

# Crown Point Announces Operating and Financial Results for the Three Months Ended March 31, 2024

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CALGARY, May 13, 2024 - (TSXV: CWV) [Crown Point Energy Inc.](#) ("Crown Point", the "Company" or "we") today announced financial and operating results for the three months ended March 31, 2024.

Selected information is outlined below and should be read in conjunction with the Company's March 31, 2024 unaudited interim consolidated financial statements and management's discussion and analysis ("MD&A") that are being filed with securities regulatory authorities and will be made available under the Company's profile at [www.sedarplus.ca](#) 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 months ended March 31, 2024 may be referred to as "Q1 2024".

## Q1 2024 SUMMARY

During Q1 2024, the Company:

- Reported net cash provided by operating activities and funds flow provided by operating activities of \$0.5 million;
- Earned \$6.1 million of oil and natural gas sales revenue on total average daily sales volumes of 1,302 BOE per day, or 1.3 times the volume of the first quarter of 2023 due to lower gas sales volumes in the TDF Concessions in Q1 2024;
- Received an average of \$4.51 per mcf for natural gas and \$62.47 per bbl for oil;
- Reported an operating netback of \$5.74 per BOE<sup>1</sup>;
- Obtained \$2.2 million of working capital, export financing and overdraft loans, and repaid \$2.1 million of notes payable and \$0.3 million of working capital and export financing loans;
- Reported a loss before taxes of \$2.1 million and a net loss of \$0.9 million;
- Reported a working capital deficit<sup>2</sup> of \$19.9 million;
- As disclosed by press release issued on February 9, 2024, the Company entered into an agreement to acquire a working interest in the Piedra Clavada and Koluel Kaike hydrocarbon exploitation concessions ("Santa Cruz Concessions"). The Company is currently in the process of obtaining the approval of the Province of Santa Cruz and arranging the financing to fund the cash portion of the purchase price (net of the \$2.4 million deposit paid by the Company). The transaction is expected to close in July 2024.

## SUBSEQUENT EVENTS

Subsequent to March 31, 2024 the Company:

- Obtained working capital and overdraft loans for a total amount of \$5.43 million and repaid \$0.39 million on working capital and overdraft loans.
- Repaid the second \$2.1 million principal installment on the Series III Notes.

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<sup>1</sup> Non-IFRS financial ratio. See "Non-IFRS and Other Financial Measures".

<sup>2</sup> Capital management measure. See "Non-IFRS and Other Financial Measures".

## OPERATIONAL UPDATE

Tierra del Fuego Concession ("TDF" or "TDF Concessions")

- During Q1 2024, San Martin oil production averaged 405 (net 141) bbls of oil per day and Las Violetas concession production averaged 8,988 (net 3,122) mcf per day and oil production averaged 221 (net 77) bbls of oil per day.

#### Mendoza Concessions ("Mendoza Concessions")

- Oil production for Q1 2024 averaged 798 (net 399) bbls of oil per day from the CH Concession and 166 (net 83) bbls of oil per day from the PPCO Concession.

#### OUTLOOK

- The Company's capital spending on developed and producing assets for fiscal 2024 is budgeted at approximately \$4.9 million, of which \$1.5 million is for a well workover and improvements to facilities in the TDF Concessions and \$3.4 million for well workovers, facilities improvements and optimization in the Mendoza Concessions. The Company also plans to spend \$0.5 million on the testing of the gas bearing sandstone layers of the Neuquén Group at CLL. During Q1 2024, the Company incurred \$0.3 million of capital expenditures in the Mendoza Concessions.

