

CALGARY, May 25, 2015 /CNW/ - TSX-V: CWV: [Crown Point Energy Inc.](#) ("Crown Point" or the "Company") today announced its operating and financial results for the three months ended March 31, 2015 ("Q1 2015").

"Subsequent to the end of the first quarter of 2015, Crown Point achieved an important milestone by completing a \$15 million strategic financing that will support the Company's 2015 exploration and development programs in Tierra del Fuego and Cerro de Los Leones," said Murray McCartney, CEO of Crown Point. "This quarter we realized a moderate increase in average daily sales volumes and net production, due in part to four wells brought on production since December 2014. We remain focused on continuing to execute on our comprehensive exploration and development program, which we expect will drive further improvements in production."

Copies of the Company's unaudited condensed interim consolidated financial statements and related management's discussion and analysis ("MD&A") for Q1 2015 are being filed with Canadian securities regulatory authorities and will be made available under the Company's profile at www.sedar.com and on the Company's website at www.crownpointenergy.com. All dollar figures are expressed in United States dollars unless otherwise stated, and M\$ means thousands of U.S. dollars.

Since January 1, 2015, the Company:

- Completed the second tranche of a \$15.0 million strategic financing (the "Strategic Financing") where two strategic investors subscribed for and purchased 34,034,296 common shares of the Company for gross proceeds of \$8.5 million at \$0.25 per share;
- Reported \$4.0 million of oil and gas revenue for Q1 2015, a 17% increase compared with the three months ended March 31, 2014 ("Q1 2014"). Revenue per barrels of oil equivalent ("BOE") in Q1 2015 was \$29.97, a 9.7% increase compared with Q1 2014. This increase was largely due to the 22.5% increase in oil sales volumes and 10.5% increase in gas prices earned in Q1 2015 compared with Q1 2014;
- Reported Q1 2015 Tierra del Fuego ("TDF") average sales volumes of 1,499 BOE per day, a 16% increase from the average daily sales volumes in the fourth quarter of 2014 ("Q4 2014"), as a result of the Company's ongoing drilling and recompletion programs. Q1 2015 TDF average daily sales volumes increased 7.0% from Q1 2014 due to the sale of inventoried volumes of oil and new wells brought on production in December 2014 and March 2015. Production from new wells was offset by restricted production from some existing wells due to gathering system constraints and unscheduled compressor repair and maintenance activities;
- Reported a 20% decrease in General and Administrative ("G&A") expenses in Q1 2015 compared with Q4 2014, partly attributable to management's efforts to reduce costs. Q1 2015 G&A expenses decreased 3% from Q1 2014;
- Reported a \$1.6 million loss from continuing operations, a 4.6% decrease from Q1 2014. Q1 2015 loss per share from continuing operations was \$0.01 compared with \$0.02 in Q1 2014;
- Continued to advance the 14-well development, recompletion and exploration program in TDF, in which the Company holds a 25.78% interest in three exploitation concessions, including the successful fracture stimulation of PQ x-1001. The well was drilled to a total depth of 1,939 metres with approximately 14 metres of potential gross oil and gas pay and is currently being tested;
- Completed the drilling of three additional development wells, LFE-1001, LV-112 and SLx-1004, on the Las Violetas Concession. LFE-1001 was cased as a potential gas well after encountering a potential 7.5 metre gross gas bearing interval in the Springhill formation; LV-112 has been cased as a potential Springhill formation gas well with 15 metres of potential gross pay; and SLx-1004 was cased on May 22, 2015 as a potential Springhill gas well with 7 metres of potential gross pay. All three wells are scheduled for completion and testing in June 2015; and
- Commenced the acquisition of new 3D seismic in TDF, comprised of approximately 50 km², 52 km² and 120 km² on the Rio Cullen, La Angostura and Las Violetas Concessions, respectively.

Outlook

The Company anticipates the following activities to occur during the remainder of 2015:

- Completing the LFE-1001, LV-112 and SLx-1004 development wells;
- Completing the acquisition, processing and interpretation of new 3D seismic in TDF in preparation to drill one exploration well on each of the Rio Cullen and La Angostura Concessions in the fourth quarter of 2015; and identifying additional step-out locations in Los Flamencos for drilling in 2015 and 2016;
- Continuing the TDF fracture stimulation program which includes LFE-1003, LF-1029, LFE-1004, LF-1028 and LFE-1001. Remedial work is planned for LF-1028 during the second quarter of 2015; and
- Re-entering and retesting the Vega del Sol x-1 and Vega del Sol x-3 wells in CLL in the fourth quarter of 2015.

Capital Expenditures

Crown Point estimates a total of \$11.5 million of capital expenditures for 2015, comprised of \$9 million on the TDF concessions and \$2.5 million on the CLL concession, of which the Company spent \$3.1 million and \$0.1 million during Q1 2015, respectively. Crown Point expects to meet these obligations, along with its other anticipated expenses, from funds flow from continuing operations, working capital (which totaled approximately \$0.8 million at the end of Q1 2015) and the \$5.8 million in proceeds

received in April 2015 from the completion of the second tranche of the Strategic Financing as described above.

