



## **Point Loma Resources Announces Agreement to Acquire Private Oil and Gas Company**

**Calgary, Alberta, June 25, 2018:** Point Loma Resources Ltd. (TSX VENTURE: PLX) (the “Corporation” or “Point Loma”) is pleased to announce that it has entered into a definitive agreement to acquire a private oil and gas company (the “Acquisition”). The purchase price of the Acquisition is \$1,557,600.00 and will be paid in the form of 5,192,000 common shares of the Corporation.

### **Highlights**

- Point Loma has entered into an agreement to acquire a private oil and gas company with assets focused in East Central Alberta at a deemed share price of \$0.30 per share.
- The acquired production is approximately 130 boe/d, comprised of approximately 30 percent oil and ngl’s.
- The Acquisition has estimated working capital at closing of \$310,000.
- Natural gas production is downstream of AECO and receives a premium price to Alberta sales.
- The Acquisition has identified opportunities for future oil exploitation and exploration.
- The Acquisition’s annualized operating income is estimated at \$450,000 to \$500,000.
- Included are 15,000 net acres at an average working interest of approximately 40 percent.
- The Acquisition has a liability management ratio (“LMR”) of 5.9 in Alberta, comprised of deemed assets of \$2.7 million and deemed liabilities of \$0.5 million.

The Acquisition is anticipated to close in June 2018 subject to regulatory approvals. The properties include multiple shallow oil opportunities related to the base production. Point Loma plans to update the Acquisition reserves at year end.

“This Acquisition increases Point Loma’s production and strengthens our balance sheet. Multi-zone opportunities in the Acquisition include Mannville and Viking oil.” said Terry Meek, President and CEO of Point Loma. “The opportunity to acquire cash generating assets at a competitive valuation continues to add to Point Loma’s reserve base as commodity pricing improves.”

### ***About Point Loma***

Point Loma is a public oil and gas exploration and development company focused on conventional oil and gas reservoirs in west central Alberta. The Company controls over 150,000 net acres (230 net sections) and

has a deep inventory of opportunities in the Mannville, Nordegg, Banff and Duvernay Shale formations. 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, 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).

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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 the satisfaction of the conditions for closing of the Acquisition; the timing of closing of the Acquisition and whether the Acquisition will be successfully completed; the production and reserves associated with the assets being acquired in the Acquisition;; 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 risks that the conditions to closing of the Acquisition are not satisfied, 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.*