#### SUMMARY OF FINANCIAL INFORMATION

(expressed in \$, except shares outstanding)	March 31	December 31
	2024	2023
Current assets	6,114,498	7,636,408
Current liabilities	(25,975,815)	(19,422,342)
Working capital <sup>(1)</sup>	(19,861,317)	(11,785,934)
Exploration and evaluation assets	14,103,353	14,103,353
Property and equipment	43,892,301	45,834,731
Total assets	66,725,317	67,785,665
Non-current financial liabilities <sup>(1)</sup>	12,749,949	18,317,856
Share capital	56,456,328	56,456,328
Total common shares outstanding	72,903,038	72,903,038
(expressed in \$, except shares outstanding)	Three months ended March 31	
	2024	2023
Oil and natural gas sales revenue	6,101,086	7,100,558
Loss before taxes	(2,127,175)	(2,393,195)
Net loss	(901,734)	(1,861,570)
Net loss per share <sup>(2)</sup>	(0.01)	(0.03)
Net cash provided by operating activities	463,430	923,774
Net cash per share - operating activities <sup>(1)(2)</sup>	0.01	0.01
Funds flow provided by operating activities	471,494	135,443
Funds flow per share - operating activities <sup>(1)(2)</sup>	0.01	0.00
Weighted average number of shares - basic and diluted	72,903,038	72,903,038

<sup>(1)</sup> We adhere to International Financial Reporting Standards ("IFRS"), however the Company also employs certain non-IFRS measures to analyze financial performance, financial position and cash flow. "Working capital" is a capital management measure. "Non-current financial liabilities" is a supplemental financial measure. "Net cash per share - operating activities" is a supplemental financial measure. "Funds flow per share - operating activities" is a supplemental financial measure. See "Non-IFRS and Other Financial Measures".

<sup>(2)</sup> All per share figures are the same for the basic and diluted weighted average number of shares outstanding in the periods. The effect of options is anti-dilutive in loss periods. Per share amounts may not add due to rounding.

	Three months ended	
	March 31	
	2024	2023
Total sales volumes (BOE)	118,480	140,935
Light oil bbls per day	898	995
NGL bbls per day	26	15
Natural gas mcf per day	2,270	3,337
Total BOE per day	1,302	1,566
Operating Netback <sup>(1)</sup>		

	Three months ended			
	March 31			
	2024		2023	
		Per BOE		Per BOE
Oil and natural gas sales revenue (\$)	6,101,086	51.49	7,100,558	50.38
Export tax (\$)	(152,016)	(1.28)	(138,196)	(0.98)
Royalties and turnover tax (\$)	(1,016,422)	(8.58)	(1,108,697)	(7.87)
Operating costs (\$)	(4,252,711)	(35.89)	(4,652,387)	(33.01)
Operating netback <sup>(1)</sup> (\$)	679,937	5.74	1,201,278	8.52

<sup>(1)</sup> "Operating netback" is a non-IFRS measure. "Operating netback per BOE" is a non-IFRS ratio. See "Non-IFRS and Other Financial 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 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 Neuquén and Cuyo (or Cuyana) 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 and Other Financial Measures: Throughout this press release and in other materials disclosed by the Company, we employ certain measures to analyze financial performance, financial position, and cash flow. These non-IFRS and other financial measures do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures provided by other issuers. The non-IFRS and other financial measures should not be considered to be more meaningful than financial measures which are determined in accordance with IFRS, such as net income (loss), oil and natural gas sales revenue and net cash (used) provided by operating activities as indicators of our performance.

"Funds flow per share - operating activities" is a supplemental financial measure. Funds flow per share -

operating activities is comprised of funds flow provided (used) by operating activities divided by the basic and diluted weighted average number of common shares outstanding for the period. See "Summary of Financial Information".

"Net cash per share - operating activities" is a supplemental financial measure. Net cash per share - operating activities is comprised of net cash provided (used) by operating activities divided by the basic and diluted weighted average number of common shares outstanding for the period. See "Summary of Financial Information".

"Non-current financial liabilities" is a supplemental financial measure. Non-current financial liabilities is comprised of the non-current portions of trade and other payables, notes payable and lease liabilities as presented in the Company's consolidated statements of financial position. See "Summary of Financial Information".

"Operating Netback" is a non-IFRS measure. Operating netback is comprised of oil and natural gas sales revenue less export tax, royalties and turnover tax and operating costs. Management believes this measure is a useful supplemental measure of the Company's profitability relative to commodity prices. See "Operating Netback" for a reconciliation of operating netback to oil and natural gas sales revenue, being our nearest measure prescribed by IFRS.

