**FORM 51-101F1 STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION OF CROWN POINT ENERGY INC. FOR THE YEAR ENDED DECEMBER 31, 2016**

**MARCH 15, 2017**

## ABBREVIATIONS

| Crude Oil and Natural Gas Liquids | | Natural Gas | |
|---|---|---|---|
| Bbl | barrels | NGLs | natural gas liquids |
| Bbl/d | barrels per day | Mcf | thousand cubic feet |
| Mbbl | thousand barrels | MMcf | million cubic feet |
| BOE | barrels of oil equivalent, on the basis of 1 BOE for 6 Mcf of natural gas | Mcf/d | thousand cubic feet per day |
| | | MMcf/d | million cubic feet per day |
| BOE/d | barrels of oil equivalent per day | | |
| bopd | barrels of oil per day | | |

**Disclosure provided herein in respect of BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of 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 of 6 Mcf:1 Bbl, utilizing a conversion on a 6 Mcf:1 Bbl basis may be misleading as an indication of value.**

## CONVERSIONS

The following table sets forth certain conversions between Standard Imperial Units and the International System of Units (or metric units).

| To Convert From | To | Multiply By |
|---|---|---|
| Mcf | cubic metres | 28.317 |
| cubic metres | cubic feet | 35.315 |
| Bbl | cubic metres | 0.159 |
| cubic metres | Bbl | 6.289 |
| feet | metres | 0.305 |
| metres | feet | 3.281 |
| miles | kilometres | 1.609 |
| kilometres | miles | 0.621 |
| acres | hectares | 0.405 |
| hectares | acres | 2.471 |

## CURRENCY

In this document, unless otherwise noted, all dollar amounts are expressed in United States dollars and references to "**$**" and "**US$**" are to United States dollars and references to "**MUS$**" are to thousands of United States dollars. References to "**CDN$**" are to Canadian dollars and references to "**ARS$**" are to Argentina pesos.

## GLOSSARY OF TERMS

Unless the context otherwise requires, the following terms shall have the respective meanings set out below when used herein. Certain other terms used herein but not defined herein are defined in NI 51-101 and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101.

"**2-D**" means two dimensional;

"**3-D**" means three dimensional;

"**Antrim Argentina**" means Antrim Argentina S.A., a wholly owned subsidiary of Crown Point and the company resulting from the amalgamation of Crown Point Argentina and Antrim Argentina S.A. on January 1, 2015;

"**Cañadón Ramirez Concession**" means Crown Point's former exploitation concession in the CGSA-13 Cañadón Ramirez area of the Golfo San Jorge basin of Argentina;

"**Cerro de Los Leones Permit**" or "**CLL**" means Crown Point's exploration permit in the Cerro de Los Leones area of the Neuquén basin of Argentina;

"**COGE Handbook**" means the "Canadian Oil and Gas Evaluation Handbook" maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter), as amended from time to time;

"**Corporation**" or "**Crown Point**" means Crown Point Energy Inc.;

"**Crown Point Argentina**" means Crown Point Oil & Gas S.A., a former wholly owned subsidiary of Crown Point that amalgamated with Antrim Argentina S.A. on January 1, 2015 to form Antrim Argentina;

"**km**" means kilometres;

"**km2**" means square kilometres;

"**La Angostura Concession**" means Crown Point's exploitation concession in the La Angostura area of the Tierra del Fuego region of the Argentine Austral basin in southern Argentina;

"**Laguna de Piedra Permit**" means Crown Point's exploration permit in the Laguna de Piedra area of the Neuquén basin of Argentina;

"**Las Violetas Concession**" means Crown Point's exploitation concession in the Las Violetas area of the Tierra del Fuego region of the Argentine Austral basin in southern Argentina;

"**NI 51-101**" means National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*;

"**Rio Cullen Concession**" means Crown Point's exploitation concession in the Rio Cullen area of the Tierra del Fuego region of the Argentine Austral basin in southern Argentina;

"**Tierra del Fuego Concessions**" or "**TDF**" means, collectively, the Rio Cullen Concession, La Angostura Concession and Las Violetas Concession;

"**WTI**" means West Texas Intermediate, the reference price paid in US$ at Cushing, Oklahoma for crude oil of standard grade; and

"**YPF**" means YPF S.A., an energy company that operates in the oil and gas upstream and downstream activities in Argentina.

**SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This document contains forward-looking information. This information relates to future events or the Corporation'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", or the negative of these terms or other comparable terminology are generally intended to identify forward-looking information. Such information represents the Corporation'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 document contains forward-looking information pertaining to, among other things: under "Reserves Data (Forecast Prices and Costs)", the estimates of our future revenues, royalties, operating costs, development costs, abandonment and reclamation costs, income taxes, and future net revenues (before and after income taxes) attributable to our reserves and the estimates of future commodity prices and inflation rates in Argentina; under "Undeveloped Reserves", the estimated timeline for developing our undeveloped reserves; under "Significant Factors or Uncertainties Affecting Reserves Data", our expectations for future commodity price changes in Argentina and our expected average price for crude oil in 2017; under "Future Development Costs", the estimated future development costs associated with our reserves, including the expectation that funds for future development costs will be obtained from internally-generated cash flow and debt and/or equity financing and that the costs of obtaining such funding will not have a material effect on the reserves or future net revenues disclosed herein or the development thereof; under "Oil and Gas Properties", our expectations relating to the Corporation's capital expenditure programs on the Tierra del Fuego Concessions and the Cerro de Los Leones Permit and the anticipated timing thereof and our estimates of the costs thereof and the potential benefits to be derived therefrom, including our ongoing effort to seek a partner on the Cerro de Los Leones Permit and our expectation that we will receive formal approval from the Mendoza provincial government at the end of March 2017 to extend the deadline applicable to the Period 2 exploration period; under "Tax Horizon", our estimate regarding the future taxability of the Corporation; and under "Production Estimates", our future production estimates. In addition, note that information relating to reserves is deemed to be forward-looking information, as it involves the implied assessment, based on certain estimates and assumptions, that the reserves described can be economically produced in the future. The reader is cautioned that such information, although considered reasonable by the Corporation, 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 which are discussed in this document.

Some of the risks and other factors which could cause actual results to differ materially from those expressed in the forward-looking information contained in this document include, but are not limited to:

- the risks of the oil and gas industry generally, including the risks associated with the exploration, development and production of oil and gas;
- lack of diversification of the Corporation's assets;
- the impact of work disruption and labour unrest;
- risks associated with substantial capital requirements;
- risks associated with additional funding requirements;
- risks of Argentine and foreign operations including changes in energy policies or personnel administering them, hyperinflation, currency fluctuations, exchange and export controls and royalty and tax rates;
- risks associated with economic and political developments in Argentina;
- the impact that negative cash flow from operating activities may have on future operations;
- risks associated with acquisitions;
- risks associated with selling production into a regulated pricing environment;
- incorrect assessments of the value of acquisitions;
- the failure to realize anticipated benefits of acquisitions and dispositions;

- risks associated with prices, markets and marketing of oil and natural gas (including with respect to Argentina's current pricing regimes);
- risks associated with global financial conditions;
- third party credit risk;
- risks associated with alternatives to and changing demand for petroleum products;
- the ability to replace reserves;
- risks associated with reserve estimates;
- risks associated with foreign subsidiaries, including the ability to distribute cash flow from such entities to the Corporation;
- risks associated with licensing and title of the Corporation's oil and gas assets;
- the ability to satisfy minimum work commitments on concessions and the penalties for failing to do so including, in the case of the Cerro de Los Leones Permit, the resulting loss of exploration and exploitation rights and obligation to pay the value of unsatisfied work commitments to the provincial government;
- fluctuations in currency exchange rates;
- transportation costs and the effects on the Corporation's netbacks;
- the availability of drilling equipment and access;
- the impact of delays in business operations;
- competition for oil and gas assets;
- risks associated with conflicting interests with partners;
- the impact of changes in legislation;
- risk of nationalization of Argentina oil and gas assets;
- the enforcement of civil liabilities in Argentina;
- the reliance on industry partners and operational independence;
- risks associated with reliance on key personnel;
- the ability to complete issuances of debt and borrowing when and if necessary and the effects thereof on the Corporation;
- risks associated with any potential hedging conducted or financial instruments entered into by the Corporation;
- income tax reassessments and other risks associated with any taxes payable by the Corporation;
- sufficiency of the Corporation's insurance coverage;
- the ability of the Corporation to satisfy all regulatory requirements;
- environmental risks including risks of spills, emissions and releases and the compliance with environmental regulations;
- risks associated with developing climate change regulations; and
- conflicts of interest of the directors and officers of the Corporation.

