



Point Loma Resources Announces Third Quarter Financial and Operating Results

Calgary, Alberta, November 23, 2017: Point Loma Resources Ltd. (TSX VENTURE: PLX) ("Point Loma" or the "Corporation") is pleased to report financial and operating results for the three and nine months ended September 30, 2017. The unaudited interim condensed financial statements and related Management's Discussion and Analysis ("MD&A") will be available at www.sedar.com and www.pointloma.ca.

HIGHLIGHTS

Financial	Three Months ended		Nine Months ended	
	September 30		September 30	
	2017	2016	2017	2016
<i>(\$ thousands, except share amounts)</i>				
Revenue	1,009	629	3,707	629
Funds flow used in operations ⁽¹⁾⁽²⁾	(885)	(166)	(1,514)	(390)
Per share – basic ⁽¹⁾⁽²⁾	(0.02)	(0.01)	(0.04)	(0.03)
Net loss	(2,792)	(124)	(3,143)	(1,907)
Per share - basic	(0.07)	(0.01)	(0.09)	(0.14)
Capital expenditures	3,232	2,390	3,691	2,551
Working Capital	1,010	(608)	1,010	(608)
Principal amount of convertible debentures	2,500	3,650	2,500	3,650
Share capital (<i>thousands</i>)				
Weighted average shares outstanding for period	42,079	21,518	35,685	13,685
Outstanding shares at end of period	42,079	21,630	42,079	21,630
Operations				
<u>Daily average production</u>				
Crude oil and liquids (<i>bbls/d</i>)	158	122	164	41
Natural gas (<i>mcf/d</i>)	2,683	618	2,521	208
Total production (<i>boe/d at 6:1</i>)	605	225	585	76
<u>Average sales price</u>				
Crude oil and liquids (<i>\$/bbl</i>)	46.08	44.11	49.15	44.11
Natural gas (<i>\$/mcf</i>)	1.38	2.38	2.18	2.38
Equivalent (<i>\$/boe</i>)	18.13	30.49	23.23	30.49
Netback (<i>\$/boe</i>) ^{(1) (2)}				
Revenues	18.13	30.49	23.53	30.49
Royalties	(1.95)	(4.59)	(3.19)	(4.59)
Operating expense	(19.13)	(14.35)	(18.54)	(14.44)
Transportation expense	(1.28)	(3.14)	(1.01)	(3.14)
Netback ^{(1) (2)}	(4.23)	8.41	0.79	8.32

- (1) Funds flow used in operations is cash flow used in operating activities less changes in non-cash working capital and transaction costs paid. Netback is defined, on a per boe basis, as revenues less royalties, operating and transportation expenses.
- (2) Funds flow used in operations and netback are non-GAAP measures; see “Non-GAAP Measures” below.

Third Quarter Summary: Drilling and completion activity commences, consolidation activities continue

The third quarter 2017 sales volumes averaged 605 boe per day, an increase of 169 percent from the third quarter of 2016. The 2017 year to date volumes of 585 boe per day increased from 76 boe per day in the same period for 2016 as the operations of the Corporation commenced in the third quarter of 2016.

The capital expenditures for the nine months ended September 30, 2017 totaled \$3.7 million, which included the drilling of two (1.8 net) wells. At Thorsby, a confidential Sparky horizontal well (1.0 net) was successfully drilled and will commence an extended production test prior to the end of November, 2017. The Corporation drilled a horizontal lateral development well (0.8 net) into the Ostracod A pool that is currently the focus of Point Loma production in the area. As expected, the lateral encountered reservoir and oil shows. During the casing operation the well encountered tight sections that ultimately required the lateral to be plugged back and cemented off. Point Loma is now planning to side track and re-drill the identified oil pay zone once a full operational review is completed.

During the third quarter 2017, Point Loma experienced significant price volatility in the Alberta natural gas commodity spot pricing market. As a result, Point Loma received an average natural gas price of \$1.38 per mcf, down 42 percent compared to the same period in 2016.

Fourth Quarter Operational Plans: Well activations resulting in production increases

On October 1, 2017, the West Cove 5-31-55-6W5 well was placed on production as a pumping oil well. The successful recompletion confirms potential in the Nordegg for future development. Point Loma has also permitted a 3D seismic program to further delineate the Nordegg zone and potential Banff oil target underlying the Nordegg discovery.

At Thorsby, the 103/11-18-49-1W5 Glauconitic discovery well was tied in and put on production mid November 2017. Producing rates from the first week of operations averaged approximately 1.0 mmcf per day gas and 10 bbls per day condensate (20 percent working interest before payout of pipeline and 80 percent after payout). In addition, the Corporation anticipates that the previously announced acquired horizontal oil well 12-4-56-7W5 will be placed on production before the end of November. The 12-4 well was drilled, completed and tied-in during 2014 and not placed on production due to area facility constraints at the time that have now been resolved.

Production rates: Increasing volumes through year end and first quarter 2018

Through the coming weeks Point Loma anticipates these well activities to increase production volumes beyond 800 boe per day (approximately 30 percent oil and NGL's) as the new production stabilizes.

Looking forward into 2018, Point Loma has also completed plans to re-establish production in the Thornbury area. Potentially, the re-connect and optimize facilities could place another 1.2 mmcf per day (net) on production in the area through Point Loma's operated infrastructure. At Leaman, plans are now underway to re-activate production of 16 area wells that had a previous combined producing rate of approximately 1.5 mmcf per day (net) with incremental associated liquids of approximately 80 bbls per day.

The combination of these low risk activities should see Point Loma production exceed 1,000 boe per day during the first quarter of 2018.

"Point Loma is executing a strong growth phase largely driven by low risk re-activation activities." said Terry Meek, President and CEO of Point Loma. "The combination of new drilling, continued tuck-in acquisition opportunities and re-activation of key infrastructure in our core area has provided the impetus for a step change."

About Point Loma

Point Loma is a public oil and gas development and exploration company with over 160,000 net acres focused on horizontally exploiting conventional oil and gas reservoirs across the multi-zone Mannville, Nordegg, Banff and Duvernay shale fairways 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.

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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 the commencement of extended production tests and the timing thereof; timing of placing well on production; impact of re-connect and facility optimization and the timing thereof; 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", "anticipates", "believe", "plans", "should", "could", "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.

References in this press release to production test rates, initial test production rates, and other short-term production rates are useful in confirming the presence of hydrocarbons, however such rates are not determinative of the rates at which such wells will commence production and decline thereafter and are not indicative of long term performance of ultimate recovery.

Additionally, such rates may also include recovered "load oil" fluids used in well completion stimulation. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for Point Loma. A pressure transient analysis or well-test interpretation has not been carried out in respect of all wells. Accordingly, the Corporation cautions that the test results should be considered to preliminary.

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 funds from (used) in operations and netback. Readers are referred to advisories and further discussion on non-GAAP measurements contained in the Corporation's MD&A.