

Crown Point Announces Operating and Financial Results for the Three Months Ended March 31, 2019

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CALGARY, May 30, 2019 - TSX-V: CWV: [Crown Point Energy Inc.](#) ("Crown Point" or "Company" or "we") today announced its operating and financial results for the three months ended March 31, 2019.

Copies of the Company's unaudited condensed interim consolidated financial statements and management's discussion and analysis ("MD&A") filings for the three months ended March 31, 2019 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 ("USD") unless otherwise stated.

In the following discussion, the three month period ended March 31, 2019 may be referred to as "Q1 2019", the comparative three month period ended March 31, 2018 may be referred to as "Q1 2018".

HIGHLIGHTS

During Q1 2019, the Company:

- Reported net cash from operating activities of \$6.1 million, up 197% from \$2.0 million in Q1 2018;
- Earned \$12.0 million of oil and natural gas sales revenue, up 117% from \$5.5 million earned in Q1 2018;
- Reported average daily sales volumes of 3,470 BOE per day, up 126% from 1,536 BOE per day in Q1 2018;
- Reported average daily production volumes of 4,328 BOE per day, up 185% from 1,519 BOE per day in Q1 2018;
- Reported an operating netback of \$20.76 per BOE, down 6% from \$22.12 per BOE in Q1 2018;
- Improved production from the SM x-1001 well by increasing the choke size;
- Placed the third San Martin well, SM a-1003, on production;
- Submitted requests for environmental approvals to drill two exploration wells in the Cerra de Los Leones exploration permit area;
- Repaid all bank debt consisting of a \$1.7 million short-term working capital loan.

The increase in net cash from operating activities, oil and natural gas sales revenue, average daily sales volumes and average daily production volumes in Q1 2019 as compared to Q1 2018 was primarily due to the acquisition of St. Patrick Oil & Gas Ltd. ("St. Patrick") in June 2018 and drilling success at the San Martin field located on the La Angostura concession.

Subsequent to Q1 2019, the Company:

- Completed the right of first refusal sale of a 16.8251% participating interest in the Tierra del Fuego concessions to the Company's partners for \$17.5 million of cash consideration (\$13.5 million plus a \$4 million income tax gross-up) and contingent consideration with an estimated fair value of \$4.3 million.

OPERATIONAL UPDATE

Tierra del Fuego Concession ("TDF")

La Angostura Concession

During Q1 2019, the San Martin field located on the La Angostura concession produced a total of 378,045 bbls of 35 API gravity oil (gross) (194,920 bbls net) and 136 mmcf of (gross) associated natural gas (70 mmcf net). Daily oil production averaged 4,200 bbls per day (gross) (net 2,242 bbls per day). Associated natural gas production averaged 1.51 mmcf of gas per day (gross) (net 773 mcf per day).

The second appraisal well (SM a-1003), located 0.9 km north and west of the SM x-1001 discovery well, was placed on stream on March 14, 2019. Co-mingled production from the upper and lower Tobifera formations has averaged 120 bbls per day (net 60 bbls per day) with a 10% water cut since being placed on production.

Las Violetas Concession

The LR x-1001 well, drilled to the south of the Rio Chico gas processing facilities in Q2 2018, was re-fractured and re-completed during Q1 2019. The flow test recovered formation water with traces of oil and the well was subsequently suspended.

Cerro de Los Leones Exploration Permit ("CLL")

The Company acquired 214 km² of 3-D seismic in Q3 2018 which is currently being used to finalize two drilling locations in the northern CLL area. The two exploration wells are planned for Q3 2019 at an aggregate budgeted cost of \$3.7 million. Both wells will target lower Tertiary and upper Cretaceous sandstones which are oil productive immediately north of CLL. The requests for environmental approval have been submitted to the provincial authorities.

OUTLOOK

The Company's capital expenditure budget for 2019 is \$15.0 million comprised of \$11.3 million in TDF and \$3.7 million in CLL based on expenditures for the following proposed activities:

- Drill two appraisal wells on San Martin structure in the La Angostura concession;
- Perform re-fracture stimulations on SM a-1003 and LR x-1001;
- Three well workovers; one in the La Angostura concession, one in the Rio Cullen concession and one in the Las Violetas concession;
- Install oil treatment and water handling facilities at San Martin to improve production capacity and reduce trucking costs;
- Other improvements to facilities in TDF; and
- Drill two exploration wells in CLL.

The \$11.3 million budget for TDF is based on the Company's share of the budget proposed by the UTE's operator. The Company is currently evaluating the budget proposal.