With respect to forward-looking information contained in this document, the Corporation has made assumptions regarding, among other things: the impact of increasing competition; the general stability of the economic and political environment in which the Corporation operates; the timely receipt of any required regulatory approvals; the ability of the Corporation 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 Corporation's capital expenditure program; the ability of the operator of the projects which the Corporation has an interest in to operate the field in a safe, efficient and effective manner; the ability of the Corporation 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 Corporation to secure adequate product transportation; future oil and natural gas prices; that no material changes will occur with respect to the legal, regulatory, fiscal or other applicable regimes affecting the Corporation's business; currency, exchange and interest rates; the Corporation's continued rights with respect to its assets; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Corporation operates; and the ability of the Corporation 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 readers with a more complete perspective on the Corporation'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 is expressly qualified by this cautionary statement.

The forward-looking information is made as of the date of this document and the Corporation 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.

**Initial Production Rates**: Any references herein to initial production, test production or test swab production rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter. Additionally, such rates may also include recovered "load oil" fluids used in well completion stimulation. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Corporation. Initial production rates may be estimated based on other third party estimates or limited data available at this 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 initial production results are not necessarily indicative of long-term performance of the relevant well or fields or of ultimate recovery of hydrocarbons.

## DATE OF STATEMENT AND STATEMENT INFORMATION

The effective date of this Statement of Reserves Data and Other Oil and Gas Information of Crown Point is December 31, 2016 and the preparation date, which is the most recent date to which information relating to the period ending on December 31, 2016 was considered in the preparation of the disclosure contained herein, is February 28, 2017.

## DISCLOSURE OF RESERVES DATA

### Disclosure of Reserves Data (Forecast Prices and Costs)

Gaffney, Cline & Associates Inc. ("**GCA**"), an independent qualified reserves auditor, has prepared a report dated February 28, 2017 (the "**GCA Report**") in which it has audited, as at December 31, 2016, the oil and natural gas reserves attributable to all of the properties of the Corporation. As at December 31, 2016, the Corporation only had oil and gas properties in Argentina and the only properties of the Corporation which had any reserves were located in the Tierra del Fuego Concessions. The Corporation's reserves are comprised of conventional natural gas, light crude oil, medium crude oil and natural gas liquids. The Corporation does not have any bitumen, coal bed methane, gas hydrates, heavy crude oil, shale gas, synthetic crude oil, synthetic gas or tight oil reserves. The GCA Report also presents the estimated net present value of future net revenue of Crown Point's properties before and after taxes, at various discount rates.

The extent and nature of all information supplied by Crown Point and/or the operator of its properties, which may have included ownership data, well information, geological information, reservoir studies, timing of future production, current product prices, operating cost data, capital budget forecasts and future operating plans, have been relied upon by GCA in preparing the GCA Report and were for the most part accepted as represented but were independently verified where possible. In the absence of such information, GCA relied, with the concurrence of Crown Point, upon its opinion of reasonable practice in the industry. All information provided to GCA was as at December 31, 2016 and, accordingly, certain of such information may not be representative of current conditions.

The definitions of the various categories of reserves are those set out in NI 51-101 and the COGE Handbook. The Corporation engaged GCA to provide an audit of the Corporation's proved, probable and possible reserves. The following are the definitions of proved, probable and possible reserves as set out in the COGE Handbook:

"**proved reserves**" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves. At least a 90% probability that the quantities actually recovered will equal or exceed the estimated proved reserves is the targeted level of certainty.

"**probable reserves**" are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves. At least a 50% probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves is the targeted level of certainty.

"**possible reserves**" are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves. At least a 10% probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable plus possible reserves is the targeted level of certainty.

In addition, the terms set forth below are defined in NI 51-101 and/or the COGE Handbook as follows:

"**conventional natural gas**" means natural gas that has been generated elsewhere and has migrated as a result of hydrodynamic forces and is trapped in discrete accumulations by seals that may be formed by localized structural, depositional or erosional geological features.

"**crude oil**" means a mixture consisting mainly of pentanes and heavier hydrocarbons that exists in the liquid phase in reservoirs and remains liquid at atmospheric pressure and temperature. Crude oil may contain small amounts of sulphur and other non-hydrocarbons but does not include liquids obtained from the processing of natural gas.

"**gross**" means (a) in relation to the Corporation's interest in production or reserves, its "company gross reserves", which are the Corporation's working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the Corporation; (b) in relation to wells, the total number of wells in which the Corporation has an interest; and (c) in relation to properties, the total area of properties in which the Corporation has an interest.

"**light crude oil**" means crude oil with a relative density greater than 31.1 degrees API gravity.

"**medium crude oil**" means crude oil with a relative density that is greater than 22.3 degrees API gravity and less than or equal to 31.1 degrees API gravity.

"**natural gas**" means a naturally occurring mixture of hydrocarbon gases and other gases.

"**natural gas liquids**" or "**NGLs**" means those hydrocarbon components that can be recovered from natural gas as a liquid including, but not limited to, ethane, propane, butanes, pentanes plus and condensates.

"**net**" means (a) in relation to the Corporation's interest in production or reserves, the Corporation's working interest (operating or non-operating) share after deduction of royalty obligations, plus the Corporation's royalty interests in production or reserves; (b) in relation to the Corporation's interest in wells, the number of wells obtained by aggregating the Corporation's working interest in each of its gross well; and (c) in relation to the Corporation's interest in a property, the total area in which the Corporation has an interest multiplied by the working interest owned by the Corporation.

**It should not be assumed that the present worth of estimated future net revenue represents the fair market value of the reserves. There is no assurance that the forecast price and cost assumptions contained in the GCA Report will be attained and variances could be material. The reserves and revenue estimates set forth below are estimates only and the actual reserves and realized revenue may be greater or less than those calculated.**

***Reserves Data (Forecast Prices and Costs)***

The following table discloses, in the aggregate, the Corporation's gross and net proved, probable and possible reserves, estimated using forecast prices and costs, by product type.

**SUMMARY OF OIL AND GAS RESERVES AS OF DECEMBER 31, 2016**
**(Forecast Prices & Costs)**

| Reserves Category | Light and Medium Crude Oil (Mbbl) Gross | Light and Medium Crude Oil (Mbbl) Net | Conventional Natural Gas (MMcf) Gross | Conventional Natural Gas (MMcf) Net | Natural Gas Liquids (Mbbl) Gross | Natural Gas Liquids (Mbbl) Net |
|---|---|---|---|---|---|---|
| Proved: | | | | | | |
| Developed Producing | 322 | 273 | 10,076 | 8,464 | 44 | 38 |
| Developed Non-Producing | 4 | 4 | 106 | 89 | - | - |
| Undeveloped | 129 | 110 | 6,354 | 5,337 | 13 | 10 |
| Total Proved | 455 | 387 | 16,536 | 13,890 | 57 | 48 |
| Probable | 68 | 58 | 3,495 | 2,936 | 3 | 3 |
| Total Proved plus Probable | 523 | 445 | 20,031 | 16,826 | 60 | 51 |
| Possible(1) | 49 | 41 | 2,132 | 1,791 | 2 | 2 |
| Total Proved plus Probable plus Possible | 572 | 486 | 22,163 | 18,617 | 62 | 53 |

Note:

(1) Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will be equal or exceed the sum of the proved plus probable plus possible reserves.

The following tables disclose, in the aggregate, the net present value of the Corporation's future net revenue attributable to the reserves categories in the previous table, estimated using forecast prices and costs, before and after deducting future income tax expenses, and calculated without discount and using discount rates of 5%, 10%, 15% and 20%.

