

# Point Loma Resources

15:17 30 May 2019

## Mackie Research maintains Buy rating on Point Loma with C\$1 price target

Mackie Research on Thursday maintained its Buy rating on Point Loma Resources Ltd (CVE:PLX) just hours after the Canadian oil company announced its partner on the Wizard Lake Rex oil project has agreed to a two-well farm-in transaction to fund drilling and set-up costs.

Analyst Bill Newman also reiterated his price target of C\$1 a share, citing the transaction agreement under which Point Loma's partner Salt Bush Energy Ltd will incur 100% of the costs to drill, complete and equip the two wells. Salt Bush currently has a 30% working interest in the project.

**READ:** Point Loma announces new option with partner Salt Bush Energy to further delineate Wizard Lake Rex oil discovery  
Newman noted it's estimated that Salt Bush will pay C\$5 million to drill the two wells for an additional 20% working interest in the Rex oil project. After drilling is completed, both companies will share a 50-50% interest.

"Point Loma has commenced construction of production facilities and expects to place the Rex horizontal discovery well onstream in early June 2019," Newman wrote. "With facilities in place the two new Rex delineation wells could be on production in Q4/19 which could substantially boost Point Loma's oil production. We view this transaction as positive."

The project has net proven and probable reserves booked of 525 million barrels of oil. Newman noted that "internal mapping indicates the Rex pool has the potential to hold 60 million barrels of original oil in place" on Point Loma's land. He valued the production potential at \$25 million for the Calgary-based company.

Point Loma's stock recently traded flat at C\$0.21 in Toronto.

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**Price:** 0.08

**Market Cap:** \$7.12 m

### 1 Year Share Price Graph



### Share Information

**Code:** PLX

**Listing:** TSX-V

**52 week High Low**  
0.24 0.04

**Sector:** Oil & Gas

**Website:** [www.pointloma.ca](http://www.pointloma.ca)

### Company Synopsis:

*Point Loma Resources is new publicly traded Oil and Gas company that has captured a large position on the Mannville oil and liquids rich gas trend in west central Alberta. As a new company we have no bank debt, a solid balance sheet and an experienced team focussed on creating shareholder value.*

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