



Point Loma Resources Announces Second Quarter Financial and Operating Results

Calgary, Alberta, August 25, 2017: Point Loma Resources Ltd. (TSX VENTURE: PLX) (the "Corporation" or "Point Loma") is pleased to report financial and operating results for the three and six months ended June 30, 2017. Highlights of the periods and additional updates are summarized below:

HIGHLIGHTS

Financial	Three Months ended June 30, 2017	Six Months ended June 30, 2017⁽¹⁾
<i>(\$ thousands, except share amounts)</i>		
Gross revenue	1,183	2,698
Cash fused in operating activities	(513)	(173)
Funds used in operations ⁽²⁾⁽³⁾	(576)	(637)
Per share – basic ⁽³⁾	(0.02)	(0.02)
Net income (loss)	421	(351)
Per share - basic	0.01	(0.01)
Capital expenditures	332	460
Working Capital	5,305	5,305
Convertible debentures	1,760	1,760
Share capital		
Weighted average shares outstanding for period	35,299,813	32,435,027
Outstanding shares at end of period	42,078,907	42,078,907
Operations		
<u>Daily average production</u>		
Crude oil and liquids (bbls/d)	131	167
Natural gas (mcf/d)	2,611	2,434
Total production (boe/d at 6:1)	566	573
<u>Average sales price</u>		
Crude oil and liquids (\$/bbl)	48.66	50.62
Natural gas (\$/mcf)	2.53	2.63
Equivalent (\$/boe)	22.93	25.46
Netback ⁽³⁾		
Revenues (\$/boe)	22.93	25.46
Royalties (\$/boe)	(3.96)	(3.81)
Operating expense (\$/boe)	(19.17)	(18.23)
Transportation expense (\$/boe)	<u>(0.70)</u>	<u>(0.87)</u>
Netback (\$/boe) ⁽³⁾	<u>(0.90)</u>	<u>2.55</u>

- (1) Six months ended June 30, 2017 includes four months of Judy Creek acquisition production and reflects the sale of 20% of the oil and gas assets to Salt Bush Energy Ltd. (“Salt Bush”) effective April 1, 2017
- (2) Funds used in operations is cash flow used in operating activities less changes in non-cash working capital and transaction costs paid.
- (3) Funds from (used) in operations and netback are non-GAAP measures; see “Non-GAAP Measures” below.

Second Quarter Summary

The second quarter of 2017 was an active period for Point Loma with the closing of two transactions that capitalize the 2017 drilling program and the re-activation of previously suspended production.

As previously announced, the Salt Bush asset disposition and joint venture agreement brings capital and a key partner to Point Loma. The deal closed May 23, 2017 for total capital commitment of \$5.0 million in exchange for 20% of Point Loma’s oil and gas assets.

On June 21, 2017, Point Loma closed a private placement with Everenergy Company Limited (“Everenergy”) for the issuance of 8,375,000 common shares of Point Loma for cash proceeds of \$4.0 million representing a purchase price of \$0.48 per common share.

Operating costs in the second quarter include property taxes for the year to date which combined with wet field conditions resulted in higher than expected operating costs per boe. Field interruptions at Thornbury, a winter-only access area, also reduced production volumes by an approximate average of 70 boe per day.

Third Quarter Operational Plans

With the injection of the additional capital outlined above, Point Loma is planning to undertake a busy drilling and facilities program this fall. The Corporation has approved a capital budget for the second half of the year that will see approximately \$3.5 million of planned activity in the third quarter, including the drilling of two horizontal wells and the startup of a recently acquired horizontal well in our Paddle River Ostracod A pool that had previously never been placed on production.

With the Tidewater Midstream and Infrastructure Ltd. (“Tidewater”) purchase and re-activation of a significant gas processing facility, Point Loma’s plans are now underway to re-activate production of 16 area wells that had a previous combined producing rate of approximately 2.0 mmcf/d (net) with associated liquids. The deep cut facility is anticipated to improve the revenue per boe as well.

Looking forward into 2018, Point Loma has also completed plans to re-establish production in the Thornbury area. Potentially, the re-connect and optimize facilities could place another 1,500 mcf/d (net) back on production in the area through company operated infrastructure.

“Point Loma is anticipating a strong growth phase largely driven by low risk re-activation activities.” said Terry Meek, President and CEO of Point Loma. “The combination of new drilling, continued tuck-in acquisition opportunities and re-activation of key infrastructure in our core area provides the impetus for a step change.”

Additional Information

Point Loma has filed its second quarter financial statements and Management's Discussion and Analysis (MD&A) for the three and six months ended June 30, 2017 with Canadian securities regulators. These filings, and additional information including the Corporation's recently updated corporate presentation can be found on 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. Point Loma's business plan is to utilize its experience to drill, develop and acquire accretive assets with potential for implementation of 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 Point Loma's expectations as to production and future potential production increases, as well as increases in cash flow and the timing thereof; future gas processing rates; 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, 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

The Corporation 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 from (used) in operations and netback. Readers are referred to advisories and further discussion on non-GAAP measurements contained in the Corporation's MD&A.