



Point Loma Resources Announces Third Quarter 2019 Financial and Operating Results

Calgary, Alberta, November 26, 2019: Point Loma Resources Ltd. (TSX VENTURE: PLX) (the "Corporation" or "Point Loma") reports its financial and operating results for the three and nine months ended September 30, 2019. Highlights of the period and additional updates are summarized below:

Q3 - 2019 Financial and Operating Results

	Three months ended		Nine months ended	
	September 30		September 30	
	2019	2018	2019	2018
Financial (<i>\$ thousands, except share amounts</i>)				
Petroleum and natural gas revenue	1,156	1,854	4,019	4,556
Cash flow from (used in) operating activities	(218)	304	(311)	(488)
Funds flow used in operations ⁽¹⁾	(822)	37	(2,131)	(1,560)
Per share - basic ⁽¹⁾	(0.01)	(0.00)	(0.03)	(0.03)
Net income (loss)	(1,558)	(1,072)	(6,728)	(2,147)
Per share - basic ⁽¹⁾	(0.02)	0.02	(0.09)	(0.04)
Capital expenditures	(150)	33	750	1,987
Working capital deficiency	5,440	2,819	5,440	2,819
Share capital shares outstanding				
Outstanding shares	89,036,400	61,199,396	89,036,400	61,199,396
Operations				
<u>Daily average production</u>				
Crude oil and liquids (bbls/d)	224	272	225	205
Natural gas (mcf/d)	2,166	4,235	2,679	3,481
Total production (boe/d)	585	977	671	785
<u>Average sales price</u>				
Crude oil and liquids (\$/bbl)	46.77	57.21	47.15	58.63
Natural gas (\$/mcf) incl commodity gains and losses	0.96	1.09	1.54	1.34
Equivalent (\$/boe)	21.48	20.52	21.94	21.20
<u>Netback⁽²⁾ (\$/boe)</u>				
Revenues	21.48	20.52	21.94	21.20
Royalties	(2.79)	(2.28)	(3.10)	(2.35)
Net operating expense ⁽³⁾	(18.92)	(11.64)	(18.86)	(15.98)
Transportation expense	(1.06)	(0.60)	(1.13)	(0.66)
Operating netback (loss)⁽²⁾	(1.28)	6.00	(1.15)	2.21

⁽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⁾ Operating 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 and MD&A.

Q3-2019 Activity Overview and Subsequent Activity

- Wizard Lake Update

Positive developments at Wizard Lake have occurred since the end of June 2019 resulting in the expectation that Point Loma will become cash flow positive in the first quarter of 2020. Highlights were as follows:

- The second well of a two well farm-out, Wizard Lake 13-4-48-27W4M (“WL 13-4”), has been drilled and cased to a depth of 3,673 m and is expected to be completed shortly with a frac design of approximately 45 stages, representing an increase from the fracs pumped in the two previous wells. The well encountered excellent reservoir quality over at least 1800m of the 2,098m extended length horizontal lateral. The net to gross reservoir ratio was over 90% in the lateral.
 - The first well of the two well farm-out, the WL 1-8 well was successfully drilled and completed in August and has produced in a limited fashion due to facility restrictions.
 - Construction operations are currently underway to expand the production facilities to be capable of handling up to 5,000 barrels of fluid a day and 5 mmcf per day of natural gas. The upgrade work is expected to be completed by the end of December and is planned to coincide with the commencement of production from all three existing wells at Wizard Lake.
 - The initial discovery well, the WL 16-17, was shut-in as existing production facilities were incapable of processing production from both it and the unexpectedly prolific WL 1-8. A workover of the WL 16-17 well was successfully completed and the well is expected to resume production in December upon completion of the facilities expansion.
 - A total of approximately \$5 million of gross capital is expected to be spent on the two farm-out wells to delineate the pool at no cost to Point Loma.
 - The Company will have a 25% WI before payout in both farm-out wells and 50% WI after payout.
 - The Company’s share of the costs associated with the production facilities will be borne by its partner Salt Bush. Point Loma will have an option to back-in to a working interest in the facilities.
- The Company has been working with Mackie Research Capital Corporation to canvas the market for parties interested in a transaction to potentially acquire Point Loma’s interest in its Wizard Lake Rex oil assets. This process remains ongoing to allow engaged counterparties to assess pending results from the second farm-out well, the completion of the facilities expansion and additional production data from all three wells.
 - Until such a time as an acceptable transaction for the Company’s Wizard Lake property has been secured, Point Loma remains committed to the continued delineation of the Rex oil pool and expects to begin to realize additional production revenues from the three existing wells through the expanded facilities early in 2020.
 - Closed a \$1.7 million private placement on September 27, 2019.
 - Point Loma has been re-activating production that had remained shut in during the summer months due to low gas prices. To date, the Corporation has returned to production approximately 90 boepd (32 bpd oil) and are working on a further reactivation of approximately 150 boepd of gas weighted production. Natural gas prices have increased significantly in the recent months and could add considerably to future revenues at the current forward price projections.

Board of Directors Changes

Effective November 26, 2019 Mr. Doug Dafoe and Mr. Kevin Baker have resigned as directors of the Corporation. The board of directors and management of Point Loma thank Doug and Kevin for their many contributions to the Corporation and wish them well in future ventures.

Additional Information

Point Loma has filed its third quarter financial statements and Management's Discussion and Analysis for the quarter ended September 30, 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 exploration and development company focused on conventional and unconventional oil and gas reservoirs in west central Alberta. The Corporation controls over 140,000 net acres (220 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 to employ horizontal multi-stage frac technology and to exploit opportunities for secondary recovery. For more information, please visit Point Loma's website at www.pointloma.ca or Point Loma's profile on the System for Electronic Document Analysis and Retrieval website at 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 anticipated timing of completion of construction of the expansion of the facilities at Wizard Lake; the anticipated timing of commencement of production from the three Wizard Lake wells 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; 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", "could", "would", "expects", "believe", "plans", "potential" and similar expressions are intended to identify forward-looking statements or information. These statements should not be read as guarantees of future performance or results. 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 anticipated timing to complete the second farm-out well and whether such well will be drilled, the successful completion of the two well farm-out program with Salt Bush prior to December 31, 2019, whether the Corporation will complete the disposition of the Wizard Lake oil property on satisfactory terms, the Corporation's anticipation that it will become cash flow positive in the first quarter of 2020; 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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.