

CALGARY, AB--(Marketwired - April 10, 2017) - [Point Loma Resources Ltd.](#) (TSX VENTURE: PLX) (the "Corporation" or "Point Loma") is pleased to announce the signing of a binding term sheet to enter into a disposition ("Disposition") and joint venture ("JV") with Transerv Energy Ltd. (ASX: TSV) via its Canadian subsidiary Salt Bush Energy Ltd. ("Salt Bush"). Highlights of the transaction are summarized below:

Point Loma Salt Bush Joint Venture

- The Disposition consists of Point Loma selling and assigning a 20 percent working interest in its assets to Salt Bush for consideration of \$5 million and the creation of a strategic JV;
- Salt Bush will pay Point Loma \$1.5 million by April 17, 2017 and will pay the remaining balance of \$3.5 million upon closing of the Disposition;
- Following closing Point Loma and Salt Bush will proceed forward on the basis of a working interest relationship of 80 percent Point Loma and 20 percent Salt Bush;
- The initial consideration of \$5 million will be allocated to agreed upon operations that Point Loma will undertake on behalf of the JV after which all future capital will be funded directly by each party in the JV;
- Use of funds will include drilling, facility improvements to reactivate production and certain producing property acquisitions;
- The initial capital expenditures are expected to result in appreciation in Point Loma production and associated net revenues;
- Under the JV agreement, Salt Bush will contribute a proportionate share of Point Loma general and administrative expenses; and
- Point Loma and Salt Bush will become strategic partners in further ventures.

In establishing this JV Point Loma has attracted a strategic partner that will allow Point Loma to accelerate currently identified opportunities and additional capital options to pursue opportunities in the core focus area of west central Alberta. Point Loma has been able to acquire certain assets for accretive terms in the region and this transaction will inject capital to activate additional acquired production previously suspended and to expand the Corporation's drilling program.

Closing of the JV transaction is anticipated prior to June 9, 2017 and is subject to a number of closing conditions, including satisfying due diligence review, regulatory approvals and completion of definitive agreements.

Current production of approximately 900 boe/d is anticipated to ultimately increase with the deployment of the proceeds through certain identified acquisitions, development drilling and new pool drilling opportunities.

Point Loma is pleased to establish this relationship with the Transerv group that was instrumental in the initial stages of Point Loma's predecessor companies. This will add strength to our capital support and the potential to seek opportunities that may previously have gone untapped.

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 horizontal multi-stage frac technology and exploit opportunities for secondary recovery. For more information and our current presentation 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.

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.

Contact

For further information, please contact:

Terry Meek
President and CEO
Telephone: (403) 705-5051 ext.101
tmeek@pointloma.ca

Kevin Angus
Executive Vice-President Business Development
Telephone: (403) 705-5051 ext. 103
kangus@pointloma.ca

Randall Boyd
Vice President Finance and CFO
Telephone: (403) 705-5051 ext. 105
rboyd@pointloma.ca