

# Point Loma Resources Announces Entering into an Agreement to Market its Wizard Lake Rex Oil Property

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CALGARY, July 17, 2019 - [Point Loma Resources Ltd.](#) (TSX VENTURE: PLX) (the "Corporation" or "Point Loma") is pleased to announce the retention of Mackie Research Capital Corporation (MRCC) to market the Corporation's Wizard Lake Rex oil property in central Alberta.

## Highlights:

- MRCC and Point Loma have entered into an engagement agreement whereby Mackie will canvas the market for parties potentially interested in a transaction to acquire the Corporation's interest in its Wizard Lake oil property.
- Funds realized from a transaction would be utilized to address the Corporation's working capital deficit and to advance additional oil opportunities in Point Loma's existing inventory on its 230 net section land position.
- The Wizard Lake property consists of one producing Rex oil well (initial discovery well), 3,385 acres of land (with partner Salt Bush Energy Ltd. (Salt Bush)) and a two well farm-out agreement in-place whereby Salt Bush would drill two wells prior to year-end 2019 resulting in a 50% WI for both parties in the property and Point Loma remaining as the operator. Both farm-out wells are to be 100% funded by Salt Bush under the terms of the farm-out agreement (see May 30, 2019 press release for details).
- 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 had been restricted due to weather conditions over the final 10 days of the month.
- The first horizontal farm-out well at Wizard Lake is expected to spud in late July. This is the first well of the previously announced two well farm-out program which includes plans to drill an extended reach horizontal well.

## Wizard Lake Rex Oil (70% WI) -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, 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.

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.

Terry Meek, Point Loma's President and CEO, commented: "The Corporation is pleased to be working with Mackie Research Capital to assist us in realizing the value of the Wizard Lake oil property. The drilling of the two farm-out wells, starting later in July, continues the development of the Rex oil pool and is anticipated to increase the overall value of the asset."

#### 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](http://www.pointloma.ca) or Point Loma's profile on the System for Electronic Document Analysis and Retrieval website at [www.sedar.com](http://www.sedar.com).

For further information, please contact:

Terry Meek  
President and CEO  
Telephone: (403) 705-5051 ext. 444  
[tmeek@pointloma.ca](mailto:tmeek@pointloma.ca)

Thomas Love  
VP Finance and CFO  
Telephone: (403) 705-5051 ext. 443  
[tlove@pointloma.ca](mailto:tlove@pointloma.ca)

#### 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", "believes", "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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