

Crown Point Announces Operating and Financial Results for the Three Months and Year Ended December 31, 2020 and Issuance of US\$5.45 Million of Debt Securities

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CALGARY, March 31, 2021 - TSX-V: CWV: [Crown Point Energy Inc.](#) ("Crown Point", the "Company" or "we") today announced its operating and financial results for the three months and year ended December 31, 2020.

Copies of the Company's December 31, 2020 audited consolidated financial statements and management's discussion and analysis ("MD&A") filings 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. References to "ARS" are to Argentina Pesos.

In the following discussion, the three months and year ended December 31, 2020 may be referred to as "Q4 2020" and "YE 2020", respectively, and the comparative three months and year ended December 31, 2019 may be referred to as "Q4 2019" and "YE 2019", respectively.

Q4 2020 SUMMARY

During Q4 2020, the Company:

- Reported net cash used by operating activities of \$0.03 million and funds flow from operating activities of \$2.19 million as compared to Q4 2019 which reported \$0.25 million of net cash used by operating activities and \$1.78 million of funds flow from operating activities;
- Earned \$4.1 million of oil and natural gas sales revenue on average daily sales volumes of 1,878 BOE per day, down from \$5.8 million of oil and natural gas sales revenue earned on average daily sales volumes of 1,891 BOE per day in Q4 2019 due to ongoing natural decline rates in gas production;
- Received an average of \$1.59 per mcf for natural gas and \$34.10 per bbl for oil compared to \$2.00 per mcf for natural gas and \$54.62 per bbl for oil received in Q4 2019;
- Reported an operating netback of \$8.66 per BOE, down from \$9.60 per BOE in Q4 2019 due to the drop in oil and natural gas prices in Argentina offset by a reduction in per BOE operating costs due to the transport of oil through the newly commissioned Company-owned San Martin oil pipeline which negated the need for certain trucking and lowered transportation costs in Q4 2020;
- Recognized \$1.6 million of property and equipment impairment as a result of lower forecasted commodity prices. Impairment related to property and equipment may be reversed in future periods if there are indicators of reversal such as an improvement in commodity price forecasts;
- Repaid \$0.8 million (ARS 67.5 million) and obtained \$0.6 million (ARS 50 million) of short-term working capital loans; and
- Reported a working capital surplus of \$3.0 million.

SUBSEQUENT TO Q4 2020, THE COMPANY:

- Repaid \$0.7 million (ARS 60.2 million) and obtained \$0.6 million (ARS 50 million) of short-term working capital loans; and

- Was awarded, together with partner Petrolera Aconcagua Energía ("Aconcagua"), a 25 year exploitation license for the 40.6 km² Chañares Herrados producing oil block, located in the Cuyo Basin approximately 50 km south of Mendoza City, Province of Mendoza. The Company and Aconcagua each hold a 50% working interest in the concession which will be operated by Aconcagua.

Under the terms of the exploitation license agreement, the joint venture will make a cash payment of \$8.3 million (\$4.15 million net to Crown Point) to the Province, pay a 13% royalty on oil production and commit to a \$85.7 million (\$42.85 million net to Crown Point) ten year work program which includes well work overs, infrastructure optimization and a multi- well drilling program.

- On March 25, 2021, the Company's wholly-owned subsidiary, Crown Point Energía, filed a short form base shelf prospectus (the "Prospectus") with the securities regulatory authorities in Argentina. The Prospectus allows Crown Point Energía to sell non-convertible debt securities in Argentina in the principal amount of up to \$75 million (or the equivalent in other currencies) during the five year period the Prospectus is effective.

Pursuant to the Prospectus, Crown Point Energía launched the offering of (i) Class I negotiable obligations, which will be guaranteed, denominated in USD to be integrated in ARS at the initial exchange rate and payable in ARS at the applicable exchange rate, at a fixed interest rate payable quarterly, maturing 36 months from the issue and settlement date, and (ii) Class II negotiable obligations, which will be guaranteed, denominated in ARS to be integrated and payable in ARS, at a variable interest rate payable quarterly, maturing 36 months from the issue and settlement date.

On March 30, 2021, Crown Point Energía closed on the issuance of \$3.38 million principal amount of Class I negotiable obligations and \$2.07 million (ARS 190 million) principal amount of Class II negotiable obligations for aggregate gross proceeds of \$5.45 million. Class I and Class II negotiable obligations were issued on March 31, 2021, are repayable in eight equal installments commencing on July 1, 2022 until the maturity date of March 31, 2024 and bear interest at 8% per annum and BALDAR Privados (currently 35%) plus 6.75% per annum, respectively.