**SUMMARY OF NET PRESENT VALUE OF FUTURE NET REVENUE**
**AS OF DECEMBER 31, 2016**
**(Forecast Prices & Costs)**

| | Net Present Values of Future Net Revenue Before Income Taxes Discounted at (%/year) | | | | |
|---|---|---|---|---|---|
| Reserves Category | 0% MUS$ | 5% MUS$ | 10% MUS$ | 15% MUS$ | 20% MUS$ |
| Proved: | | | | | |
| Developed Producing | 28,538 | 23,599 | 19,938 | 17,157 | 14,999 |
| Developed Non-Producing | 644 | 509 | 412 | 340 | 285 |
| Undeveloped | 27,404 | 20,026 | 14,829 | 11,085 | 8,336 |
| Total Proved | 56,587 | 44,137 | 35,178 | 28,582 | 23,620 |
| Probable | 13,391 | 9,517 | 6,863 | 5,002 | 3,677 |
| Total Proved plus Probable | 69,978 | 53,654 | 42,041 | 33,584 | 27,297 |
| Possible(2) | 8,978 | 6,137 | 4,238 | 2,945 | 2,050 |
| Total Proved plus Probable plus Possible | 78,956 | 59,791 | 46,279 | 36,529 | 29,347 |

| | Net Present Values of Future Net Revenue After Income Taxes(1) Discounted at (%/year) | | | | |
|---|---|---|---|---|---|
| Reserves Category | 0% MUS$ | 5% MUS$ | 10% MUS$ | 15% MUS$ | 20% MUS$ |
| Proved: | | | | | |
| Developed Producing | 22,247 | 18,397 | 15,547 | 13,384 | 11,706 |
| Developed Non-Producing | 419 | 327 | 262 | 213 | 177 |
| Undeveloped | 17,813 | 12,440 | 8,688 | 6,012 | 4,069 |
| Total Proved | 40,478 | 31,165 | 24,497 | 19,609 | 15,951 |
| Probable | 8,705 | 5,860 | 3,938 | 2,616 | 1,694 |
| Total Proved plus Probable | 49,183 | 37,025 | 28,435 | 22,225 | 17,645 |
| Possible(2) | 5,835 | 3,741 | 2,368 | 1,455 | 841 |
| Total Proved plus Probable plus Possible | 55,018 | 40,766 | 30,803 | 23,680 | 18,486 |

Notes:

(1) The after-tax net present value of Crown Point's oil and gas properties presented here reflects the income tax burden on the properties on a stand-alone basis. It does not consider any tax planning. It does not provide an estimate of the net present value at the level of the business entity, which may be significantly different. Crown Point's audited consolidated financial statements for the year ended December 31, 2016 and the related management's discussion and analysis should be consulted for information at the business entity level.

(2) Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will be equal or exceed the sum of the proved plus probable plus possible reserves.

The following table discloses as of December 31, 2016, in the aggregate, certain elements of the Corporation's future net revenue attributable to proved reserves, proved plus probable reserves and proved plus probable plus possible reserves, estimated using forecast prices and costs, and calculated without discount.

| Reserves Category | Revenue MUS$ | Royalties MUS$[1] | Operating Costs MUS$ | Development Costs MUS$ | Abandonment and Reclamation Costs MUS$ | Future Net Revenue Before Income Taxes MUS$ | Income Taxes MUS$ | Future Net Revenue After Income Taxes MUS$ |
|---|---|---|---|---|---|---|---|---|
| Total proved | 140,255 | 22,139 | 39,202 | 14,955 | 994 | 56,582 | 16,108 | 40,474 |
| Total proved plus probable | 172,903 | 27,315 | 44,215 | 22,567 | 994 | 69,943 | 20,795 | 49,148 |
| Total proved plus probable plus possible | 194,290 | 30,702 | 46,245 | 28,590 | 994 | 78,916 | 23,937 | 54,979 |

Note:

(1) Royalties do not include applicable local taxes on production (being MUS$6,383 for proved reserves, MUS$7,869 for proved plus probable reserves and MUS$8,842 for proved plus probable plus possible reserves).

The following table discloses, by product type (in each case with associated by-products) and on a unit value basis for each product type (in each case with associated by-products), the net present value of the Corporation's future net revenue attributable to its proved reserves, its proved plus probable reserves and its proved plus probable plus possible reserves, before deducting future income tax expenses, estimated using forecast prices and costs, and calculated using a 10% discount rate.

**NET PRESENT VALUE OF FUTURE NET REVENUE BY PRODUCT TYPE**
**AS OF DECEMBER 31, 2016 (Forecast Prices & Costs)**

| Reserves Category | Product Type | Future Net Revenue Before Income Taxes (discounted at 10%/Yr) (MUS$) | Unit Value[1] (US$) |
|---|---|---|---|
| Proved | Light Crude Oil & Medium Crude Oil (including solution gas and other by-products) | 4,951 | 10.88/bbl |
| | Conventional Natural Gas (including by-products but excluding solution gas and by-products from oil wells) | 29,607 | 1.79/Mcf |
| | Natural Gas Liquids | 620 | 10.88/bbl |
| | Total | 35,178 | 10.76/BOE |
| Proved plus Probable | Light Crude Oil & Medium Crude Oil (including solution gas and other by-products) | 5,666 | 10.83/bbl |
| | Conventional Natural Gas (including by-products but excluding solution gas and by-products from oil wells) | 35,721 | 1.78/Mcf |
| | Natural Gas Liquids | 654 | 10.90/bbl |
| | Total | 42,041 | 10.72/BOE |
| Proved plus Probable plus Possible | Light Crude Oil & Medium Crude Oil (including solution gas and other by-products) | 6,179 | 10.80/bbl |
| | Conventional Natural Gas (including by-products but excluding solution gas and by-products from oil wells) | 39,432 | 1.78/Mcf |
| | Natural Gas Liquids | 668 | 10.77/bbl |
| | Total | 46,279 | 10.69/BOE |

Note:

(1) The unit values are based on net reserves volumes.

## Forecast Prices Used in Estimates

The following table sets forth, for each product type, the pricing assumptions used in estimating the reserves data disclosed herein as at December 31, 2016, as included in the GCA Report. The pricing assumptions were provided by Crown Point to GCA, and represent Crown Point's forecast price assumptions as at the effective date of the GCA Report.

**SUMMARY OF PRICING AND INFLATION RATE ASSUMPTIONS**
**AS OF DECEMBER 31, 2016 (Forecast Prices & Costs)**

| Year | Medanito Crude Oil Price US$/Bbl | TDF Crude Oil Price(1) US$/Bbl | TDF NGL Price US$/Bbl | TDF(2) Natural Gas Price US$/Mcf | Inflation Rate(3) % / Year |
|---|---|---|---|---|---|
| 2017 | 57.9 | 49.4 | 18.01 | 4.20 | 2 |
| 2018 | 67.9 | 59.4 | 18.91 | 5.06 | 2 |
| 2019 | 71.0 | 62.5 | 19.85 | 5.82 | 2 |
| 2020 | 74.3 | 65.8 | 20.84 | 6.71 | 2 |
| 2021 | 77.8 | 69.3 | 20.84 | 7.39 | 2 |
| 2022 | 81.4 | 72.9 | 20.84 | 8.18 | 2 |
| 2023 | 83.6 | 75.1 | 20.84 | 8.65 | 2 |
| 2024 | 83.6 | 75.1 | 20.84 | 8.62 | 2 |
| 2025 | 83.6 | 75.1 | 20.84 | 8.60 | 2 |
| 2026 | 83.6 | 75.1 | 20.84 | 8.58 | 2 |
| Thereafter | 0%/year | 0%/year | 0%/year | 0%/year | |

Notes:

(1) Forecast pricing for TDF crude oil is based on Crown Point's forecast Medanito crude oil benchmark reference pricing less a discount of $8.50 per Bbl.

(2) This represents the blended forecast price used for estimating proven reserves. Natural gas production from the Tierra del Fuego Concessions is sold to domestic residential and industrial consumers in Tierra del Fuego as well as to mainland Argentina, all of which receive different prices as set by the Government of Argentina from time to time. The blended forecast price represents a blend of such prices. The Government of Argentina requires a minimum residential market supply obligation from each natural gas producer. Gas supplied to the residential market generally receives a lower price than the gas supplied to the non-residential consumers (industries and others).

(3) Inflation rates used for forecasting costs.

During the financial year ended December 31, 2016, Crown Point received a weighted average price of US$27.29/BOE, which was comprised of a weighted average price of US$56.25/Bbl for light crude oil and medium crude oil, US$3.62/Mcf for conventional natural gas and US$17.97/Bbl for NGLs (before transportation and marketing fees). The Corporation did not hedge any production in the year ended December 31, 2016.

