

## **POINT LOMA RESOURCES LTD. & MADALENA ENERGY INC. ANNOUNCE CLOSING OF ASSET DEAL IN CENTRAL ALBERTA AND RECAPITALIZATION OF FIRST MOUNTAIN EXPLORATION INC.**

**June 28, 2016, Calgary, Alberta** – Point Loma Resources Ltd. (“**Point Loma**”) and Madalena Energy Inc. (TSXV: MVN and OTCQX: MDLNF) (“**Madalena**”) are pleased to announce that, further to their joint news release dated May 17, 2016, First Mountain Exploration Inc. (“**First Mountain**”), Point Loma Energy Ltd. and Madalena have completed the transactions in which: (i) Point Loma Energy Ltd. has acquired Madalena’s non-core Canadian petroleum and natural gas assets focused in the Paddle River area of Alberta; (ii) First Mountain has acquired all of the issued and outstanding shares of Point Loma Energy Ltd. in a reverse take-over transaction; and (iii) First Mountain has completed a 10:1 share consolidation, changed its name to “Point Loma Resources Ltd.” and reconstituted its management and board.

The resulting entity, Point Loma Resources Ltd. (formerly First Mountain), is a recapitalized, junior oil and natural gas exploration and production company and will be listed on the TSX Venture Exchange (“**TSXV**”), subject to final TSXV approval, with a consolidated and focused exploration and development oil play in the Paddle River area of Alberta. Point Loma’s common shares will commence trading on the TSXV under the ticker symbol “PLX” on or about July 5, 2016.

Point Loma believes its core area of the Western Canadian Sedimentary basin is currently under exploited and has significant economic potential when compared to certain resource plays in Saskatchewan and British Columbia.

### **Point Loma Highlights:**

- 135 boe/d of production, 90% oil and liquids
- Point Loma has negotiated access to processing capacity to allow a further 750 boe/d to be tied in at favourable processing rates
- Survey work to tie-in previously suspended production is now completed with expected on stream date of August 2016 that is expected to increase production to approximately 500 boe/d (43% oil and NGLs)
- Identified future facilities work which could potentially increase total production to approximately 850 boe/d by connecting two drilled and tested wells.
- Point Loma has a large land position in the Paddle River area of Alberta of approximately 175,000 net acres
- Point Loma’s new management team will focus on additional acquisitions and drilling to further grow Point Loma
- New experienced board of directors

Point Loma is also pleased to announce that Randall Boyd has joined the company as VP Finance and CFO. Mr. Boyd is a professional accountant with over 30 years of senior management experience with various public and private Oil and Gas Companies. Scott Alanen has resigned as Point Loma’s VP Finance and CFO. Point Loma wishes to thank Mr. Alanen for his significant contributions in assisting Point Loma through its private company phase and the transaction to go public.

## **TSXV Matters**

For further details, please see the news release dated May 17, 2016 and the filing statement dated June 23, 2016, a copies of which are available under First Mountain's profile on the System for Electronic Document Analysis and Retrieval ("**SEDAR**") website at [www.sedar.com](http://www.sedar.com) and on Point Loma's website at [www.pointloma.ca](http://www.pointloma.ca).

## **About Point Loma**

Point Loma is a public oil and gas exploration and development company focusing on conventional oil and gas reservoirs in Central Alberta. Point Loma will utilize its experience to acquire, drill and develop assets with potential for horizontal multi-stage frac technology and exploit opportunities for secondary recovery.

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

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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, 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 and Madalena believe 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 and Madalena 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 from the Madalena assets 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; failure to obtain the necessary regulatory approval, stock exchange and other regulatory approvals on the timelines planned. 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 none of Point Loma nor Madalena 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.*