SUMMARY FINANCIAL INFORMATION

(expressed in \$, except shares outstanding) March 31 December 31 December 31

	2015	2014	2013
Working capital	796,126	2,575,201	15,049,226
Exploration and evaluation assets	14,939,378	14,828,994	10,350,417
Property and equipment	30,740,369	29,063,224	32,029,851
Total assets	57,144,674	57,569,312	64,868,464
Non-current financial liabilities ⁽¹⁾	1,012,918	1,451,658	3,942,392
Share capital	110,180,336	107,575,856	101,334,798
Total common shares outstanding	141,191,566	130,480,926	104,515,222

(expressed in \$, except shares outstanding)

Three months ended

March 31

	2015	2014
Oil and gas revenue	4,042,683	3,443,793
Net loss from continuing operations	(1,647,320)	(1,726,954)
Net loss per share – continuing operations ⁽²⁾	(0.01)	(0.02)
Net loss from discontinued operations	–	(109,751)
Net loss per share from discontinued operations ⁽²⁾	–	(0.00)
Net loss	(1,647,320)	(1,836,705)
Net loss per share ⁽²⁾	(0.01)	(0.02)
Funds flow from continuing operations	78,631	600,014
Funds flow per share – continuing operations ⁽²⁾	0.00	0.01
Weighted average number of shares	132,515,466	105,515,222

⁽¹⁾ Non-current financial liabilities are comprised of bank debt. The total amount outstanding at March 31, 2015 is \$4,176,399 of which \$3,163,481 is classified as current and \$1,012,918 is long-term (December 31, 2014 – \$4,748,908; \$3,297,250 current and \$1,451,658 long-term).

⁽²⁾ All per share figures are based on the basic weighted average number of shares outstanding in the period. The effect of options is anti-dilutive in loss periods. Per share amounts may not add due to rounding.

[Crown Point Energy Inc.](#) is an international oil and gas exploration and development company headquartered in Calgary, Canada, incorporated in Canada, trading on the TSX Venture Exchange and operating in South America. Crown Point's exploration and development activities are focused in the Golfo San Jorge, Neuquén and Austral basins in Argentina. Crown Point has a strategy that focuses on establishing a portfolio of producing properties, plus production enhancement and exploration opportunities to provide a basis for future growth.

Advisory

Certain Oil and Gas Disclosures: Barrels of oil equivalent (BOE) may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet (6 Mcf) to one barrel (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. In addition, given that the value ratio based on the current price of crude oil in Argentina as compared to the current price of natural gas in Argentina 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. "MBOE" means thousands of barrels of oil equivalent. "BOEPD" means barrels of oil equivalent per day.

Non-IFRS Measures: This press release discloses "funds flow from continuing operations" which does not have standardized meanings under International Financial Reporting Standards ("IFRS") and as such may not be comparable with the calculation of similar measures used by other entities. Funds flow from operations should not be considered an alternative to or more meaningful than, cash flow from operating activities as determined in accordance with IFRS as an indicator of the Company's performance. Management uses funds flow from operations to analyze operating performance and considers funds flow from operations to be a key measure as it demonstrates the Company's ability to generate cash necessary to fund future capital investment. A reconciliation of funds flow from operations to cash flow from operating activities is presented in the MD&A under "Non-IFRS Measures".

Forward looking information: Certain information set forth in this document, including: the Company's business strategy, including the statement that the Company is focused on continuing to execute on its comprehensive exploration and development program, which it expects will drive further improvements in production; the matters described under the heading "Outlook" including that the Company anticipated completing the LFE-1001, LV-112 and SLx-1004 development wells in 2015, completing the acquisition, processing and interpretation of new 3D seismic in TDF in preparation to drill one exploration well on each of the Rio Cullen and La Angostura Concessions in the fourth quarter of 2015; identifying additional step-out locations in Los Flamencos for drilling in 2015 and 2016, continuing the TDF fracture stimulation program which includes LFE-1003, LF-1029, LFE-1004, LF-1028 and LFE-1001 and re-entering and retesting the Vega del Sol x-1 and Vega del Sol x-3 wells in CLL in the fourth quarter of 2015; Crown Point's estimates of capital expenditures for 2015, and how Crown Point expects to meet these obligations; is considered forward-looking information, and necessarily involve risks and uncertainties, certain of which are beyond Crown Point's control. Such risks include but are not limited to: risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation; risks associated with operating in Argentina, including risks of changing government regulations (including the adoption of, amendments to, or the cancellation of government incentive programs or other laws and regulations relating to commodity prices, taxation, currency controls and export restrictions, in each case that may adversely impact Crown Point), expropriation/nationalization of assets, price controls on commodity prices, inability to enforce contracts in certain circumstances, the potential for a sovereign debt default or a hyperinflationary economic environment, and other economic and political risks; loss of markets and other economic and industry conditions; volatility of commodity prices; currency fluctuations; imprecision of reserve estimates; environmental risks; competition from other producers; inability to retain drilling services; incorrect assessment of value of acquisitions and failure to realize the benefits therefrom; delays resulting from or inability to obtain required regulatory approvals; the lack of availability of qualified personnel or management; stock market volatility and ability to access sufficient capital from internal and external sources; and economic or industry condition changes. Actual results, performance or achievements could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that Crown Point will derive therefrom. With respect to forward-looking information contained herein, the Company has made assumptions regarding: the impact of increasing competition; the general stability of the economic and political environment in Argentina; the timely receipt of any required regulatory approvals; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the costs of obtaining equipment and personnel to complete the Company's capital expenditure program; the ability of the operator of the projects which the Company has an interest in to operate the field in a safe, efficient and effective manner; the ability of the Company to obtain financing on acceptable terms when and if needed; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration activities; the timing and costs of pipeline, storage and facility construction and expansion and the ability of the Company to secure adequate product transportation; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, commodity price controls, import/export matters, taxes and environmental matters in Argentina; and the ability of the Company to successfully market its oil and natural gas products. Additional information on these and other factors that could affect Crown Point are included in reports on file with Canadian securities regulatory authorities, including under the heading "Risk Factors" in the Company's most recently filed annual information form, and may be accessed through the SEDAR website (www.sedar.com). Furthermore, the forward-looking information contained in this document are made as of the date of this document, and Crown Point does not undertake any obligation to update publicly or to revise any of the included forward looking information, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable securities law.

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

SOURCE [Crown Point Energy Inc.](#)

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