## Reserves Reconciliation

The following table provides a reconciliation of Crown Point's gross reserves as at December 31, 2016 as compared to December 31, 2015 based on forecast prices and costs.

**RECONCILIATION OF COMPANY GROSS RESERVES BY PRODUCT TYPE**
**(Forecast Prices & Costs)**

| | Light and Medium Crude Oil (Mbbl) | | | Conventional Natural Gas (MMcf) | | | Natural Gas Liquids (Mbbl) | | |
|---|---|---|---|---|---|---|---|---|---|
| | **Gross Proved** | **Gross Probable** | **Gross Proved plus Probable** | **Gross Proved** | **Gross Probable** | **Gross Proved plus Probable** | **Gross Proved** | **Gross Probable** | **Gross Proved plus Probable** |
| ***December 31, 2015***(1) | 528 | 181 | 709 | 19,018 | 5,825 | 24,843 | 66 | 3 | 69 |
| Extensions and improved recovery | - | - | - | - | - | - | - | - | - |
| Technical revisions | 5 | (113) | (109) | 38 | (2,331) | (2,293) | (4) | (3) | (7) |
| Discoveries | - | - | - | - | - | - | - | - | - |
| Acquisitions | - | - | - | - | - | - | - | - | - |
| Dispositions | - | - | - | - | - | - | - | - | - |
| Economic factors | - | - | - | - | - | - | - | - | - |
| Production | (77) | - | (77) | (2,521) | - | (2,521) | (9) | - | (9) |
| ***December 31, 2016***(2) (3) | 456 | 68 | 523 | 16,535 | 3,494 | 20,029 | 53 | - | 53 |

Notes:

(1) Based on the report prepared by GCA dated March 16, 2016 auditing the crude oil and natural gas reserves of the Corporation as at December 31, 2015.

(2) Based on the GCA Report dated February 28, 2017 auditing the crude oil and natural gas reserves of the Corporation as at December 31, 2016.

(3) Totals may not add due to rounding.

## ADDITIONAL INFORMATION RELATING TO RESERVES DATA

### Undeveloped Reserves

The following tables set forth the volumes of proved undeveloped gross reserves and the probable undeveloped gross reserves, for each product type, that were first attributed to Crown Point's assets for the financial years ended December 31, 2016, 2015 and 2014 based on forecast prices and costs.

**SUMMARY OF COMPANY GROSS UNDEVELOPED RESERVES**
**(Forecast Prices & Costs)**

| | Light Crude Oil and Medium Crude Oil | | Conventional Natural Gas | | Natural Gas Liquids | |
|---|---|---|---|---|---|---|
| **Proved Undeveloped** | **First Attributed (Mbbl)** | **Cumulative at Year End (Mbbl)** | **First Attributed (MMcf)** | **Cumulative at Year End (MMcf)** | **First Attributed (Mbbl)** | **Cumulative at Year End (Mbbl)** |
| Year Ended December 31, 2014 | - | 225 | - | 10,882 | - | - |
| Year Ended December 31, 2015 | - | 155 | - | 6,521 | - | 8 |
| Year Ended December 31, 2016 | - | 129 | - | 6,355 | 5 | 13 |
| **Probable Undeveloped** | | | | | | |
| Year Ended December 31, 2014 | - | 266 | - | 5,357 | - | - |
| Year Ended December 31, 2015 | - | 162 | - | 5,318 | - | - |
| Year Ended December 31, 2016 | - | 61 | - | 2,950 | 3 | 3 |

Note:

(1) The phrase "first attributed" refers to the initial allocation of an undeveloped volume of crude oil or natural gas reserves by Crown Point. Only previously unassigned undeveloped volumes of crude oil or natural gas reserves are included in the first attributed volumes for the applicable financial year.

The following discussion generally describes the basis on which Crown Point attributes proved and probable undeveloped reserves and its plans for developing those undeveloped reserves.

#### *Proved Undeveloped Reserves*

Proved undeveloped reserves are generally those reserves related to wells that have been tested and not yet tied-in, wells drilled near the end of the fiscal year or wells further away from gathering systems. In addition, such reserves may relate to planned infill-drilling locations. The majority of these reserves are planned to be on stream within a three year timeframe.

***Probable Undeveloped Reserves***

Probable undeveloped reserves are generally reserves tested or indicated by analogy to be productive, infill drilling locations and lands contiguous to production. The majority of these reserves are planned to be on stream within a four year timeframe.

**Significant Factors or Uncertainties Affecting Reserves Data**

***Uncertainty Regarding Commodity Prices***

The most significant economic factor or significant uncertainty affecting Crown Point's reserves data is commodity prices, as the Corporation currently sells all of its oil and natural gas production into the Argentine market which has historically been subject to price controls imposed by the national government.

*Crude Oil Prices*

In January 2017, at the request of the Argentine government, an agreement (the "**Pricing Agreement**") was signed between most producers and refiners in Argentina agreeing to the convergence of the Medanito and Escalante domestic benchmark crude oil prices with international Brent crude oil prices over the coming months.

Under the terms of the Pricing Agreement, local refiners paid $59.40 per bbl for Medanito crude oil in January 2017. The crude oil price will decrease gradually every month before reaching $55.00 per bbl in July 2017. That price will be applicable until the end of the year, when the Pricing Agreement expires.

The Pricing Agreement will remain in place until the end of 2017 unless Brent prices fall below $45.00 per bbl for ten consecutive days or the Argentinean peso depreciates more than 20%, in which case the Pricing Agreement would have to be renegotiated. Further, the Pricing Agreement states that should international Brent crude oil prices remain more than $1.00 per bbl above the monthly Medanito floor price for ten consecutive days, the Pricing Agreement will be suspended and international Brent crude oil pricing will be adopted. Oil from Crown Point’s TDF concessions is sold at a discount to the Medanito crude oil price. Based on the terms of the Pricing Agreement and taking the discount into account, the Corporation expects to receive an average price of $49.00 per bbl for its TDF crude oil in 2017.

*Natural Gas Prices*

Crown Point sells its natural gas production to both industrial and residential consumers. Residential demand for natural gas in Argentina is higher during the colder months of April through October, reducing the average natural gas prices during this period as natural gas sales to the residential market earn a government imposed lower price than natural gas sales to the industrial market. Seasonal reductions in average natural gas prices during winter are typically offset by increases in natural gas sales during warmer months to the much higher-priced industrial market.

On October 6, 2016, the Ministry of Energy and Mines issued Resolution 212/2016 which specified that new natural gas prices for residential users commenced on October 7, 2016 with a 300% to 400% increase limit to natural gas prices set in the comparative period of the previous year, depending on the type of residential user, and a 500% increase limit for small and medium-sized companies. This resolution superseded resolutions issued in March, June and July of 2016 which had mandated higher natural price increases, but that were subsequently blocked by class action suits initiated by residential and small business consumer groups.

***Uncertainty Regarding Reserves Estimates***

GCA conducted its independent engineering audit on Crown Point's reserves as at December 31, 2016. The process of establishing reserves requires significant judgments and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change.

As circumstances change and additional data becomes available, reserves estimates also change. Estimates made are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, prices, economic conditions and governmental restrictions.

Although every reasonable effort is made to ensure that reserves estimates are accurate, reserves estimation is an inferential science. As a result, the subjective decisions, new geological or production information and a changing environment may impact these estimates. Revisions to reserves estimates can arise from changes in year-end oil and gas prices and reservoir performance.

### Future Development Costs

The following table provides information regarding the development costs deducted in the estimation of future net revenue attributable to the Corporation's reserves.

**FUTURE DEVELOPMENT COSTS (UNDISCOUNTED)[(1)]**

| | Forecast Prices and Costs | | |
|---|---|---|---|
| **Calendar Year** | **Proved Reserves (MUS$)** | **Proved plus Probable Reserves (MUS$)** | **Proved plus Probable plus Possible Reserves (MUS$)** |
| 2017 | 3,426 | 3,741 | 3,892 |
| 2018 | 7,470 | 7,470 | 7,616 |
| 2019 | 3,220 | 8,642 | 8,642 |
| 2020 | 180 | 2,057 | 7,782 |
| 2021 | 129 | 129 | 129 |
| Thereafter | 530 | 528 | 529 |
| TOTAL | 14,955 | 22,567 | 28,590 |

Note:

(1) Future development costs shown are associated with booked reserves in the GCA Report and do not necessarily represent the Corporation's full exploration and development budget.