SUMMARY OF FINANCIAL INFORMATION

(expressed in \$, except shares outstanding)	March 31 2019	December 31 2018
Working capital (deficit)	642,453	(1,562,992)
Exploration and evaluation assets	9,043,030	9,032,994
Property and equipment	54,449,248	54,750,958
Total assets	83,390,910	85,128,625
Non-current financial liabilities	5,989,998	4,744,616
Share capital	131,745,215	131,745,215
Total common shares outstanding	72,903,038	72,903,038

(expressed in \$, except shares outstanding)	Three months ended	
	March 31	
	2019	2018
Oil and natural gas sales revenue	12,012,185	5,541,446
Income before taxes	3,317,053	909,144
Net income	2,978,175	272,779
Net income per share ⁽¹⁾	0.04	0.01
Cash flow from operations	6,050,373	2,039,243
Cash flow per share – operations ⁽¹⁾	0.08	0.06
Adjusted funds flow from operations ⁽²⁾	3,735,080	1,724,635
Adjusted funds flow per share – operations ⁽¹⁾⁽²⁾	0.05	0.05
Weighted average number of shares	72,903,038	32,903,038

⁽¹⁾ 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. Per share amounts may not add due to rounding.

⁽²⁾ "Adjusted funds flow from operations" and "Adjusted funds flow per share - operations" are non-IFRS measures. See "Non-IFRS Measures" in the "Advisory" section of this press release and in the Company's March 31, 2019 MD&A for a reconciliation of these measures to the nearest comparable IFRS measures.

TDF Sales Volumes

	Three months ended	
	March 31	
	2019	2018
Light oil bbls per day	1,612	649
NGL bbls per day	18	14
Natural gas mcf per day	11,036	5,240
BOE per day	3,470	1,536

TDF Operating Netback

The Company's operating netback was lower in Q1 2019 as compared to Q1 2018 due to a decrease in oil and natural gas prices and the effect of export taxes, which was partially offset by a decrease in operating costs per BOE.

	Three months ended	
	March 31	
	2019	2018
Per BOE		
Oil and gas revenue (\$)	38.46	40.09
Export tax (\$)	(2.68)	–
Royalties (\$)	(5.65)	(6.29)
Operating costs (\$)	(9.37)	(11.68)
Operating netback ⁽¹⁾ (\$)	20.76	22.12

⁽¹⁾ "Operating netback" is a non-IFRS measure. See "Non-IFRS Measures".

About Crown Point

[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 TWO OF THE LARGEST

PRODUCING BASINS IN ARGENTINA, THE AUSTRAL BASIN IN THE PROVINCE OF TIERRA DEL FUEGO AND THE NEUQUÉN BASIN IN THE PROVINCE OF MENDOZA. 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

Non-IFRS Measures: Non-IFRS measures do not have any standardized meanings prescribed by IFRS and may not be comparable with the calculation of similar measures used by other entities. Non-IFRS measures should not be considered alternatives to, or more meaningful than, measures determined in accordance with IFRS as indicators of the Company's performance. This press release contains the terms "adjusted funds flow from operations" and "adjusted funds flow per share – operations" which should not be considered alternatives to, or more meaningful than, cash flow from operations and cash flow per share – operations as determined in accordance with IFRS as an indicator of the Company's performance. Management uses adjusted funds flow from operations to analyze operating performance and considers adjusted 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. Adjusted funds flow per share – operations is calculated using the basic and diluted weighted average number of shares for the period consistent with the calculations of earnings per share. For a reconciliation of adjusted funds flow from operations to cash flow from operations, which is the most directly comparable measure calculated in accordance with IFRS, see the Company's MD&A. This press release also contains other industry benchmarks and terms, including "operating netbacks" (calculated on a per unit basis as oil, natural gas and NGL revenues less export tax, royalties and operating costs), which is a non-IFRS measure. See "TDF Operating Netback" for the calculation of operating netback. Management believes this measure is a useful supplemental measure of the Company's profitability relative to commodity prices. Readers are cautioned, however, that operating netbacks should not be construed as an alternative to other terms such as net income as determined in accordance with IFRS as measures of performance. Crown Point's method of calculating this measure may differ from other companies, and accordingly, may not be comparable to similar measures used by other companies.

Abbreviations and BOE Presentation: "3-D" means three dimensional, "API" means American Petroleum Institute gravity, being an indication of the specific gravity of crude oil measured on the API gravity scale, "bbls" means barrels, "BOE" means barrels of oil equivalent, "km²" means square kilometres, "mcf" means thousand cubic feet, "mmcf" means millions cubic feet, "NGL" means natural gas liquids. All BOE conversions in this press release are derived by converting natural gas to oil in the ratio of six mcf of gas to one bbl of oil. BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of six mcf of gas to one bbl of oil (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. Given that the value ratio based on the current price of crude oil as compared to natural gas in Argentina is significantly different from the energy equivalency conversion ratio of 6:1, utilizing a conversion on a 6:1 basis is misleading as an indication of value.