"Operating netback per BOE" is a non-IFRS ratio. Operating netback per BOE is comprised of operating netback divided by total BOE sales volumes in the period. Management believes this measure is a useful supplemental measure of the Company's profitability relative to commodity prices. In addition, management believes that operating netback per BOE is a key industry performance measure of operational efficiency and provide investors with information that is also commonly presented by other crude oil and natural gas producers. Operating netback is a non-IFRS measure. See "Operating Netback" for the calculation of operating netback per BOE.

"Working capital" is a capital management measure. Working capital is comprised of current assets less current liabilities. Management believes that working capital is a useful measure to assess the Company's capital position and its ability to execute its existing exploration commitments and its share of any development programs. See "Summary of Financial Information" for a reconciliation of working capital to current assets and current liabilities, being our nearest measures prescribed by IFRS.

Abbreviations and BOE Presentation: "bbl" means barrel; "bbls" means barrels; "BOE" means barrels of oil equivalent; "mcf" means thousand cubic feet; "mmcf" means million cubic feet, "NGL" means natural gas liquids; "UTE" means Union Transitoria de Empresas, which is a registered joint venture contract established under the laws of Argentina; and "WI" means working interest. 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 "Q1 2024 Summary", our expectations regarding the terms, conditions and timing for closing the proposed acquisition of the Santa Cruz Concessions; under "Operational Update", the Company's plans for future operations on its concessions and the anticipated benefits to be derived therefrom and timing thereof; under "Outlook", our estimated capital expenditure budget for fiscal 2024, and

the capital expenditures that we intend to make in our concessions during such period; 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: that the Company is unable to truck oil to the Enap refinery and/or the Rio Cullen marine terminal and/or that the cost to do so rises and/or becomes uneconomic; that the price received by the Company for its oil is at a substantial discount to the Brent oil price; that the Company is not able to meet its obligations as they become due and continue as a going concern; that the Company is unable to complete the proposed acquisition of the Santa Cruz Concessions on the terms described herein or at all, whether due to the inability of the Company to obtain financing to fund the cash portion of the purchase price, obtain requisite regulatory approvals, satisfy applicable conditions precedent, or otherwise; risks associated with the insolvency and/or bankruptcy of our joint venture partners and/or the operators of the concessions in which we have an interest, including the risk that any such insolvency and/or bankruptcy has an adverse effect on one of our UTEs, one of our concessions and/or the Company; and the risks and other factors described under "Business Risks and Uncertainties" in our MD&A for the three months ended March 31, 2024 and under "Risk Factors" in the Company's most recently filed Annual Information Form, which is available for viewing on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). With respect to forward-looking information contained in this document, the Company has made assumptions regarding, among other things: that the Company will complete the proposed acquisition of the Santa Cruz Concessions on the terms described herein on a timely basis, including the ability of the Company to obtain the requisite financing to fund the cash portion of the purchase price on acceptable terms, obtain all requisite regulatory approvals and satisfy all applicable conditions precedent; trucking costs; that the COVID-19 (coronavirus) pandemic (or any other pandemic or global or regional health related event) will not have a material impact on the Company and our operations going forward; the ability and willingness of OPEC+ nations and other major producers of crude oil to balance crude oil production levels and thereby sustain higher global crude oil prices; that our joint venture partners and the operators of our concessions will honour their contractual commitments in a timely fashion and will not become insolvent or bankrupt; 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 in relation to the newly elected President and Vice-President of Argentina and their administration), 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 operators of the projects which the Company has an interest in to operate the fields in a safe, efficient and effective manner; that the Company will not pay dividends for the foreseeable future; the ability of the Company to obtain financing on acceptable terms when and if needed and continue as a going concern; 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, inflation 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.

<https://www.rohstoff-welt.de/news/10883-Crown-Point-Announces-Operating-and-Financial-Results-for-the-Three-Months-Ended-March-31-2024.html>

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