



Point Loma Resources Announces First Quarter 2019 Financial and Operating Results

Calgary, Alberta, May 24, 2019: 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, 2019. Highlights of the period and additional updates are summarized below:

Q1 - 2019 Financial and Operating Results

	Three months ended	
	March 31 2019	2018
Financial (<i>\$ thousands, except share amounts</i>)		
Petroleum and natural gas revenue	1,528	1,201
Cash flow used in operating activities	(430)	(936)
Funds flow used in operations ⁽¹⁾	(490)	(908)
Per share - basic ⁽¹⁾	(0.01)	(0.02)
Net loss	(1,590)	(1,579)
Per share - basic ⁽¹⁾	(0.02)	(0.03)
Capital expenditures	342	1,612
Working capital deficiency	5,282	2,223
Share capital		
Weighted average shares outstanding	71,618,186	54,899,900
Outstanding shares	71,619,404	55,130,773
Operations		
<u>Daily average production</u>		
Crude oil and liquids (bbls/d)	211	138
Natural gas (mcf/d)	3,053	2,815
Total production (boe/d)	720	607
<u>Average sales price</u>		
Crude oil and liquids (\$/bbl)	46.20	57.12
Natural gas (\$/mcf) incl commodity gains and losses	2.30	1.94
Equivalent (\$/boe)	23.59	21.97
<u>Netback⁽²⁾</u>		
Revenues (\$/boe)	23.59	21.97
Royalties (\$/boe)	(2.92)	(2.73)
Net operating expense (\$/boe) ⁽³⁾	(18.81)	(20.25)
Transportation expense (\$/boe)	(1.04)	(0.84)
Netback (loss) (\$/boe)⁽²⁾	0.82	(1.85)

⁽¹⁾ Funds used in operations is cash flow used in operating activities less changes in non-cash working capital. See "Non-GAAP Measures" below. Per share amounts are calculated using the same number of weighted shares as net loss.

⁽²⁾ Netback is determined by deducting royalties, net operating expenses and transportation expenses from petroleum and natural gas revenue. See "Non-GAAP Measures" below.

⁽³⁾ Net operating expense is defined as operating expenses less processing fees. See "Non-GAAP Measures" below

Overview

Point Loma has a large land position in excess of 150,000 net acres (over 230 net sections) with a deep inventory of oil opportunities in the Mannville (Upper and Lower zones of interest), Banff and Duvernay Shale. In particular, the Corporation's oil opportunities include follow-up to the recent discovery at the Wizard Lake Rex (Upper Mannville) oil play, an internally mapped Lower Mannville oil opportunity to the south of the Corporation's existing producing oil development at Paddle River and two internally identified Banff oil opportunities. Point Loma also has an undeveloped land position in the evolving West Basin Duvernay shale oil play where industry activity continues to increase in terms of horizontal drilling and land sales.

Rex Oil Discovery (Upper Mannville – PLX 70% Working Interest)

The Wizard Lake 16-17-48-27W4 Rex oil discovery well was drilled and completed in the fourth quarter of 2018 and the testing of this discovery was completed in January 2019. Construction of facilities to place the Wizard Lake Rex oil discovery on production in early June 2019 are currently underway. The Company is encouraged by the previously conducted production test and anticipates that the ultimate deliverability of this oil well could support additional development drilling.

Financial Position

At March 31, 2019 Point Loma had a working capital deficiency of \$5.3 million. The Corporation's ability to continue as a going concern is dependent upon its ability to generate positive cash flow from operations, dispose of non-core assets, farm-out drilling opportunities, secure additional future financing (debt or equity), complete accretive acquisitions or strategic business combinations, realize increased oil and natural gas prices and/or other arrangements.

The Corporation continues to work towards resolving the working capital deficiency and unlocking shareholder value through the development of its key oil opportunities.

Additional Information

Point Loma has filed its first quarter financial statements and Management's Discussion and Analysis for the quarter ended March 31, 2019 with Canadian securities regulators. These filings and additional information can be found at Point Loma's website at www.pointloma.ca or at Point Loma's profile on the System for Electronic Document Analysis and Retrieval website at 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. The Corporation controls over 150,000 net acres (230 net sections) and has an 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.

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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 anticipated timing of production from the Corporation's Wizard Lake well and the anticipated increase in oil and ngl production weighting for the Corporation, statements pertaining to Point Loma's expectations as to production opportunities and future potential production increases, as well as increases in cash flow and the timing thereof; future gas processing rates; the anticipated closing of the purchase of oil and gas assets and expected production therefrom; the Corporation's anticipated fund raising activity; potential well reactivations and gas processing arrangements; Point Loma's expectations as to future prices of oil and natural gas; and expansions, Point Loma's anticipated increase in production rates from the Corporation's Banff oil targets using current drilling and completion technology and the focus of Point Loma's management team and go-forward strategy; and statements. Statements relating to "reserves" are also deemed to forward-looking statements, as they involve the implied assessment based on certain estimates and assumptions, that the reserves can be profitably produced in the future. This press release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws, including without limitation 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

Point Loma 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 flow used in operations, funds flow from (used in) operations per share, netback, net operating expense and operating income (loss). Readers are referred to advisories and further discussion on non-GAAP measurements contained in the Corporation's MD&A.