Forward-looking Information: This document contains forward-looking information. This information relates to future events and the Company's future performance. All information and statements contained herein that are not clearly historical in nature constitute forward-looking information, and the words "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "propose", "predict", "potential", "continue", "aim", "budget" or the negative of these terms or other comparable terminology are generally intended to identify forward-looking information. Such information represents the Company's internal projections, estimates, expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. This information involves known or unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. In addition, this document may contain forward-looking information attributed to third party industry sources. Crown Point believes that the expectations reflected in this forward-looking information are reasonable; however, undue reliance should not be placed on this forward-looking information, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. This press release contains forward-looking information concerning, among other things, the following: under "Operational Update – Cerro de Los Leones Exploration Permit ("CLL")", the expected timing and budget for two exploration wells and the anticipated play targets for the exploration wells and the associated anticipated benefits; under "Outlook", our estimated capital expenditures for fiscal 2019, the allocation of such capital expenditures between our TDF and CLL

concessions, the anticipated elements of this capital program, and the Company's continued evaluation of its fiscal 2019 budget proposal; under "About Crown Point", all elements of the Company's business strategy. The reader is cautioned that such information, although considered reasonable by the Company, may prove to be incorrect. Actual results achieved during the forecast period will vary from the information provided in this document as a result of numerous known and unknown risks and uncertainties and other factors. A number of risks and other factors could cause actual results to differ materially from those expressed in the forward-looking information contained in this document including, but not limited to, the following: the risks and other factors described under "Business Risks and Uncertainties" in our MD&A for the three month period ended March 31, 2019 and under "Risk Factors" in the Company's most recently filed Annual Information Form, which is available for viewing on SEDAR at www.sedar.com. In addition, note that information relating to reserves and resources is deemed to be forward-looking information, as it involves the implied assessment, based on certain estimates and assumptions that the reserves and resources described can be economically produced in the future. With respect to forward-looking information contained in this document, the Company has made assumptions regarding, among other things: the impact of inflation rates in Argentina and the devaluation of the Argentine peso against the USD on the Company; the impact of increasing competition; the general stability of the economic and political environment in which the Company operates, including operating under a consistent regulatory and legal framework in Argentina; future oil, natural gas and NGL prices (including the effects of governmental incentive programs thereon); 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; the ability of the Company to service its debt repayments when required; 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; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Company operates; and the ability of the Company to successfully market its oil and natural gas products. Management of Crown Point has included the above summary of assumptions and risks related to forward-looking information included in this document in order to provide investors with a more complete perspective on the Company's future operations. Readers are cautioned that this information may not be appropriate for other purposes. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking information contained in this document are expressly qualified by this cautionary statement. The forward-looking information contained herein is made as of the date of this document and the Company disclaims any intent or obligation to update publicly any such forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable Canadian securities laws.

Analogous Information: Certain information contained herein may be considered "analogous information" as defined in National Instrument 51-101. In particular, this document discloses that the lower Tertiary and upper Cretaceous sandstones are oil productive immediately north of CLL. Such analogous information has not been prepared in accordance with National Instrument 51-101 and the Canadian Oil and Gas Evaluation Handbook and Crown Point is unable to confirm whether such information has been prepared by a qualified reserves evaluator. Such information is not intended to be a projection of future results. Such information is based on independent public data and public information received from other producers and Crown Point has no way of verifying the accuracy of such information. Such information has been presented to help demonstrate the basis for Crown Point's business plans and strategies. There is no certainty that such results will be achieved by Crown Point and such information should not be construed as an estimate of future reserves or resources or future production levels.

Well-Flow Test Results and Initial Production Rates: Any references in this document to well-flow test results, swab test rates and/or initial production rates are useful in confirming the presence of hydrocarbons, however, such test results and rates are not determinative of the rates at which such wells will continue production and decline thereafter. While encouraging, readers are cautioned not to place reliance on such test results and rates in calculating the aggregate production for the Company. Well-flow test results, swab test rates and initial production rates may be estimated based on other third party estimates or limited data available at the time. Well-flow test result data should be considered to be preliminary until a pressure transient analysis and/or well-test interpretation has been carried out. In all cases in this document, well-flow test results and initial production results are not necessarily indicative of long-term performance of the relevant well or fields or of ultimate recovery of hydrocarbons.

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.

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