



POINT LOMA RESOURCES ANNOUNCES WIZARD LAKE TRANSACTION UPDATE AND SHARE ISSUANCE

Calgary, Alberta, January 28, 2020: Point Loma Resources Ltd. (TSX-V: PLX) (“**Point Loma**” or the “**Corporation**”) is pleased to provide an update regarding the transaction to rationalize its assets and monetize its working interest at Wizard Lake, Alberta and relating to an issuance of shares to debenture holders of the Corporation.

Highlights

- As per the Corporation’s December 24, 2019 press release, Point Loma has completed the first closing of the Wizard Lake transaction (the “**Transaction**”) with the transfer of a 10% working interest by the Corporation in the Wizard Lake properties to Salt Bush Energy Ltd. (“**Salt Bush**”) in exchange for \$1.2 million cash and the transfer by Salt Bush of working interest properties to Point Loma.
- The balance of the Transaction is scheduled to be completed over two additional closings. Pursuant to the purchase and sale agreement with Salt Bush, Point Loma will receive an additional \$2.8 million on the second closing, which is anticipated prior to March 31, 2020. Point Loma will also receive shares of Salt Bush’s parent, Whitebark Energy Ltd. (WBE:ASX) on the second closing in the amount of \$2.0 million, of which \$1.0 million of shares will be held in escrow for 4 months and \$1.0 million of shares will be released upon the 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 Transaction has increased 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.

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.

Wizard Lake

The Wizard Lake field is now on production and, as per the Whitebark announcement of January 21, 2020, the three wells producing in the pool “continued to produce through the extreme cold weather, albeit at a reduced average rate of approximately 750 boe/d (470 bopd).” This result is proof of concept of the Mannville horizontal oil opportunities that Point Loma carries in inventory.

Forbearance Fee

Pursuant to forbearance agreements (“**Forbearance Agreements**”) entered into by the Corporation with each of Kasten Resources Inc. (“**Kasten**”) and Richard Yurko (“**Yurko**” and together with Kasten, the “**Lenders**”) in respect of the \$2.5 million aggregate principal amount of secured debentures of the Corporation (the “**Secured Debentures**”) outstanding and owing to the Lenders, the Lenders have agreed to consent to the Transaction and not to enforce any rights under the Secured Debentures up until June 30, 2020 and, in exchange for such forbearance of the Lenders, the Corporation has agreed to pay a forbearance fee in the amount of \$50,000 to each of the Lenders (the “**Forbearance Fee**”). The Forbearance Fee will be satisfied by the issuance by the Corporation of such number of common shares (each, a “**Common Share**”) of the Corporation as is arrived at by dividing the sum of \$50,000 by the weighted average trading price of the common shares of the Corporation on the TSX Venture Exchange (the “**TSXV**”), less such maximum discount as provided for in the policies of the TSXV, in the 20 days preceding the share issuance. The Forbearance Fees shall be paid in accordance with TSXV Policy 5.1 – *Loans, Loan Bonuses, Borrower’s Fees and Commissions*, subject to the approval of the TSXV.

In the event that the issuance price of each Common Share exceeds \$0.066 per share (the “**Issue Price**”), then the number of Common Shares issuable by the Corporation to the Lender (the “**Number of Common Shares Issued**”) shall be determined by dividing the sum of \$50,000 by the Issue Price and a cash payment shall also be payable to the Lender by the Corporation. The amount of the cash payment shall be equal to: 750,000 less the Number of Common Shares Issued multiplied by the Issue Price (the “**Additional Cash Payment**”).

The Common Shares are subject to a four month hold period from the date of issue and will be issued on or before January 31, 2020.

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 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.