The Corporation expects that future development costs will be funded from internally-generated cash flow and debt and/or equity financing. The Corporation does not anticipate that the cost of obtaining such funding will have a material effect on the reserves or future net revenues disclosed herein, nor does the Corporation expect that the cost of such funding could make the development of any of the Corporation's properties uneconomic.

## OTHER OIL AND GAS INFORMATION

### Oil and Gas Properties

The following is a description of the Corporation's oil and gas properties, all of which are located onshore in Argentina, as at December 31, 2016.

#### *Tierra del Fuego Concessions*

*Description of Tierra del Fuego Concessions*

In May 2012, upon the acquisition of Antrim Argentina, Crown Point acquired an interest in producing oil and natural gas assets in the Tierra del Fuego region in southern Argentina. The assets consist of a 25.78% working interest in approximately 489,000 acres (126,000 net acres) pursuant to three producing exploitation concessions, which include the Rio Cullen Concession, the La Angostura Concession and the Las Violetas Concession. The bulk of the Corporation's production and reserves in the Tierra del Fuego area are located on the Las Violetas Concession.

The main productive formation for the Tierra del Fuego Concessions is the Cretaceous Springhill formation, which consists of fluvial and shallow marine sandstones and shales that unconformably overlie volcanic and volcanoclastic rocks interbedded with non-marine sandstones and shales. The Springhill sandstones can range in thickness between 5 to 20 metres over the Tierra del Fuego Concessions and dip regionally from 1,700 metres to over 2,500 metres depth northeast to southwest across the Corporation's holdings.

Except as described below and elsewhere herein, the Tierra del Fuego Concessions are not subject to any statutory or other mandatory relinquishments, surrenders, back-ins or changes in ownership.

Antrim Argentina originally acquired its interest in the Tierra del Fuego Concessions in February 2005. The primary term of the Tierra del Fuego Concessions was set to expire in November 2016; however, in 2013 the provincial government authorities of Tierra del Fuego granted a ten year extension to August 2026.

Las Violetas Concession

The key terms of the extension of the Las Violetas Concession included: (i) a gross payment of US$5.0 million (US$1.3 million net to Crown Point's working interest, all of which has been paid); (ii) an increase to the base royalty from 12% to 15%; (iii) an incremental variable royalty of between 0.5% to 2.5% (in 0.5% increments) with increasing oil and gas prices; and (iv) a gross minimum total investment commitment of US$46.9 million (US$12.1 million net to Crown Point's working interest, all of which has been spent), which included 18 gross wells (of which 13 had been drilled at December 31, 2016). The remaining five gross wells must be drilled prior to the expiration of the term of the Concession in August 2026.

Rio Cullen Concession and La Angostura Concession

The key terms of the extension of the Rio Cullen and La Angostura Concessions included: (i) gross exploration commitments of US$3.3 million (US$0.85 million net to Crown Point's working interest, US$0.31 million of which had been spent at December 31, 2016) for the Rio Cullen Concession and US$3.8 million (US$0.98 million net to Crown Point's working interest, US$0.26 million of which had been spent at December 31, 2016) for the La Angostura Concession, which in both cases includes seismic and drilling; (ii) an increase to the base royalty from 12% to 15%; (iii) an incremental variable royalty of between 0.5% to 2.5% (in 0.5% increments) with increasing oil and gas prices; and (iv) after fulfillment of the exploration commitments, Crown Point has the right to relinquish either or both concessions or extend the terms thereof, subject to making a cash payment and agreeing to additional work commitments as further described below.

As noted above, the Corporation committed to spend US$850,000 (net to the Corporation's interest) for exploration (including seismic and drilling) on the Rio Cullen Concession and US$980,000 (net to the Corporation's interest) for exploration (including seismic and drilling) on the La Angostura Concession over a two year period, which commenced August 2, 2012 on approval of the extension of the La Angostura and Rio Cullen Concessions. The Corporation was granted additional time to complete its work commitments on both concessions by the Province who recognized the difficulty of sourcing seismic and drilling equipment from the mainland during 2013 and 2014. The Corporation had until the end of 2015 to fulfill its commitments on both blocks. Seismic surveying on the Rio Cullen Concession and on the La Angostura Concession was completed during the second quarter of 2015. Following such seismic interpretation and mapping the Corporation requested, and was granted, a further one year extension to December 31, 2016 to complete its work commitments on such concessions. Further studies on both concessions were completed in July 2016. The Rio Cullen Concession study identified nine gas prospects and the La Angostura Concession study identified seven oil prospects. The Corporation high graded the prospects in both concessions and selected one drilling location in each concession. In the fourth quarter of 2016, the Corporation requested an additional two year extension of the December 31, 2016 commitment dates for the drilling of both wells. The request for the extension was pending approval by the Provincial Legislature when it recessed for the summer and was therefore not received. Accordingly, the Corporation and its partners commenced operations in December 2016 to drill one exploration well on both concessions. Drilling operations are scheduled to be completed during the first quarter of 2017, at which time the Corporation’s work commitments on both concessions will have been satisfied.

After fulfillment of the exploration commitments, the Corporation has the option to extend the term of either concession by making a cash payment plus agreeing to an additional minimum investment commitment on each of the Rio Cullen and La Angostura Concessions. The amount of the cash payment and the investment will be determined based on an independent third party determination of the quantity of proved plus probable reserves discovered during the initial exploration period. The cash payment is a sliding scale (with a proved plus probable reserves range of between zero and greater than 18 million barrels of oil equivalent) with a minimum of US$32,500 payment to a maximum of US$1.29 million payment (in each case, net to the Corporation's interest). The work commitment is also a sliding scale (with a proved plus probable reserves range of between zero and greater than 18 million barrels of oil equivalent) with a minimum of US$464,000 commitment to a maximum of US$9.28 million commitment (in each case, net to the Corporation's interest) for exploration and development work.

*Recent Activity and Plans*

Q4 2016 and 2017

The Corporation has commenced exploration drilling operations on the Angostura and Rio Cullen Concessions which are scheduled to be completed by the end of the first quarter of 2017.

Three older wells on the Las Violetas Concession have been identified for fracture stimulation in the first half of 2017 to enhance or restore productivity. One of these wells is located in the Las Violetas gas pool and the remaining two wells are located in the San Luis gas pool.

During the fourth quarter of 2016 remedial work was performed on the LF-1028 well, which was drilled and cased in 2014 as a potential Springhill formation gas well but which encountered mechanical problems while running casing. There are no current plans to complete and test this well in 2017.

The LFE-1004 well, which was drilled and cased to a total depth of 2,253 metres as a potential gas well and which is located on the eastern flank of the Los Flamencos gas pool, will be tested in 2017. This well did not encounter Springhill reservoir sands but logged significant gas shows in the underlying Tobífera section.

Tierra del Fuego Exploration Drilling - Two Well Program

The first of the two Tierra del Fuego exploration wells, SL x-1003, was tied in to the Corporation-owned San Luis gas plant and placed on production on December 30, 2014.

The second exploration well, PQ x-1001, was drilled to a total depth of 1,939 metres and cased on December 8, 2014 with approximately 14 metres of potential gross oil and gas pay in the Springhill sandstones formation. The well was placed on production in December 2015 as a pumping oil well.

Tierra del Fuego 3-D Seismic

The Corporation recorded three additional 3-D seismic surveys on its Tierra del Fuego concessions in 2015. The first survey program comprised of approximately 50 square kilometres, located on the Rio Cullen Concession in northern Tierra del Fuego. The second survey program, approximately 52 square kilometres, was recorded on the La Angostura Concession which is located between the Rio Cullen and Las Violetas Concessions. Both programs are designed to map and evaluate the Springhill formation which is productive for both oil and gas in the area.

The third seismic program, comprising approximately 120 square kilometres, was recorded over the eastern extension of the Los Flamencos gas pool (located in the Las Violetas Concession). The program extends 3-D coverage on this pool to the east and south of current seismic mapping and recent drilling locations.

