



Crown Point Announces Operating and Financial Results for the Three and Nine Months Ended September 30, 2019

CALGARY, Alberta, Nov. 15, 2019 -- **TSX-V: CWV: Crown Point Energy Inc.** (“Crown Point”, the “Company” or “we”) today announced its operating and financial results for the three and nine months ended September 30, 2019.

Copies of the Company's unaudited condensed interim consolidated financial statements and management's discussion and analysis (“MD&A”) filings for the three and nine months ended September 30, 2019 are being filed with Canadian securities regulatory authorities and will be made available under the Company's profile at www.sedar.com and on the Company's website at www.crownpointenergy.com. All dollar figures are expressed in United States dollars (“USD”) unless otherwise stated.

In the following discussion, the three and the nine months ended September 30, 2019 may be referred to as “Q3 2019” and “the September 2019 period”, respectively, and the comparative three and nine months ended September 30, 2018 may be referred to as “Q3 2018” and “the September 2018 period”, respectively.

Q3 2019 SUMMARY

During Q3 2019, the Company:

- Reported net cash from operating activities of \$3.8 million;
- Earned \$9.6 million of oil and natural gas sales revenue, down 42% from \$16.6 million earned in Q3 2018, primarily as a result of the disposition of a 16.83% participating interest in the Company's Tierra del Fuego concessions in April 2019 (the “Disposition”);
- Reported average daily sales volumes of 2,518 BOE per day, down 31% from 3,668 BOE per day in Q3 2018, primarily as a result of the Disposition;
- Reported average daily production volumes of 2,504 BOE per day, down 29% from 3,515 BOE per day in Q3 2018, primarily as a result of the Disposition;
- Reported an operating netback of \$21.08 per BOE, down 33% from \$31.37 per BOE in Q3 2018, primarily as a result of lower commodity prices;
- Declared and paid a quarterly cash dividend on its common shares of \$0.01 per share for Q3 2019 and a special cash dividend on its common shares of \$0.015 per share, for a total cash dividend of \$0.025 per share (\$1.8 million).

OPERATIONAL UPDATE

Tierra del Fuego (“TDF”)

La Angostura Concession

During Q3 2019, the San Martin field produced a total of 360,478 bbls of 35 API gravity oil (125,212 bbls net) and 124 mmcf of associated natural gas (43 mmcf net). Daily oil production averaged 3,918 bbls per day (net 1,361 bbls per day). Natural gas sales during Q3 2019 were disrupted due to maintenance and repair work to the YPF operated gas sales line used to transport San Martin associated gas production to the sale point. Natural gas sales were discontinued on May 20, 2019 and restored on September 6, 2019 after completion of repairs, and recommissioning of the gas pipeline.

Las Violetas Concession

No drilling was carried out on the Las Violetas concession during Q3 2019. Two wells, LF-1029 and AS.x-1001, are waiting for a workover rig to become available in order to finish repairs and complete flow tests.

Cerro de Los Leones Exploration Permit (“CLL”)

The Company acquired 214 km² of 3-D seismic in Q3 2018 which was used to finalize two drilling locations in the northern CLL area at an aggregate budgeted cost of \$4.5 million. Both wells are targeting Tertiary and upper Cretaceous sandstones which are oil productive immediately north of the CLL Permit. The first well was spud in on October 20, 2019 and cased on November 2, 2019, after encountering five meters of oil bearing sands in the middle Tertiary Agua de Piedra formation; the second well will be drilled during the latter part of November 2019.

On October 18, 2019, the Company requested a four month extension (to February 23, 2020) to accommodate the drilling and evaluation of both wells.

OUTLOOK

The Company's capital spending for Q4 2019 is budgeted at \$5.2 million comprised of \$2.1 million in TDF and \$3.1 million in CLL based on expenditures for the following proposed activities:

- Install oil treatment and water handling facilities at San Martin to improve production capacity and reduce trucking costs;
- Other improvements to facilities in TDF; and
- Drill and complete two exploration wells in CLL.

The Company's capital spending for fiscal 2020 is budgeted at \$8.6 million comprised of \$5.2 million in TDF and \$3.4 million in CLL based on expenditures for the following proposed activities:

- Drill and complete one well in the San Martin concession;
- Perform five well workovers: two in the Los Flamencos area and one in the San Luis area of the Las Violetas concession, one in the La Angostura concession and one in the Rio Chico concession;
- Complete water handling facilities at San Martin to improve production capacity;
- Other improvements to facilities in TDF; and
- Perform a re-entry on one CLL well.

