



## Point Loma Resources Announces First Quarter Financial and Operating Results

Calgary, Alberta, May 30, 2017: Point Loma Resources Ltd. (TSX VENTURE: PLX) (the "Corporation" or "Point Loma") is pleased to report financial and operating results for the three months ended March 31, 2017. Highlights of the period and additional updates are summarized below:

### HIGHLIGHTS

<b>Financial</b>	<b>Three Months ended March 31, 2017<sup>(1)</sup></b>	<b>Three Months ended December 31, 2016</b>
<i>(\$ thousands, except share amounts)</i>		
Gross revenue	1,515	970
Cash from (used) in operating activities	340	(168)
Funds used in operations <sup>(2)(3)</sup>	(60)	(618)
Per share – basic <sup>(3)</sup>	(0.00)	(0.02)
Net loss	(772)	(2,522)
Per share - basic	(0.03)	(0.10)
Capital expenditures	128	2,258
Working capital deficit	1,655	1,491
Convertible Debentures	2,385	2,357
Share capital		
Weighted average shares outstanding for period	29,538,409	21,655,040
Outstanding shares at end of period	31,961,419	27,353,325
<b>Operations</b>		
<u>Daily average production</u>		
Crude oil and liquids (bbls/d)	205	146
Natural gas (mcf/d)	2,263	1,171
Total production (boe/d at 6:1)	582	341
<u>Average sales price</u>		
Crude oil and liquids (\$/bbl)	51.89	48.18
Natural gas (\$/mcf)	2.75	3.02
Equivalent (\$/boe)	28.95	30.91
Netback <sup>(3)</sup>		
Revenues (\$/boe)	28.95	30.91
Royalties (\$/boe)	(3.66)	(5.47)
Operating expense (\$/boe)	(17.30)	(26.81)
Transportation expense (\$/boe)	(1.04)	(0.80)
Netback (\$/boe) <sup>(3)</sup>	<u>6.96</u>	<u>(2.17)</u>

- (1) Three months ended March 31, 2017 includes one month of Judy Creek acquisition production.
- (2) Funds used in operations is cash flow used in operating activities less changes in non-cash working capital and transaction costs paid.
- (3) Cash from (used) in operating activities and netback are non-GAAP measures; see “Non-GAAP Measures” below.

### **First Quarter Summary**

The first quarter of 2017 was an active period for acquisitions and an increasing production profile for Point Loma. The Corporation closed a smaller transaction in January 2017 (“Ascent”) and a larger deal in February, 2017 (“Judy Creek”) which in combination with work completed in December 2016 resulted in increased production for the quarter and an average of 830 boe/d for the month of March 2017.

Subsequent to the first quarter Point Loma has announced two additional transactions that will capitalize 2017 drilling and facilities programs and provide strategic capital partners for future growth.

### **Salt Bush JV**

On May 23, 2017 the Corporation closed a disposition and joint venture with Salt Bush Energy Ltd. (“Salt Bush”) for consideration of \$4.17 million for 20% of its oil and gas assets. Salt Bush has made an additional capital commitment of \$0.83 million towards the current joint budget.

Salt Bush will be a strategic JV partner with Point Loma in future endeavors and will also contribute a proportionate share of general and administrative expenses to the Corporation.

### **Everenergy Investment**

On May 24, 2017 Point Loma announced an investment agreement with Everenergy Company Limited (“Everenergy”) to acquire 8,375,000 shares of Point Loma for \$4,020,000 representing a purchase price of \$0.48 per share. The first tranche of funds closed on May 29, 2017 in the amount of \$1,797,541 and the second tranche of \$2,222,458 is expected to close within 3 business days after the receipt of approvals from the TSX Venture Exchange.

Everenergy will also have the right to nominate one director to the board of directors of the Corporation and the right to participate in future equity issuances of the Corporation to maintain its pro rata interest on the terms set out in the investment agreement.

### **New Director**

Point Loma is very pleased to have added Kevin R. Baker, Q.C., to the Corporation’s Board of Directors subject to the approval of the Corporations shareholders at our upcoming Annual and General meeting. Mr. Baker is a significant shareholder of Point Loma with ownership of approximately 17% of the Corporation’s common shares. Mr. Baker has been President and CEO of a number of public and private exploration and

production and oilfield services companies. It is anticipated that he will join the Audit and Corporate Governance and Compensation committees of Point Loma.

## **Outlook**

With the injection of the additional capital outlined above Point Loma is planning to undertake a busy drilling and facilities program this summer. The Corporation has approved a capital budget for the second and third quarters that will see approximately \$5 million of activity including the drilling of 2 horizontal development wells, one vertical exploratory test and additional facilities optimization and acquisitions. Point Loma anticipates that these activities will be the precursor to an increase in oil and gas production into the fourth quarter.

Pending success and approved capital programs Point Loma would anticipate a further program of drilling in the fourth quarter. Point Loma has been in contact with an industry midstream operator regarding their announced purchase of the Paddle River gas facility and infrastructure system. Point Loma has previously producing suspended wells in the area that could be re-activated into the facility.

“Point Loma is excited to begin our 2017 drilling and operational cycle.” said Terry Meek, President and CEO of Point Loma. “The combination of additional capital, development drilling, identified tuck in opportunities and potential re-activation of key infrastructure in our core area provides the impetus for a growth step and operational improvements for Point Loma that would benefit our production levels while improving our netbacks through lower operating costs.”

## **Additional Information**

Point Loma has filed its first quarter financial statements, Management’s Discussion and Analysis (MD&A) and Annual Information Form (AIF) for the quarter ended March 31, 2017 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](http://www.pointloma.ca) or at Point Loma’s profile on the System for Electronic Document Analysis and Retrieval website at [www.sedar.com](http://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 implementation of horizontal multi-stage frac technology and exploit opportunities for secondary recovery.

***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; 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.*

### ***Non-GAAP Measures***

*The Corporation utilizes certain measurements that do not have a standardized meaning or definition as prescribed by IFRS and therefore may not be comparable with the calculation of similar measures by other entities, including cash from (used) in operating activities and netback. Readers are referred to advisories and further discussion on non-GAAP measurements contained in the Corporation's MD&A.*