The net proceeds of the financing will be used for general corporate purposes and to make investments for the development of new assets in Argentina.

OPERATIONAL UPDATE

Tierra del Fuego Concession ("TDF")

La Angostura Concession

During Q4 2020, San Martin oil production averaged 2,069 (net 719) bbls of oil per day. Oil is now transported through the newly commissioned Company-owned San Martin oil pipeline connecting the field to the Cruz del Sur facility for storage and subsequent sale, negating the need for trucking and lowering transportation costs.

Las Violetas Concession

Natural gas production from the Las Violetas concession remained uninterrupted during the 2020 periods and during Q4 2020 averaged 13,395 (net 4,655) mcf per day. Oil produced in association with natural gas production is trucked to the San Martin field, blended with San Martin oil and transported via the San Martin oil pipeline to Cruz del Sur for storage and sale. During Q4 2020, oil production from the Las Violetas concession averaged 305 (net 106) bbls of oil per day.

Cerro de Los Leones ("CLL") Exploration Permit

The Company is committed to drilling one exploration well on the CLL exploration permit before February 23, 2022 under the Period 3 term of the permit.

OUTLOOK

The Company's capital spending for fiscal 2021 is budgeted at \$4.1 million comprised of \$1.6 million for ongoing improvements to facilities in TDF and \$2.5 million to drill one exploration well on the CLL exploration permit. Investment in TDF has been significantly reduced due to a sharp decline in capital investment in Argentina as a consequence of the impact of the COVID-19 virus on both Argentina and the global economy.

ARGENTINA - COVID-19 AND ECONOMIC SUMMARY

In response to COVID-19, the federal government has closed the country's borders to non-residents. The mandatory country-wide quarantine period was suspended on November 2, 2020, with certain restrictions remaining in place. Economic activity remains low and inflation rates remain high.

COVID-19 continues to have the potential to further disrupt the Company's operations, projects and financial condition through, among other things, the disruption of the local or global supply chain and transportation services, or the loss of manpower resulting from quarantines that affect the Company's labour pools in local communities or operating sites which may require the Company to temporarily reduce or shut down its operations depending on their extent and severity.

SUMMARY OF FINANCIAL INFORMATION

(expressed in \$, except shares outstanding)	December 31 2020	December 31 2019	December 31 2018
Working capital (deficit)	3,021,590	1,831,197	(1,562,992)
Exploration and evaluation assets	11,182,557	10,920,359	9,032,994
Property and equipment	16,358,182	31,151,688	54,750,958
Non-current contingent consideration receivable -	-	1,634,740	-
Total assets	33,687,340	55,638,052	85,128,625
Non-current financial liabilities	972,765	3,283,943	4,744,616
Share capital	56,456,328	56,456,328	131,745,215
Total common shares outstanding	72,903,038	72,903,038	72,903,038

(expressed in \$, except shares outstanding)	Three months ended December 31		Year ended December 31	
	2020	2019	2020	2019
Oil and natural gas sales revenue	4,134,154	5,840,383	11,839,371	41,198,036
Impairment of property and equipment and goodwill	1,628,000	-	11,613,549	-
(Loss) income before taxes	(2,778,799)	(2,001,435)	(16,140,673)	4,927,624
Net (loss) income	(2,071,034)	1,896,669	(12,675,934)	1,367,109
Net (loss) income per share ⁽¹⁾	(0.03)	0.03	(0.17)	0.02
Net cash (used by) from operating activities	(29,704)	(246,995)	(988,513)	13,002,163
Net cash per share - operating activities ⁽¹⁾	(0.00)	(0.00)	(0.01)	0.18
Funds flow (used by) from operating activities ⁽²⁾	2,189,693	1,783,134	2,030,928	10,099,675
Funds flow per share - operating activities ⁽¹⁾⁽²⁾	0.03	0.02	0.03	0.14
Weighted average number of shares	72,903,038	72,903,038	72,903,038	72,903,038

⁽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.

"Funds flow (used by) from operating activities" and "Funds flow per share - operating activities" are

⁽²⁾ non-IFRS measures. See "Non-IFRS Measures" in the "Advisory" section of this press release and in the Company's December 31, 2020 MD&A for a reconciliation of these measures to the nearest comparable IFRS measures.

