

# Point Loma Resources Announces First Quarter 2018 Financial and Operating Results

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Calgary, Alberta (FSCwire) - [Point Loma Resources Ltd.](#) (TSX VENTURE: PLX) (the "Corporation" or "Point Loma") is pleased to report financial and operating results for the three months ended March 31, 2018. Highlights for the period and additional updates are summarized below:

## HIGHLIGHTS

| Financial                                                        | Three Months ended Three Months ended |                |
|------------------------------------------------------------------|---------------------------------------|----------------|
|                                                                  | March 31, 2018                        | March 31, 2017 |
| (\$ thousands, except share amounts)                             |                                       |                |
| Gross revenue                                                    | 1,201                                 | 1,515          |
| Cash flows from (used) in operating activities <sup>(1)(2)</sup> | (936)                                 | 340            |
| Funds used in operations <sup>(1)(2)</sup>                       | (829)                                 | (61)           |
| Per share – basic <sup>(2)</sup>                                 | (0.02)                                | (0.00)         |
| Net loss                                                         | (1,579)                               | (772)          |
| Per share - basic                                                | (0.03)                                | (0.03)         |
| Capital expenditures                                             | 1,612                                 | 130            |
| Working capital deficit                                          | 2,223                                 | 1,655          |
| Share capital                                                    |                                       |                |
| Weighted average shares outstanding for period                   | 54,899,900                            | 29,538,409     |
| Shares outstanding at end of period                              | 55,130,773                            | 31,961,419     |
| Operations                                                       |                                       |                |
| Daily average production                                         |                                       |                |
| Crude oil and liquids (bbls/d)                                   | 138                                   | 205            |
| Natural gas (mcf/d)                                              | 2,815                                 | 2,263          |
| Total production (boe/d at 6:1)                                  | 607                                   | 582            |
| Average sales price                                              |                                       |                |
| Crude oil and liquids (\$/bbl)                                   | 57.12                                 | 51.89          |
| Natural gas (\$/mcf)                                             | 1.94                                  | 2.75           |
| Equivalent (\$/boe)                                              |                                       |                |



28.95



### Netback<sup>(3)</sup>

|                                 |         |         |
|---------------------------------|---------|---------|
| Revenues (\$/boe)               | 21.97   | 28.95   |
| Royalties (\$/boe)              | (2.73)  | (3.66)  |
| Net operating expense (\$/boe)  | (20.78) | (17.30) |
| Transportation expense (\$/boe) | (0.84)  | (1.04)  |
| Netback (\$/boe) <sup>(3)</sup> | (2.38)  | 6.95    |

(1) Funds used in operations is cash flow used in operating activities less changes in non-cash working capital.

(2) Funds from (used) in operating activities and netback are non-GAAP measures; see "Non-GAAP Measures" below.

### First Quarter Summary

During the first quarter of 2018, Point Loma was negatively impacted by the combination of low natural gas prices as well as incurring workover expenses, resulting in a lower than anticipated netback. During the quarter the Corporation spent \$1 million to reactivate several formerly producing wells through pipeline re-connection to Point Loma owned and operated processing facilities in Thornbury and acquire 3D seismic on the Corporation undeveloped lands.

Point Loma raised \$0.7 million through a private placement with Everenergy Company Limited in the first quarter of 2018.

On April 30, 2018, Point Loma acquired certain oil and gas assets from a private oil and gas company involved in a receivership process. The effective date of November 1, 2017 resulted in a net purchase price of approximately \$779,000. Subsequent to the closing, Point Loma sold a gross overriding royalty and 448 acres of undeveloped land, related to the acquired assets, for cash proceeds of \$445,000. The acquisition is expected to provide incremental production of 315 bopd comprised of approximately 35 percent oil and NGLs.

### Annual General Meeting ("AGM")

The AGM of the shareholders of Point Loma will be held at 11:00 a.m. (MST) on Friday May 25, 2018 at the Conference Centre, First Canadian Centre, 350 – 7<sup>th</sup> Avenue SW, Calgary, Alberta, T2P 3N9.

### Outlook

NGL production gains are expected as Point Loma completes work to reroute existing production volumes and reactivate previously suspended volumes to a deep cut facility in the Paddle River area. The initial component of the project is anticipated to be completed in June 2018 for a potential increase of approximately 40 bpd of NGLs with additional new volumes restarting later in the year with accompanying NGL production.

Point Loma will continue to evaluate all producing wells for economic health during projected low natural gas prices during the summer months of 2018. This may result in some temporarily reduced production volumes, particularly natural gas, which may resume as natural gas prices increase.

### Additional Information

Point Loma has filed its first quarter financial statements and Management's Discussion and Analysis for the quarter ended March 31, 2018 with Canadian securities regulators. These filings, and additional information including the Corporation's recently updated corporate presentation can be found at Point Loma's website at [www.pointloma.ca](http://www.pointloma.ca) or at Point Loma's profile on the System for Electronic Document Analysis and Retrieval website at [www.sedar.com](http://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 operating activities and netback. Readers are referred to advisories and further discussion on non-GAAP measurements contained in the Corporation's MD&A.

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