2016 Fracture Stimulation Program

The Corporation identified a number of older producing and non-producing wells on the Las Violetas Concession as candidates for fracture stimulation. During the first half of 2016, the Corporation carried out fracture stimulations on four older wells.

LV-104, an older producing gas well offsetting LV-112, was successfully fracture stimulated in April 2016 and placed back on production.

EM-2, located immediately to the west of the San Luis field, was fracture stimulated in March 2016. This well was drilled and cased by YPF and tested gas from the Springhill formation in the 1970s before being suspended. The well was tied-in to the San Luis field gathering system and placed on production in August 2016.

LVx-4, a shut in gas well offsetting LV-104 and LV-112, was fracture stimulated in June 2016. On cleanup, only small volumes of gas plus frac fluid were recovered and the well was suspended. A chemical treatment will be carried out in 2017 to remove near wellbore emulsion buildup and improve inflow.

RCh-6, a shut in oil and gas well located on the eastern flank of the Los Patos pool, was fracture stimulated in early July 2016. The well was suspended after subsequent swabbing operations only recovered some frac fluid with minor oil and gas shows.

***Cerro de Los Leones***

*Description of the Cerro de Los Leones Permit*

The Corporation has a 100% working interest in the 100,907 acre Cerro de Los Leones Permit located in the northern portion of the Neuquén Basin in the Province of Mendoza, Argentina. The Corporation does not currently have any production from this area and no reserves were booked to this area as of December 31, 2016.

Originally, the area covered by the Cerro de Los Leones Permit belonged to the Federal State of Argentina; however, the Province of Mendoza acquired the eminent domain over open acreage areas lying in its territory, including the Cerro de Los Leones area, under laws enacted on January 5, 2007.

The Cerro de Los Leones Permit was initially granted through a bidding process to Compañia General de Combustibles S.A., Petrolera Piedra del Águila S.A. and Desarrollos Energéticos S.A. by provincial decree dated May 6, 2008. Pursuant to another provincial decree dated December 18, 2008, the Province of Mendoza set some additional terms and conditions applicable to the Cerro de Los Leones Permit. In consideration for the award, the original holders of the Cerro de Los Leones Permit agreed to an exploration work program to be completed within a three year term, and also the payment of 16% production royalties upon a commercial discovery in the Cerro de Los Leones Permit area.

Crown Point Argentina acquired a 39.9% participating interest in the Cerro de Los Leones Permit from Petrolera Piedra del Águila S.A. under assignment agreements dated October 12, 2010 and a 10% interest from Desarrollos Energéticos S.A. under assignment agreements dated October 13, 2010. A 2.5% overriding royalty on the proceeds from the marketing of hydrocarbons obtained from the assigned participating interest was granted by Crown Point Argentina to Petrolera Piedra del Águila S.A. and also to Desarrollos Energéticos S.A. in their ratio as partial consideration for the assignment of its interest in the Cerro de Los Leones Permit. Crown Point acquired the remaining 50.1% participating interest in the Cerro de Los Leones Permit pursuant to the acquisition of Antrim Argentina on May 28, 2012.

The Cerro de Los Leones Permit confers upon its holders the exclusive right to explore for hydrocarbons during three successive exploration periods lasting three, two and one year(s), respectively. A minimum of fifty percent of the acreage of the Cerro de Los Leones Permit shall be relinquished at the end of each of the first two exploration periods or converted into an exploitation concession or evaluation block. The first exploration period commenced under the terms of the Cerro de Los Leones Permit in May 2012 upon receipt of the necessary environmental permits.

Effective April 27, 2015, the Corporation entered into an agreement (the "**Agreement**") with the Province of Mendoza to relinquish approximately 67% of the acreage represented by the Cerro de Los Leones Permit (representing approximately 205,739 acres) and carry over all outstanding Period 1 work commitments (approximately US$3.9

million) to Period 2, which period commenced in May 2015. The relinquished acreage included acreage that was: protected for environmental considerations; designated as access restricted/prohibited due to the presence of the European Space Agency's Deep Space 3 antenna on the Cerro de Los Leones Permit; and located in the southeast and northwest sectors of the concession which the Corporation has deemed to be non-prospective.

The following provides details of the work commitments required to be completed during each of the exploration periods:

| Exploration Period | Term of Exploration Period | Required Work Commitment | Status |
|---|---|---|---|
| Period 1 | Expired | Transferred to Period 2 | - |
| Period 2 | 2 years commencing May 21, 2015(2) | A minimum of approximately US$4.6 million in expenditures(1) (2), plus a minimum of 1 exploration well at an estimated cost of US$2.5 million | Ongoing |
| Period 3 | 1 year commencing upon expiry of Period 2 | 1 exploration well at an estimated cost of US$2.5 million | Period has not commenced |

Notes:

(1) The required work commitments are expressed as work units in the Cerro de Los Leones Permit. Each work unit has an approximate dollar value of $5,000, however, other factors may be considered when determining whether work units have been satisfied.

(2) As at December 31, 2016, the Corporation had approximately US$4.68 million of expenditures remaining (936 work units x US$5,000 per unit). Pursuant to the Agreement, total Period 2 commitments increased from $750,000 to $4.6 million plus one exploration well which must be incurred by May 2017 or, at the Corporation's request, May 2018. Should the Corporation fail to complete its work commitments within the specified time period, it must surrender the concession lands and will be obligated to make a payment equal to the value of the Corporation's outstanding Period 2 work commitments.

In December 2016, the Corporation applied for an extension to the May 21, 2017 deadline to acquire 234 km2 of 3-D seismic and drill one exploration well. The Corporation expects to receive formal approval from the Mendoza provincial government at the end of March 2017 to extend the deadline to acquire seismic data until January 22, 2018 and extend the commitment to drill one exploration well until 2018.

If a commercial discovery is made by Crown Point, it will be entitled to obtain an exclusive 25-year exploitation concession to produce hydrocarbons from the relevant discovery and shall also be granted the right to freely market and dispose of the hydrocarbons lifted from the area, after paying the standard monthly 16% production royalties to the Province of Mendoza. The Cerro de Los Leones Permit is also subject to the payment of yearly surface rent per square kilometre on the acreage.

Except as described above and elsewhere herein, the Cerro de Los Leones Permit is not subject to any statutory or other mandatory relinquishments, surrenders, back-ins or changes in ownership.

*Recent Activity and Plans*

In May 2012, the Corporation received environmental approval to undertake exploration work in the Cerro de Los Leones Permit area. Following receipt of the environmental approval, the Corporation began completing preliminary work, including completing road improvements in the area, to commence a combined 2-D and 3-D seismic program. A total of 142 square kilometres of 3-D seismic and 122 kilometres of 2-D seismic was shot between September 5, 2012 and November 28, 2012. Processing and interpretation of the 3-D seismic was completed in July 2013. Subsequent mapping identified two structures (La Hoyada and La Mocha). Interpretation and mapping of the 2-D data indicated that the surveyed area was dominated by a structural low with no evidence of structural trapping.

In late 2013, the Corporation commenced drilling operations at the La Hoyada site (LH x-1 well). Drilling operations were completed in February 2014 and the exploration well was cased as a potential oil discovery. In the second quarter of 2014, the Corporation performed completion operations and testing of LH x-1 with inconclusive results. In March 2015, following delays in securing equipment, the Corporation returned to the well and sampled the fluid column.

Sampling recovered water with no indication of oil and well head pressure was zero indicating that no gas was present in the well bore. The well was subsequently suspended.

During 2015, the Corporation undertook an evaluation of the potential of the previously drilled Vega del Sol structure, which lies approximately 4 kilometres west of the La Hoyada exploration well. The previously shot 3-D seismic was reprocessed and reinterpreted using the well bore information from LH x-1. New structural maps were built and used in conjunction with the results from two YPF wells (Vega del Sol x-1 and Vega del Sol x-3) drilled in 1995 and 2002 to re-evaluate the Vega del Sol structure.

The Vega del Sol x-1 well ("**VdS x-1**") was originally completed in a naturally fractured volcanic intrusive in the Chachao formation, producing oil at rates between 250 and 350 bopd. The Vega del Sol x-3 well ("**VdS x-3**") was completed in several zones in the shallow Neuquén group where two separate sand intervals tested natural gas. Both wells were subsequently abandoned by YPF when they relinquished the acreage. After completing its evaluation of the Vega del Sol structure, the Corporation took the decision to re-enter both wells and conduct further testing.

