before deduction of royalties and without including any royalty interest of the Company.
- (2) Based on McDaniel's December 31, 2016 forecast prices and costs. The forecast of commodity prices used in the McDaniel report can be found at <http://www.mcdan.com/priceforecast>. See also 'Price Forecast' below.
- (3) Oil equivalent amounts have been calculated using a conversion ratio of six thousand cubic feet of natural gas to one barrel of oil. See "Cautionary Statements - Barrels of oil equivalent" below.
- (4) McDaniel has prepared a year end reserve report for the Ascent assets it has not been approved by the Board of Directors of Point Loma at this time.
- (5) Columns may not add due to rounding of individual items.

Net Present Values of Future Net Revenue Before Income Taxes Discounted at (%/year) ⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾

The following table is a summary of the estimated net present values of future net revenue (before income taxes) associated with the acquired Ascent property reserves as at December 31, 2016.

Reserve Category	0%	5%	10%	15%	20%
	(MM\$)	(MM\$)	(MM\$)	(MM\$)	(MM\$)
Proved					
Producing	1.8	1.4	1.1	0.9	0.7
Non-Producing	0.0	0.0	0.0	0.0	0.0
Undeveloped	0.0	0.0	0.0	0.0	0.0
Total proved	1.8	1.4	1.1	0.9	0.7
Probable	0.5	0.2	0.1	0.1	0.1
Total proved plus probable	2.3	1.6	1.2	0.9	0.8

Notes:

(1) Based on McDaniel's December 31, 2016 forecast prices and costs. The forecast of commodity prices used in the McDaniel report can be found at <http://www.mcdan.com/priceforecast>. See also 'Price Forecast' below.

(2) Estimated future net revenues are stated without any provision for interest costs, other debt service charges or general and administrative expenses, and after deduction of royalties, operating costs, estimated well abandonment and reclamation costs and estimated future development costs.

(3) Estimated future net revenue, whether discounted or not, may not represent fair market value.

(4) Columns may not add due to rounding of individual items.

Current Activity

Point Loma has entered into an agreement to acquire certain properties in the Judy creek and Thornbury areas that will expand our Paddle River focus area and add significant reserves and production. With the addition of these properties Point Loma will be producing approximately 900 boe/d and will have an additional estimated 450 boe/d of behind pipe production. Re-activating this production will be the focus of first half 2017 activity. Point Loma will continue to seek deals that strengthen our cash flow per share and reserves per share.

In addition Point Loma is working to license wells for drilling in 2017 to further develop existing oil pools and test additional bypass pay opportunities. Point Loma now has approximately 225,000 net acres and a large inventory of indicated prospects that can allow the Corporation to grow quickly as we gain scale and better valuation in capital markets.

Reserves

Point Loma's 2016 year-end reserves evaluation was prepared by, the Corporation's independent qualified reserves evaluator, in accordance with definitions, standards and procedures contained in the Canadian Oil and gas Evaluation Handbook and National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("NI 51-101").

Additional information regarding the Corporation's reserve data and other oil and gas information will be included in the Corporation's Annual Information Form ("AIF") for the year ended December 31, 2016, which will be filed under the Corporation's profile at www.sedar.com on or about March 31, 2017.

See also cautionary statements below for further explanations and discussions.

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.