



## **Point Loma Resources Announces the Spudding of Rex Oil Well**

**Calgary, Alberta, November 26, 2018:** Point Loma Resources Ltd. (TSX VENTURE: PLX) (the “Corporation” or “Point Loma”) is pleased to announce the spudding of the Corporation’s recently captured Rex oil opportunity. Additional highlights from recently released third quarter results are also noted below and full results are available on SEDAR.

### **Highlights**

- Rex oil horizontal was spudded November 24. Once drilled, the well is expected to be completed and evaluated prior to year-end.
- Point Loma as operator and Salt Bush Energy as its joint venture partner are together initiating this drilling operation.
- This target has the potential to significantly increase current oil and ngl production, enhance the Corporation’s growing reserves base and open up new oil development opportunities for Point Loma.
- Average daily production has increased to 977 boe/d for the third quarter of 2018, representing a 61% increase compared to the three months ended September 30, 2017.
- Third quarter oil and NGL production has increased 72% compared to the three months ended September 30, 2017, and 33% from the second quarter of 2018, to 272 bbl/d.
- Net operating expenses per boe have been reduced by 36% from the second quarter of 2018, and decreased 39% compared to the three months ended September 30, 2017.
- Recently, Point Loma closed an equity financing for \$3.2 million in gross cash proceeds (\$2.7 net proceeds) and completed a non-core disposition for \$0.3 million. The Corporation currently has no bank debt.

### **Rex Oil– First Horizontal Spud on Recently Captured Lands**

The Rex target at Wizard Lake will be the first horizontal well drilled in the multi-well program and is analogous to the offsetting Leduc area Rex production which has attracted the attention of other key industry operators. Recent activity by other operators in the area has resulted in highly commercial wells (250-300

boepd, 80% oil) as this large oil discovery continues to be exploited. The target zone on the Point Loma lands is thicker and has similar porosity to the offset development. Point Loma intends to drill a 1,300 metre lateral with 30+ completion ports. Internal mapping indicates a potential pool size of approximately 40 to 60 million barrels of original oil in place ('OOIP'). This would result in 15 to 20 follow up opportunities with success.

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

Point Loma is a public oil and gas exploration and development company focused on conventional and unconventional oil and gas reservoirs in west central Alberta. The Corporation controls over 160,000 net acres (250 net sections) and has a deep inventory of oil opportunities in the Mannville (Upper and Lower), Banff, Nordegg, 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 Corporation's anticipated drilling program in the fourth quarter, opportunities and locations; the expected timing and anticipated results of the Corporation's drilling program, including anticipated increases in oil and NGL production and reserves; the Corporation's expectations and interpretations of analogous information; the characteristics of the Corporation's properties and associated reservoirs; the Corporation's anticipated inventory of drilling locations and opportunities; 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.*

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