

Point Loma Resources Announces Operational Update of Wizard Lake Rex Oil Discovery and Issuance of Settlement Units

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CALGARY, July 4, 2019 - [Point Loma Resources Ltd.](#) (TSX VENTURE: PLX) (the "Corporation" or "Point Loma") is pleased to announce an update on production and upcoming development drilling of the Corporation's Wizard Lake Rex oil discovery and the issuance of Settlement Units (as defined below).

Highlights:

- The Wizard Lake 16-17-48-27W4 Rex oil discovery well was placed on production June 5, 2019.
- Oil production for the month of June is estimated at 4,280 bbls over a total producing period of 555 hours.
- Oil cut increased throughout the period to approximately 40-50% of fluid during the final 10 days of June with current production estimated at 200-250 barrels per day of oil.
- Pump rate has been restricted due to weather conditions over the final 10 days of the month.

The first farm-out well at Wizard Lake is expected to spud in late July. This is the first of a previously announced two well farm-out program with its partner Salt Bush Energy Ltd. (May 30, 2019).

Wizard Lake Rex Oil (70% WI) Commencing First Oil Production and Horizontal Drilling Update

The Wizard Lake Rex oil discovery well has been producing since June 5, 2019 and continues to clean up with increasing oil rates as the well maintains consistent pumping conditions. Point Loma will monitor and look to increase pump rates as weather conditions improve in the area which will allow for greater fluid volumes and potentially increased oil rates. The production facility is now resulting in clean oil loads being delivered to the purchaser which is expected to significantly reduce current operating costs.

As previously announced on May 30, 2019, the Corporation's partner, Salt Bush, has agreed to commence a two well farm-in program with the first delineation well expected to be spudded prior to July 31, 2019. A successful fully completed 2 well farm-out would result in three producing oil wells. Point Loma would be the operator with a 50% working interest in the Rex oil discovery well, a 25% before payout / 50% after payout working interest in both the farm-out wells and a 50% working interest in the remaining lands. Together with Salt Bush the acreage accumulated equals 3,385 acres and provides 18 potential drilling opportunities on the pool as currently mapped. Point Loma and Salt Bush have also secured the opportunity to drill and earn an additional 720 acres in the area adding to the total opportunities.

A total of approximately \$5 million of gross capital could be spent on the two well farm-out to further delineate the oil pool at no cost to the Corporation.

This property represents a key oil discovery for Point Loma and is expected to increase the oil production weighting for the Corporation significantly. At the current pumping rate, the oil and ngl weighting for the Corporation has increased to approximately 40%. As the well continues to clean up this could continue to increase with follow-up drilling potentially moving the production split to an even higher oil weighting.

The Corporation expects that the farm-out with Salt Bush will further delineate the pool with a 1500m horizontal well and a 1800m horizontal well to be completed with multi-stage fracs. This is expected to assist in the confirmation of pool size and also oil productivity and will test the application of extended reach wells for further development of the pool. With the anticipated success of the two farm-out wells Point Loma

projects additional revenues and expects to demonstrate the economics of full field development.

Terry Meek, Point Loma's President and CEO, commented: "The early results of strong oil rates at Wizard Lake and the potential to see further increases is a big step for Point Loma. This increase in oil production is expected to provide higher netbacks and cash flow. The drilling of the first farm-out well, later in July, continues the development of the pool and is anticipated to build further oil production in the near term. This discovery is one of multiple opportunities Point Loma has identified that could lead to similar developments. We are excited to work with Salt Bush to fully develop this new discovery."

Issuance of Settlement Units

As previously announced on May 31, 2019, the Corporation has entered into debt settlement agreements with certain arm's length parties to settle trade payables in the sum of \$634,250 with the issuance of an aggregate of 3,523,613 settlement units (the "Settlement Units"). Each Settlement Unit is comprised of one common share in the capital of the Corporation (the "Common Shares") and one common share purchase warrant of the Corporation (the "Warrants"). The Settlement Units were issued at a deemed price of \$0.18 and each Warrant is exercisable into one Common Share at a price of \$0.22 per share for a period of one year. The Settlement Units cannot be traded until October 25, 2019.

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 150,000 net acres (230 net sections) and has a deep inventory of oil opportunities in the Mannville (Upper and Lower), Banff and Duvernay Shale formations. 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 to review the Corporation's latest 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.

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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 production from the Wizard Lake Rex Oil discovery, anticipated fluid volumes and oil rates, increase in oil and ngl production weighting for the Corporation, the anticipated timing of completion of the drilling and tie-in of the two farm-out wells at Wizard Lake, the anticipated results from the success on the two farm-out wells and operational activities and revenues related therewith, including using the data on pool size and oil productivity for further development, anticipated capital to be spent on the two proposed farm-out wells, and potential future targets and opportunities. Statements relating to "reserves" are also deemed to be 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", "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.

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