SUMMARY OF FINANCIAL INFORMATION

(expressed in \$, except shares outstanding)	September 30 2019	December 31 2018
Working capital (deficit)	16,099,824	(1,562,992)
Exploration and evaluation assets	9,849,382	9,032,994
Property and equipment	30,716,811	54,750,958
Non-current contingent consideration receivable	1,966,122	—
Total assets	71,480,288	85,128,625
Non-current financial liabilities	3,756,446	4,744,616
Share capital	56,755,215	131,745,215
Total common shares outstanding	72,903,038	72,903,038

(expressed in \$, except shares outstanding)	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Oil and natural gas sales revenue	9,595,656	16,560,691	35,357,653	29,260,963
Income before taxes	1,503,428	4,880,620	6,929,059	7,403,157 ⁽¹⁾
Net income (loss)	(319,888)	4,074,610	(529,560)	3,398,707 ⁽¹⁾
Net income (loss) per share ⁽²⁾	(0.00)	0.06	(0.01)	0.07 ⁽¹⁾
Net cash from operating activities	3,752,375	4,516,249	13,432,262	13,921,964
Net cash per share – operating activities ⁽²⁾	0.05	0.06	0.18	0.27
Funds flow from operating activities ⁽³⁾	2,406,576	10,380,308	8,499,645	13,894,546
Funds flow per share – operating activities ⁽²⁾⁽³⁾	0.03	0.14	0.12	0.27
Weighted average number of shares	72,903,038	72,903,038	72,903,038	51,950,657

⁽¹⁾ Restated. See "Restatement of Comparative Figures" in the Company's September 30, 2019 MD&A for details of the restatement.

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

⁽³⁾ "Funds flow from operating activities" and "Funds flow per share – operating activities" are non-IFRS measures. See "Non-IFRS Measures" in the "Advisory" section of this press release and in the Company's September 30, 2019 MD&A for a reconciliation of these measures to the nearest comparable IFRS measures.

TDF Sales Volumes

	Three months ended September 30		Nine months ended September 30	
	2019	2018	2019	2018
Light oil bbls per day	1,556	1,982	1,777	1,105
NGL bbls per day	6	14	11	14
Natural gas mcf per day	5,741	10,030	7,750	7,435
BOE per day	2,518	3,668	3,080	2,358

The Company's average daily sales volumes were lower in Q3 2019 as compared to Q3 2018 due mainly to lower production from natural gas wells, a delivery restriction in the terminal Cruz del Sur since September 17, 2019 that required the UTE to reduce production volumes from the San Martin wells, and the decrease in the Company's working interest in the TDF Concessions from 51.56% to 34.73% on April 26, 2019.

TDF Operating Netback

The Company's operating netback was lower in Q3 2019 and the September 2019 period as compared to Q3 2018 and the September 2018 period due to a decrease in the average price of Brent combined with a decrease in natural gas prices in Q3 2019, the effect of export taxes which were implemented by the federal government of Argentina in September 2018 and higher delivery expenses charged at the terminal.

	Three months ended September 30		Nine months ended September 30	
Per BOE	2019	2018	2019	2018
Oil and gas revenue (\$)	41.42	49.08	42.05	45.46
Royalties (\$)	(6.71)	(8.68)	(6.47)	(7.70)
Export taxes (\$)	(2.31)	–	(2.88)	–
Operating costs (\$)	(11.32)	(9.03)	(10.55)	(10.11)
Operating netback ⁽¹⁾ (\$)	21.08	31.37	22.15	27.65

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

SUBSEQUENT EVENTS

AT A SPECIAL MEETING OF SHAREHOLDERS HELD ON OCTOBER 30, 2019, THE COMPANY'S SHAREHOLDERS VOTED IN FAVOUR OF A SPECIAL RESOLUTION AUTHORIZING THE BOARD OF DIRECTORS OF THE COMPANY TO REDUCE THE STATED CAPITAL OF THE COMPANY'S COMMON SHARES BY UP TO \$0.185 PER SHARE (UP TO APPROXIMATELY \$13.5 MILLION) TO PERMIT THE COMPANY TO PAY A SPECIAL DISTRIBUTION ("RETURN OF CAPITAL") TO THE COMPANY'S SHAREHOLDERS.

On November 15, 2019, the board of directors approved a reduction of the stated capital of the Company's common shares by \$0.185 per share for a Return of Capital of approximately \$13.5 million. The Return of Capital is subject to any approvals required by the TSX Venture Exchange.

In light of the Return of Capital, the board of directors has determined not to declare a fourth quarter dividend on its common shares and to suspend the Company's quarterly dividend payment until further notice.

About Crown Point

CROWN POINT ENERGY INC. IS AN INTERNATIONAL OIL AND GAS EXPLORATION AND DEVELOPMENT COMPANY HEADQUARTERED IN CALGARY, CANADA, INCORPORATED IN CANADA, TRADING ON THE TSX VENTURE EXCHANGE AND OPERATING IN SOUTH AMERICA. CROWN POINT'S EXPLORATION AND DEVELOPMENT ACTIVITIES ARE FOCUSED IN TWO OF THE LARGEST PRODUCING BASINS IN ARGENTINA, THE AUSTRAL BASIN IN THE PROVINCE OF TIERRA DEL FUEGO AND THE NEUQUÉN BASIN IN THE PROVINCE OF MENDOZA. CROWN POINT HAS A STRATEGY THAT FOCUSES ON ESTABLISHING A PORTFOLIO OF PRODUCING PROPERTIES, PLUS PRODUCTION ENHANCEMENT AND EXPLORATION OPPORTUNITIES TO PROVIDE A BASIS FOR FUTURE GROWTH.

