VANCOUVER, March 2, 2017 /CNW/ - PMI Resources Ltd. ("PMI" or the "Company") (TSXV: PMI), is pleased to announce that it has entered into an option agreement effective February 28, 2017 (the "Option Agreement") with Blue Pacific Assets Corp., ("Blue Pacific") relating to the acquisition of 100% of the shares of Patagonia Oil Corp. ("Patagonia").

PMI continues to prepare the necessary documents to complete the Pentanova Energy Corp RTO and hopes to complete the acquisition in the near future.

About Patagonia

Patagonia is a private corporation focused on oil and gas plays in Argentina. Patagonia has entered into preliminary agreements or letters of interest to acquire several oil and gas exploration, development and producing assets in Argentina (the "Assets"). Patagonia is also currently in negotiations to potentially acquire additional assets in Argentina. Details of the specific acquisitions will be provided at later date upon receipt of reserve reports in compliance with National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities and the finalization of necessary confidentiality provisions with respect to the Assets.

Proposed Transaction

Pursuant to the Option Agreement, the Company has the right to acquire all of the issued and outstanding shares in the capital of Patagonia by paying: (i) U.S.$10,000 to Blue Pacific, (ii) reimbursing all documented reasonable expenses incurred by Patagonia in connection to the negotiations related to the Assets; and (iii) assuming all liabilities and obligations of Patagonia in connection with the acquisition of the Assets. Patagonia and Blue Pacific are both at arm's length with the Company and are both incorporated under the laws of the British Virgin Islands.

The Patagonia transaction is considered a Fundamental Acquisition by the TSX Venture Exchange and therefore trading in the common shares of the Company has been halted in accordance with the policies of the Exchange and will remain halted until such time as required documentation has been filed with and accepted by the Exchange and permission to resume trading has been obtained from the Exchange.

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

Forward-Looking Information

Except for the statements of historical fact, this news release contains "forward-looking information" within the meaning of the applicable Canadian securities legislation that is based on expectations, estimates and projections as at the date of this news release. The information in this news release about the completion of the transactions contemplated by the Option Agreement (the "Transaction"), and other forward-looking information includes but is not limited to information concerning the intentions, plans and future actions of the parties to the Transaction and the terms of the Transaction.

Factors that could cause actual results to differ materially from those described in such forward-looking information include, but are not limited to, risks related to the Company's or Patagonia's inability to satisfy a condition precedent to the completion of the Transaction (including obtaining necessary regulatory approvals and completion of financing required to complete the Transaction), other risks related to completion of the transaction and risks related to the inability of either of the Company or Patagonia to perform its respective obligations under the Transaction.

The forward-looking information in this news release reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company. In connection with the forward-looking information contained in this news release, the Company has made assumptions about the Company's ability to complete the Transaction and Patagonia's ability to complete the acquisition of the Assets. The Company has also assumed that no significant events occur outside of the Company's normal course of business. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein. Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise.

SOURCE PMI Resources Ltd.

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