TDF Sales Volumes

	Three months ended		Year ended	
	December 31		December 31	
	2020	2019	2020	2019
Light oil bbls per day	1,100	956	613	1,570
NGL bbls per day	2	5	2	10
Natural gas mcf per day	4,655	5,579	4,726	7,202
Total BOE per day	1,878	1,891	1,403	2,780

TDF Operating Netback

	Three months ended		Year ended	
	December 31		December 31	
	2020	2019	2020	2019
Per BOE				
Oil and natural gas revenue (\$)	23.93	33.57	23.06	40.60
Export tax (\$)	(0.56)	(1.77)	(0.68)	(2.69)
Royalties (\$)	(4.00)	(4.84)	(3.85)	(6.19)
Operating costs (\$)	(10.71)	(17.36)	(12.95)	(11.71)
Operating netback ⁽¹⁾ (\$)	8.66	9.60	5.58	20.01

⁽¹⁾ "Operating netback" is a non-IFRS measure. See "Non-IFRS Measures" in the "Advisory" section of this press release.

RESERVES

The Company's reserve information for the year ended December 31, 2020 was disclosed in the Company's press release dated February 24, 2021. The Company's Annual Information Form and National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities filings for the year ended December 31, 2020 will be filed with Canadian securities regulatory authorities in due course and will be made available under the Company's profile at www.sedar.com and on the Company's website at www.crownpointenergy.com.

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 ARGENTINA. CROWN POINT'S EXPLORATION AND DEVELOPMENT ACTIVITIES ARE FOCUSED IN THREE PRODUCING BASINS IN ARGENTINA, THE AUSTRAL BASIN IN THE PROVINCE OF TIERRA DEL FUEGO, AND THE NEUQUEN AND CUYANO BASINS 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 "funds flow (used by) from operating activities" and "funds flow per share - operating activities" which should not be considered alternatives to, or more meaningful than, net cash (used by) from operating activities and net cash per share - operating activities as determined in accordance with IFRS as an indicator of the Company's performance. Management uses funds flow (used by) from operating activities to analyze operating performance and considers funds flow (used by) from

operating activities to be a key measure as it demonstrates the Company's ability to generate cash necessary to fund future capital investment. Funds flow per share - operating activities 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 funds flow (used by) from operating activities to net cash (used by) from operating activities, 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 royalties, export tax 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 (loss) 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: "API" means American Petroleum Institute gravity, being an indication of the specific gravity of crude oil measured on the API gravity scale; "bbl" means barrel; "bbls" means barrels; "BOE" means barrels of oil equivalent; "km" means kilometers; "km2" means square kilometers; "m" means meters; "mm" means millimeters; "mcf" means thousand cubic feet, "mmcf" means millions cubic feet, "NGL" means natural gas liquids; "psi" means pounds per square inch; and "YPF" means Yacimientos Petrolíferos Fiscales S.A. 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 price of crude oil as compared to natural gas in Argentina from time to time may be different from the energy equivalency conversion ratio of 6:1, utilizing a conversion on a 6:1 basis may be 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. 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 "Outlook", our estimated capital spending for fiscal 2021 and the operational activities at TDF and CLL that we expect to complete during fiscal 2021; under "Argentina - COVID-19 and Economic Summary", COVID-19's potential to further disrupt our operations, projects and financial condition, the ways in which that might occur, and the actions the Company may have to take in response thereto; under "About Crown Point", all elements of the Company's business strategy and focus. 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 year ended December 31, 2021 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 (and the duration thereof) that the COVID-19 (coronavirus) pandemic will have on (i) the demand for crude oil, NGLs and natural gas, (ii) our supply chain, including our ability to obtain the equipment and services we require, (iii) our ability to produce, transport and/or sell our crude oil, NGLs and natural gas, and (iv) the ability of our customers, joint venture partners and other contractual counterparties to comply with their contractual obligations to us; the ability and willingness of OPEC+ nations, Russia and other major producers of crude oil to reduce or maintain crude oil production levels and thereby maintain or increase global crude oil prices; that Roch S.A.'s voluntary reorganization filing will not have an adverse impact on its ability to operate the TDF concessions, and

therefore will not have an adverse impact on the TDF UTE, the TDF concessions and/or the Company; matters relating to the recently completed Cha?ares Herrados acquisition, including the amount and timing of capital expenditures thereon, production rates therefrom and revenues to be derived therefrom; the impact of inflation rates in Argentina and the devaluation of the Argentine peso against the USD on the Company; the amount of royalties that the Company will have to pay to a third party vendor of assets and the ability of the Company to recover a portion of such royalties from its joint venture partners; 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 and government price controls 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 continued suspension of the Company's quarterly dividend for the foreseeable future; 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 Argentina; 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.

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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