Advisory

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

performance. Crown Point's method of calculating this measure may differ from other companies, and accordingly, may not be comparable to similar measures used by other companies.

Abbreviations and BOE Presentation: "3-D" means three dimensional, "API" means American Petroleum Institute gravity, being an indication of the specific gravity of crude oil measured on the API gravity scale, "bbls" means barrels, "BOE" means barrels of oil equivalent, "km²" means square kilometres, "mcf" means thousand cubic feet, "mmcf" means millions cubic feet, "NGL" means natural gas liquids. All BOE conversions in this press release are derived by converting natural gas to oil in the ratio of six mcf of gas to one bbl of oil. BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of six mcf of gas to one bbl of oil (6 mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas in Argentina is significantly different from the energy equivalency conversion ratio of 6:1, utilizing a conversion on a 6:1 basis is misleading as an indication of value.

Forward-looking Information: This document contains forward-looking information. This information relates to future events and the Company's future performance. All information and statements contained herein that are not clearly historical in nature constitute forward-looking information, and the words "may", "will", "should", "could", "expect", "plan", "intend", "anticipate", "believe", "estimate", "propose", "predict", "potential", "continue", "aim", "budget" or the negative of these terms or other comparable terminology are generally intended to identify forward-looking information. Such information represents the Company's internal projections, estimates, expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. This information involves known or unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. In addition, this document may contain forward-looking information attributed to third party industry sources. Crown Point believes that the expectations reflected in this forward-looking information are reasonable; however, undue reliance should not be placed on this forward-looking information, as there can be no assurance that the plans, intentions or expectations upon which they are based will occur. This press release contains forward-looking information concerning, among other things, the following: under "Operational Update – Cerro de Los Leones Exploration Permit ("CLL")", the operations that the Company intends to conduct on the CLL permit and the anticipated timing and budget; under "Outlook", our estimated capital expenditures for Q4 2019 and fiscal 2020, the allocation of such capital expenditures between our TDF Concessions and CLL Permit and the operational activities that we expect to complete during Q4 2019 and fiscal 2020; under "About Crown Point", all elements of the Company's business strategy. The reader is cautioned that such information, although considered reasonable by the Company, may prove to be incorrect. Actual results achieved during the forecast period will vary from the information provided in this document as a result of numerous known and unknown risks and uncertainties and other factors. A number of risks and other factors could cause actual results to differ materially from those expressed in the forward-looking information contained in this document including, but not limited to, the following: the risks and other factors described under "Business Risks and Uncertainties" in our MD&A for the three and nine month periods ended September 30, 2019 and under "Risk Factors" in the Company's most recently filed Annual Information Form, which is available for viewing on SEDAR at www.sedar.com. In addition, note that information relating to reserves and resources is deemed to be forward-looking information, as it involves the implied assessment, based on certain estimates and assumptions that the reserves and resources described can be economically produced in the future. With respect to forward-looking information contained in this document, the Company has made assumptions regarding, among other things: the impact of inflation rates in Argentina and the devaluation of the Argentine peso against the USD on the Company; the impact of increasing competition; the general stability of the economic and political environment in Argentina, including operating under a consistent regulatory and legal framework in Argentina; future oil, natural gas and NGL prices (including the effects of governmental incentive programs thereon); the timely receipt of any required regulatory approvals; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the costs of obtaining equipment and personnel to complete the Company's capital expenditure program; the ability of the operator of the projects which the Company has an interest in to operate the field in a safe, efficient and effective manner; the ability of the Company to obtain financing on acceptable terms when and if needed; the ability of the Company to service its debt repayments when required; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration activities; the timing and costs of pipeline, storage and facility construction and expansion and the ability of the Company to secure adequate product transportation; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in Argentina; and the ability of the Company to successfully market its oil and natural gas products. In addition to the foregoing, the Company has made assumptions regarding various matters relating to its quarterly dividend program, and as a result the amount of future cash dividends declared and paid by the Company, if any, will be subject to the discretion of the board of directors and may vary depending on a variety of factors and conditions existing from time to time, including fluctuations in commodity prices, production levels, capital expenditure requirements, debt service requirements, operating costs, royalty burdens, foreign exchange rates, interest rates, compliance with any restrictions on the declaration and payment of dividends contained in any agreements to which the Company or any of its subsidiaries is a party from time to time (including, without limitation, the agreements governing the credit facilities and other debt instruments of the Company and its subsidiaries), and the satisfaction of liquidity and solvency tests imposed by the Business Corporations Act (Alberta) for the declaration and payment of dividends. Management of Crown Point has included the above summary of assumptions and risks related to forward-looking information included in this document in order to provide investors with a more complete perspective on the Company's future operations. Readers are cautioned that this information may not be appropriate for other purposes. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking information contained in this document are expressly qualified by this cautionary statement. The forward-looking information contained herein is made as of the date of this document and the Company disclaims any intent or obligation to update publicly any such forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable Canadian securities laws.

Analogous Information: Certain information contained herein may be considered "analogous information" as defined in

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

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

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