



Crown Point Announces Award of Chañares Herrados Concession

CALGARY, Alberta, March 12, 2021 (GLOBE NEWSWIRE) -- (TSX-V: CWV): Crown Point Energy Inc. ("Crown Point" or the "Company") is pleased to announce that the Company, together with partner Petrolera Aconcagua Energía ("Aconcagua"), has been awarded a 25 year exploitation license for the Chañares Herrados producing oil block, located in the Cuyo Basin approximately 50 kilometers south of Mendoza City, Province of Mendoza.

As previously reported, Crown Point (50% WI), and Aconcagua (50% WI) (collectively, the "Joint Venture"), participated in an auction conducted by the Province of Mendoza in 2020 to award a 25 year exploitation license covering the 40.6 square kilometer Chañares Herrados concession, On March 11, 2021 the Province issued a decree confirming that the Joint Venture had submitted the only qualifying bid, and awarding the 25 year exploitation license to the Joint Venture.

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

In January 2021, Chañares Herrados produced an average of approximately 84 m³ per day (528 barrels per day) of sweet medium gravity (32-34° API) crude oil from sandstone and conglomerate reservoirs of the Barrancas (Jurassic) and underlying Río Blanco (Triassic) formations, at subsurface depths ranging between 2,900 to 3,900 metres. Producing wells exhibit low declines and an average water cut of 75%. Water is handled on site and disposed of in three field injection wells. An additional 20 oil wells are shut-in waiting on maintenance. Most of these can be quickly restarted with minimal investment, which is expected to significantly increase production from the concession.

The concession is covered by 3D seismic, is easily accessible, and is close to pipeline infrastructure which delivers oil to the YPF refinery located on the southern outskirts of Mendoza City.

Chañares Herrados will be operated by Aconcagua, a private Argentine oil and gas company with an extensive and successful record in mature oil field operations. Crown Point is providing geological and geophysical support to the work program implementation.

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 with operations in Argentina. 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.

Abbreviations: "WI" means working interest; "m³" means cubic meters; "3D" means three dimensional; "YPF" means YPF S.A.; "US\$" means United States dollars.

Production Rates: Any references herein to 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. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company. Production rates may be estimated based on third party estimates or limited data available at this time. In all cases herein, production rates are not necessarily indicative of long-term performance of the relevant well or fields or of ultimate recovery of hydrocarbons.

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 may constitute forward-looking information. Such information represents the Company's internal projections, estimates, expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. This information involves known or unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. 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: the key terms of the license agreement for the Chañares Herrados concession and the elements of the work program contained therein; our view that most of the 20 oil wells on the concession that are shut-in can be quickly restarted with minimal investment, which is expected to significantly increase production from the concession; and the Company's business strategies. 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 risk that the key terms of the license agreement and the work program contained therein are amended in a manner that is less advantageous to the Company; the risk that some or all of the shut-in wells cannot be quickly restarted or require a more significant investment to restart than anticipated, or that some or all of such wells cannot be restarted at all or, if restarted, produce at lower rates than anticipated; the risk that the Company changes its business strategies; and the risks and other factors described under "Risk Factors" in the Company's most recently filed Annual Information Form, which is available for viewing on SEDAR at www.sedar.com. With respect to forward-looking information contained in this document, the Company has made assumptions regarding, among other things: the ability of the Company to obtain the financing required on acceptable terms to pay its share of the initial cash payment noted herein and to fund its share of future work commitments on the concession; and the ability of the Company to restart the shut-in wells on the concession with minimal investment and thereby increase production from the concession. Management of Crown Point has included the above summary of assumptions and risks related to forward-looking information in order to provide investors with a more complete perspective on the Company's future operations. Readers are cautioned that this information may not be appropriate for other purposes. Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking information contained in this document are expressly qualified by this cautionary statement. The forward-looking information contained herein is made as of the date of this document and the Company disclaims any intent or obligation to update publicly any such forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable Canadian securities laws.

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

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