VdS x-3 was re-entered in November 2015 and three additional sand zones within the Neuquén Group were perforated and stimulated before being tested with all perforated zones co-mingled. During the production test, the well flowed gas, oil and water at restricted rates of 665 Mcf/d of gas, 10 bopd and 18 Bbls/d of treatment fluid and formation water. Total gross production during the 80 hour test was 1.75 MMcf of gas and 90 Bbls of liquids comprised of 35% oil and 65% treatment fluid and water. A decision as to whether the Corporation will place this well on a long-term test by pipelining the production through the VdS x-1 facilities was deferred until production testing of the VdS x-1 well is completed.

VdS x-1 was re-entered in December 2015 and the fractured igneous sill in the Chachao formation was swab tested for 3 days at the end of which time a stabilized production rate of 8.9 Bbls of oil per hour or 215 bopd (zero water cut) was achieved. A total of 145.8 Bbls of oil and 497.6 Bbls of treatment water were recovered. Production facilities were installed in April 2016 and the well placed on long-term production test. During the first week of testing the well flowed gas with little fluid inflow. Operations were suspended and de-emulsifier was pumped into the reservoir to clear any near bore emulsion blockage. In June 2016 the well was placed back on long-term production test and during June and July 2016 it pumped at an average rate of 12 Bbls of fluid per day with a 75% oil cut (9 bopd). Production levels continued to drop and in the third quarter of 2016 the well averaged 1.5 bopd with little or no water. Testing was terminated and the well was shut in on October 27, 2016. The Corporation believes that the fractures are not naturally propped and can close as the reservoir pressure near the well drops due to production, thus impeding fluid flow from further back in the pool. Other operators in the area have reported similar performance issues in wells producing from this reservoir type which were remedied by a limited fracture stimulation designed to prop open the natural fracturing in the intrusive immediately around the well bore. Crown Point has elected to employ this treatment in an effort to improve production rates at VdSx-1. The design of the fracture stimulation program has been completed and is budgeted at $0.5 million. The Corporation is planning to perform this workover in the second quarter of 2017, subject to equipment availability.

The Corporation is seeking a partner at the Cerro de Los Leones Permit to share future capital costs and provide capital cost recovery opportunities on existing and prior project capital costs.

***Cañadón Ramirez***

The Corporation had a 100% working interest in the approximate 6,325 acre Cañadón Ramirez Concession, which is located in the northwest portion of the Golfo San Jorge basin in the Province of Chubut, Argentina.

The Corporation did not complete any work on the Cañadón Ramirez Concession during the year ended December 31, 2016 and there was no production from, or reserves assigned to, this concession during 2016.

The Cañadón Ramirez Concession had a term of 25 years which expired in October 2016. Crown Point elected not to renegotiate terms with the Province of Chubut for a 10 year extension and is in the process of relinquishing the Concession.

***Laguna de Piedra***

*Description of the Laguna de Piedra Permit*

The Corporation has a 100% working interest in an approximate 246,354 acre area in the Laguna de Piedra area of the Neuquén basin pursuant to the Laguna de Piedra Permit. The area covered by the Laguna de Piedra Permit is located in the southeastern section of the Neuquén Basin in the Province of Rio Negro, Argentina. The Corporation does not currently have any production from this area and no reserves were assigned to this area as of December 31, 2016.

The Laguna de Piedra Permit was initially granted through a public bidding process to Golden Oil Corporation (Sucursal Argentina) by provincial decree of the Province of Rio Negro dated March 7, 2007. Further to that, on March 7, 2007, Golden Oil Corporation (Sucursal Argentina) and the Province of Rio Negro entered into an agreement for the exploration and possible production, development, transportation and marketing of hydrocarbons from the Laguna de Piedra Permit area. In consideration for the award, Golden Oil Corporation (Sucursal Argentina) tendered an exploration work program to be completed within a three-year term.

Subsidiaries of Crown Point acquired a combined 50% working interest in the Laguna de Piedra Permit from Golden Oil Corporation (Sucursal Argentina) under two separate assignment agreements dated March 7, 2007. Crown Point acquired the remaining 50% working interest in April 2012 upon the exercise of rights of first refusal. Applications for authorization of the referenced assignments to the Corporation's subsidiaries were submitted before the Subsecretary of Hydrocarbons of the Province of Rio Negro and are still pending in the ordinary course.

The Laguna de Piedra Permit confers upon its holders the exclusive right to explore for hydrocarbons during three successive exploration periods lasting three, two and one year(s), respectively. Fifty percent of the acreage of the Laguna de Piedra Permit shall be relinquished at the end of each of the first two exploration periods or converted into an exploitation concession or evaluation block. The following provides details of the work commitments required to be completed during each of the exploration periods:

| Exploration Period | Term of Exploration Period | Required Work Commitment | Status |
|---|---|---|---|
| Period 1 | 3 years | A minimum of approximately US$7,595,000 in expenditures(1) | Completed in 2009 |
| Period 2 | 2 years commencing on receiving the necessary environmental permits | A minimum of approximately US$2,850,000 in expenditures including a minimum of 1 exploration well(1) | Period has not commenced, awaiting environmental permits |
| Period 3 | 1 year commencing upon expiry of Period 2 and receiving necessary environmental permits | A minimum of approximately US$1,750,000 in expenditures including a minimum of 1 exploration well(1) | Period has not commenced |

Note:

(1) The required work commitments are expressed as work units in the Laguna de Piedra Permit. Each work unit has an approximate dollar value of US$5,000; however, there may be other factors considered when determining whether the required work units have been satisfied.

Except as described above and elsewhere herein, the Laguna de Piedra Permit is not subject to any statutory or other mandatory relinquishments, surrenders, back-ins or changes in ownership.

If a commercial discovery is made by Crown Point, it shall be entitled to obtain an exclusive 25-year exploitation concession to produce hydrocarbons from the relevant discovery and shall also be granted the right to freely market and dispose of the hydrocarbons from the relevant discovery, after paying the standard monthly 12% production royalties to the State of Rio Negro. The Laguna de Piedra Permit is also subject to the payment of yearly surface rent per square kilometre on the acreage covered by the Laguna de Piedra Permit.

*Recent Activity and Plans*

The Corporation did not complete any work in the area during the year ended December 31, 2016. Environmental approvals necessary to proceed with the intended work program have not been issued due to an ongoing dispute between the provincial authority and the local municipality on the latter's classification of portions of the land surface as reserved for recreational use. After the Laguna de Piedra Permit was acquired by Crown Point, local authorities placed a ban on surface access for drilling activities. The Corporation does not intend to make any capital expenditures in the area until such time as surface access restrictions are removed and environmental approvals are received from the Province of Rio Negro for the second exploration period.

## Oil and Natural Gas Wells

All of Crown Point's oil and gas properties and wells are located onshore Argentina. The following table summarizes Crown Point's interest, as at December 31, 2016, in producing and non-producing crude oil, natural gas and other wells:

**OIL AND GAS WELLS**

| | Oil Wells | | | | Gas Wells | | | | Other Wells[1] | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Producing | | Non-Producing | | Producing | | Non-Producing | | | |
| | Gross | Net | Gross | Net | Gross | Net | Gross | Net | Gross | Net |
| Argentina | 13 | 3.4 | 12 | 3.1 | 35 | 9.6 | 9 | 2.3 | 67 | 18.9 |

Note:
(1) Includes service, disposal, injection and standing wells.

## Properties with No Attributed Reserves

The following table sets forth information respecting Crown Point's undeveloped lands as at December 31, 2016.

**PROPERTIES WITH NO ATTRIBUTED RESERVES**

| | Unproved Properties[1] | | Expiring Unproved Properties[2] |
|---|---|---|---|
| | Gross Acres | Net Acres | Net Acres During Fiscal Year Ended December 31, 2017 |
| **LOCATION** | | | |
| Argentina | | | |
| Laguna de Piedra | 246,354 | 246,354 | - |
| Cerro de Los Leones | 100,907 | 100,907 | - |
| Tierra del Fuego | 195,000 | 50,271 | - |
| TOTAL | 542,261 | 397,532 | - |

Notes:
(1) Unproved properties are properties or parts of properties to which no reserves have been specifically attributed as of December 31, 2016.
(2) Represents the net acres of unproved property for which the Corporation expects its rights to explore, develop and exploit to expire in 2017 (absent any extensions to the applicable concession(s)).

