



POINT LOMA RESOURCES ANNOUNCES TRANSACTION INVOLVING ASSET SWAP AND CASH INJECTION FOR ITS WIZARD LAKE PROPERTY

Calgary, Alberta, December 17, 2019: Point Loma Resources Ltd. (TSX-V: PLX) (“**Point Loma**” or the “**Corporation**”) is pleased to announce a transaction to rationalize its assets and monetize its working interest at Wizard Lake, Alberta.

Highlights

- Point Loma has entered into a Purchase and Sale agreement (“**PSA**”) with White Bark Energy Ltd. (WBE:ASX, “**White Bark**”), the parent company of Salt Bush Energy Ltd. (“**Salt Bush**”), to transfer its working interests in the Wizard Lake area to Salt Bush for consideration of \$6.8 million in the form of \$4.0 million cash (the “**Cash Consideration**”), \$2.0 million of stock in White Bark, the reduction of outstanding payout amounts of approximately \$0.8 million and the transfer from Salt Bush to Point Loma of approximately 240 boepd (based on Q3 producing rates) of its current working interests in various other joint properties in Alberta (the “**Transaction**”). Additionally, Point Loma retains a 10% working interest in certain Wizard Lake area assets until December 31, 2020, which is expected to provide the Corporation with additional revenues through 2020.
- The Transaction is scheduled to be completed over three closings. Pursuant to the PSA, Point Loma will receive \$1.2 million of the Cash Consideration on completion of the first closing, anticipated in late-December 2019, with the balance of \$2.8 million on the second closing, which is anticipated prior to March 31, 2020, subject to a financing by White Bark and receipt of regulatory approvals. Share consideration in connection with the Transaction will be \$2.0 million issued on completion of the second closing with \$1.0 million held in escrow for 4 months and another \$1.0 million released upon final closing, on or about December 31, 2020, subject to receipt of regulatory approvals.
- The funds from the Transaction will be utilized to commence a multi-stage corporate turnaround plan.
- The additional production associated with the properties transferred to the Corporation is expected to supplement Point Loma’s revenues immediately upon completion of the first closing.

- The Transaction is expected to increase Point Loma's net acreage to approximately 165,000 acres, where the Corporation has identified future locations and opportunities analogous to Point Loma's Wizard lake discovery.

Proposed Transaction

Point Loma has invested approximately \$3.0 million to date at Wizard Lake. Pursuant to the Transaction, Point Loma will receive \$6.0 million in cash and White Bark stock, approximately 240 boepd of working interest production and see a working capital deficit reduction of approximately \$0.8 million associated with the cancellation of a facility payout account.

"This transaction points to further potential upside on Point Loma's large 165,000 net acreage position and deep inventory of oil opportunities," said Terry Meek, President and CEO of Point Loma.

Mackie Research Capital Corporation acted as the sole financial advisor to Point Loma Resources with respect to the marketing of the Company's Rex Oil assets and the Transaction.

Point Loma maintains an extensive inventory of additional opportunities identified through analysis of historical penetrations that are indicative of bypassed oil pay on its lands. A description of the Corporation's other oil pool development opportunities can be found in the corporate presentation on the Point Loma website at www.pointloma.ca.

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 165,000 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 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 expected revenues from Point Loma's working interest in the Wizard Lake area; the anticipated timing to complete the Transaction, including the expected schedule of multiple closings and whether such closings will be completed; the anticipated use of funds from the Transaction; the expected impact of the Transaction on Point Loma's net acreage; statements relating to Point Loma's expectations about the potential impacts of the Transaction; expected net profits and working capital deficit reduction in connection with the Wizard Lake property; 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.

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, delays or changes associated with consummation of the Transaction; the inability to obtain the necessary regulatory approvals; 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.

Well test results should be considered as preliminary. Neither a pressure transient analysis nor a well-test interpretation has been carried out on the well test data contained herein and therefore the data contained herein should be considered to be preliminary until such analysis or interpretation has been done. There is no representation by the Corporation that the disclosed well results included in this news release are necessarily indicative of long term performance or recovery. As a result, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Corporation or that such rates are indicative of future performance of the well.

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.