



## **Point Loma Resources Provides Operational Update**

**Calgary, Alberta, July 25, 2018:** Point Loma Resources Ltd. (TSX VENTURE: PLX) (the “Corporation” or “Point Loma”) is pleased to provide an update on its recent and upcoming activities;

### **Highlights:**

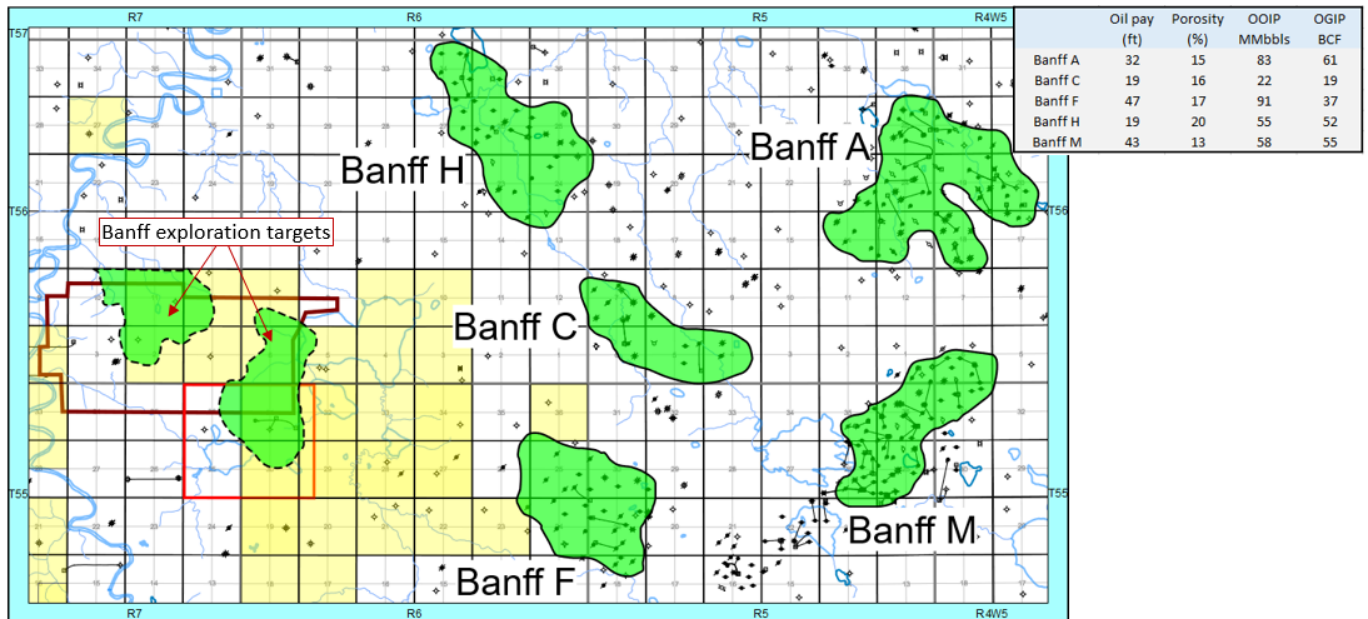
- Production has grown to over 1000 boepd with an increase of approximately 90% of oil and ngl volumes from Q1 2018;
- Q1-2018 3D seismic program and trade data merger covers an area of approximately 35 square km including the Corporation’s West Cove lands;
- Analysis of the data has identified new oil drilling opportunities in the Banff zone in addition to delineation of the 5-31-55-6W5 Nordegg discovery well;
- Multiple reductions in field operating costs are resulting in higher netbacks; and
- Duvernay activity is increasing offsetting Point Loma land holdings.

### **West Cove 3D**

The 3D program was designed to define to evaluate a stacked Banff oil target identified as bypass potential in area wells, as well as quantify the extent of the Nordegg oil and gas accumulation discovered at the 5-31 well). Figure 1 illustrates the significant offsetting production from the Banff (and Nordegg) pools in the area of the merged 3D data.

The data evaluated in combination with well information has identified an exciting oil exploration opportunity on company lands. The lead well, 8-11-56 -7W5, has strong indications of bypass hydrocarbon (oil) in the Banff zone.

**Figure 1: Productive Banff fairway**



### **Current production**

Point Loma’s current production is now in excess of 1000 boepd, comprised of approximately 27% oil and ngl’s (90% increase in oil and ngl volumes from Q1 2018). Production has been restricted by a further 200 boepd as certain natural gas wells were shut-in for the summer period while natural gas prices are at low levels. The Corporation intends to reactivate this production as natural gas prices return to higher levels. The shut in volumes are part of the ongoing effort to reduce overall operating costs per unit and improve netbacks.

### **Duvernay**

The west basin Duvernay play continues to evolve in the area surrounding Point Loma’s land base. Four wells have been drilled and five more have been licensed in the area by industry operators. Three wells are currently producing from the Duvernay in the west basin. The Corporation is reviewing options to capitalize on the value of its lands.

### **Corporate Presentation**

Point Loma has updated the Corporate presentation on their website at [www.pointloma.ca](http://www.pointloma.ca)

“Point Loma continues to add to our oil drilling opportunities with the potential identified in this 3D seismic program.” said Terry Meek, President and CEO of Point Loma. “The multiple oil pay zones in our core area provide competitive drilling opportunities to further increase our oil weighting in a rising commodity environment.”

## ***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 160,000 net acres (250 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 estimates of original oil in place and reservoir properties and characteristics of the Duvernay shale oil play. 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.*