For a description of the Corporation's expected work commitments on its proved and unproved properties, see "*Other Oil and Gas Information - Oil and Gas Properties*". Should the Corporation fail to make the necessary expenditures during such periods it may be required to surrender some or all of its unproved properties.

## Significant Factors or Uncertainties Relevant to Properties with No Attributed Reserves

Although there are no existing production facilities with respect to the Corporation's properties on the Laguna De Piedra and Cerro de Los Leones Concessions, should the Corporation achieve commercial levels of production on any of these concessions it expects to be able to truck such production to facilities in relatively close proximity to such concessions. If the cost of trucking production from the Corporation's concessions is more expensive than expected, the development of such concessions may be delayed. The Corporation may consider the construction of pipelines or other facilities on the Laguna De Piedra and Cerro de Los Leones Concessions if discoveries on such concessions warrant such expenditures.

For a discussion of other significant economic factors or significant uncertainties that have affected or are reasonably expected to affect the anticipated development or production activities on the Corporation's properties with no attributed reserves, see the description of the Corporation's oil and gas properties under "*Other Oil and Gas Information* **-** *Oil and Gas Properties*".

**Forward Contracts**

As of December 31, 2016, Crown Point was not bound by an agreement (including a transportation agreement), directly or through an aggregator, under which it may be precluded from fully realizing, or may be protected from the full effect of, future market prices for oil or gas. Crown Point is required, under Argentina law, to sell certain of its natural gas production from the Tierra del Fuego Concessions to domestic residential consumers in Tierra del Fuego as well as to mainland Argentina under prices set by the government and, as such, may realize different prices for its production than the prevailing open market price for natural gas from time to time. See also "*Disclosure of Reserves Data – Forecast Prices Used in Estimates*".

As of December 31, 2016, Crown Point's transportation obligations or commitments for future physical deliveries of oil or gas do not exceed Crown Point's expected related future production from its proved reserves, estimated using forecast prices and costs, as disclosed elsewhere herein.

**Tax Horizon**

The Corporation was not required to pay income taxes during the year ended December 31, 2016. Based on Crown Point's strategy of reinvesting all of its internally generated cash flow in to its exploration and development programs, the Corporation estimates that it will not be required to pay income taxes in 2017 or 2018.

**Costs Incurred**

The following table summarizes certain expenditures incurred by the Corporation during the year ended December 31, 2016.

**PROPERTY ACQUISITION COSTS AND**
**CAPITAL EXPENDITURES FOR THE YEAR ENDED DECEMBER 31, 2016**

| | **Amount (millions of US$)** |
|---|---|
| Property Acquisition | |
| Proved Properties | - |
| Unproved Properties | - |
| Capital Expenditures | |
| Exploration Costs | 1.1 |
| Development Costs | 1.7 |
| Total | 2.8 |

**Exploration and Development Activities**

The following table sets forth the gross and net exploration and development wells that Crown Point completed during the year ended December 31, 2016.

| | Exploration Wells | | Development Wells(1) | |
|---|---|---|---|---|
| | Gross | Net | Gross | Net |
| Natural Gas | - | - | - | - |
| Oil | - | - | - | - |
| Service | - | - | - | - |
| Stratigraphic Test | - | - | - | - |
| Dry | - | - | - | - |
| Total | - | - | - | - |

Note:
(1) Does not include one suspended well that was successfully fracture stimulated and placed on production in 2016.

For details of the Corporation's most important current and likely exploration and development activities, see "*Other Oil and Gas Information – Oil and Gas Properties*".

**Production Estimates**

The following table summarizes, for each product type, the volume of production estimated for the year ended December 31, 2017 which is reflected in the estimates of gross proved reserves, gross probable reserves and gross possible reserves disclosed elsewhere herein. The Las Violetas Concession accounts for all of the estimated production disclosed below.

**SUMMARY OF PRODUCTION ESTIMATES**
**FOR THE YEAR ENDED DECEMBER 31, 2017**
**(Forecast Prices & Costs)**

| | Summary of Production Estimates | | |
|---|---|---|---|
| | Light Crude Oil and Medium Crude Oil (Mbbl) | Conventional Natural Gas (MMcf) | Natural Gas Liquids (Mbbl) |
| **Gross Proved** | | | |
| Tierra del Fuego | 72.7 | 2,294 | 6.5 |
| Total | 72.7 | 2,294 | 6.5 |
| **Gross Probable** | | | |
| Tierra del Fuego | 1.0 | 86 | - |
| Total | 1.0 | 86 | - |
| **Gross Possible** | | | |
| Tierra del Fuego | 0.3 | 10 | - |
| Total | 0.3 | 10 | - |

Notes:
(1) Estimates are calculated based on the GCA Report.
(2) Represents estimated production from January 1, 2017 to December 31, 2017.

**Production History**

The following table summarizes certain information in respect of our share of average gross daily production volumes, product prices received, royalties paid, production costs and resulting netback for the periods indicated.

| | Quarter Ended | | | |
|---|---|---|---|---|
| | **Mar. 31, 2016** | **June 30, 2016** | **Sept. 30, 2016** | **Dec. 31, 2016** |
| **Light Crude Oil and Medium Crude Oil**[(1)(4)] | | | | |
| Average gross production volumes (Bbl/d) | 226 | 212 | 211 | 188 |
| Average price received (US$/Bbl) | 61.10 | 60.04 | 56.84 | 47.93 |
| Average royalties paid (US$/Bbl) | 11.00 | 10.81 | 10.23 | 8.63 |
| Average production costs (US$/Bbl)[(2)] | 14.59 | 17.43 | 13.76 | 13.76 |
| Netback Received (US$/Bbl)[(3)] | 35.51 | 31.80 | 32.85 | 25.54 |
| **Conventional Natural Gas (excluding NGLs)** | | | | |
| Average gross production volumes (Mcf/d) | 7,107 | 6,978 | 6,806 | 6,663 |
| Average price received (US$/Mcf) | 3.39 | 3.78 | 3.54 | 3.79 |
| Average royalties paid (US$/Mcf) | 0.58 | 0.64 | 0.60 | 0.64 |
| Average production costs (US$/Mcf)[(2)] | 1.60 | 1.35 | 1.56 | 1.77 |
| Netback Received (US$/Mcf)[(3)] | 1.21 | 1.79 | 1.38 | 1.38 |
| **Natural Gas Liquids**[(4)] | | | | |
| Average gross production volumes (Bbl/d) | 11 | 31 | 30 | 45 |
| Average price received (US$/Bbl) | 6.82 | 16.73 | 24.31 | 17.00 |
| Average royalties paid (US$/Bbl) | 1.23 | 3.01 | 4.38 | 3.06 |
| Average production costs (US$/Bbl)[(2)] | 8.65 | 11.48 | 9.06 | 9.06 |
| Netback Received (US$/Bbl)[(3)] | (3.06) | 2.24 | 10.87 | 4.88 |

Notes:

(1) Represents production of light crude oil. During the periods indicated Crown Point did not produce any medium crude oil.

(2) Includes field operating expenses.

(3) Totals may not add due to rounding.

(4) Represents crude oil / NGL production volumes. Crude oil / NGL production volumes may differ from crude oil / NGL sales volumes as Crown Point may, from time to time, retain certain crude oil / NGL production volumes in inventory.

The following table summarizes the Corporation's production volumes during the year ended December 31, 2016 for each important field, and in total, by product type.

**PRODUCTION VOLUMES BY IMPORTANT FIELD AND IN TOTAL – YEAR ENDED DECEMBER 31, 2016**

| | **Light Crude Oil and Medium Crude Oil**[(1)] **(Bbl)** | **Conventional Natural Gas (Mcf)** | **Natural Gas Liquids**[(1)] **(Bbl)** |
|---|---|---|---|
| FIELD | | | |
| Tierra del Fuego Concessions | 76,621 | 2,520,904 | 9,340 |
| TOTAL | 76,621 | 2,520,904 | 9,340 |

Note:

(1) As at December 31, 2016, the Corporation had inventoried volumes of 9,292 Bbls of light crude oil and medium crude oil and 1,483 Bbls of NGLs.