

CROWN POINT ENERGY INC.
Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2013
(Unaudited)

CROWN POINT ENERGY INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited)
(Canadian dollars)

	March 31 2013	December 31 2012
Assets		
Current assets:		
Cash and cash equivalents	\$ 9,978,092	\$ 12,872,129
Trade and other receivables (Note 4)	6,294,172	4,929,996
Inventory	372,573	867,588
Prepaid expenses	1,315,682	1,062,158
	<u>17,960,519</u>	<u>19,731,871</u>
Exploration and evaluation assets (Note 5)	11,414,300	9,915,032
Property and equipment (Note 6)	51,855,343	53,384,792
Other non-current assets (Note 7)	685,696	719,765
	<u>\$ 81,915,858</u>	<u>\$ 83,751,460</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Trade and other payables	\$ 3,645,070	\$ 4,885,028
Decommissioning provision (Note 9)	2,310,447	2,299,227
	<u>5,955,517</u>	<u>7,184,255</u>
Shareholders' equity:		
Share capital	107,387,933	107,387,933
Contributed surplus	5,474,643	4,888,547
Accumulated other comprehensive loss	(9,920,290)	(8,948,381)
Deficit	(26,981,945)	(26,760,894)
	<u>75,960,341</u>	<u>76,567,205</u>
	<u>\$ 81,915,858</u>	<u>\$ 83,751,460</u>

See accompanying notes to the condensed interim consolidated financial statements.

CROWN POINT ENERGY INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS
AND COMPREHENSIVE INCOME (LOSS)
(Unaudited)
(Canadian dollars)

	For the three months ended	
	March 31 2013	February 29 2012
Revenue		
Oil and gas	\$ 6,451,729	\$ 2,041,901
Royalties	(1,250,160)	(480,317)
	5,201,569	1,561,584
Expenses		
Operating	2,382,375	443,270
General and administrative	1,650,756	941,522
Share-based payments	544,346	330,355
Depletion and depreciation	2,125,012	454,902
Foreign exchange loss	80,729	3,107
	6,783,218	2,173,156
Results from operating activities	(1,581,649)	(611,572)
Finance income (expense)		
Interest income	54,602	79,235
Financing fees and bank charges	(141,539)	(20,406)
Accretion of decommissioning provision	(80,099)	(12,241)
Other income (Note 14)	1,527,634	–
Net loss for the period	(221,051)	(564,984)
Exchange differences on translation of foreign operations	(971,909)	1,273,027
Comprehensive income (loss) for the period	\$ (1,192,960)	\$ 708,043
Loss per share (Note 12)		
Basic and diluted	\$ (0.00)	\$ (0.01)

See accompanying notes to the condensed interim consolidated financial statements.

CROWN POINT ENERGY INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(Unaudited)
(Canadian dollars)

	For the three months ended	
	March 31 2013	February 29 2012
Share capital		
Balance, beginning of period	\$ 107,387,933	\$ 67,147,442
Private placement	–	13,086,155
Exercise of stock options	–	531
Exercise of share purchase warrants	–	162,328
Share issuance costs	–	(1,213,227)
Balance, end of period	107,387,933	79,183,229
Contributed surplus		
Balance, beginning of period	4,888,547	2,856,964
Share-based payments	586,096	330,355
Transfer on exercise of stock options	–	(234)
Balance, end of period	5,474,643	3,187,085
Accumulated other comprehensive income		
Balance, beginning of period	(8,948,381)	(3,574,940)
Exchange differences on translation of foreign operations	(971,909)	1,273,027
Balance, end of period	(9,920,290)	(2,301,913)
Deficit		
Balance, beginning of period	(26,760,894)	(21,587,720)
Net loss for the period	(221,051)	(564,984)
Balance, end of period	(26,981,945)	(22,152,704)
Total Shareholders' Equity	\$ 75,960,341	\$ 57,915,697

See accompanying notes to the condensed interim consolidated financial statements.

CROWN POINT ENERGY INC.
CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
(Canadian dollars)

	For the three months ended	
	March 31 2013	February 29 2012
Cash provided by (used in):		
Operating:		
Net loss for the period	\$ (221,051)	\$ (564,984)
Items not affecting cash:		
Depletion and depreciation	2,125,012	454,902
Share-based payments	544,346	330,355
Unrealized foreign exchange loss (gain)	117,940	(124,504)
Accretion of decommissioning provision	80,099	12,241
	2,646,346	108,010
Change in non-cash working capital (Note 13)	(1,659,532)	209,614
	986,814	317,624
Investing:		
Property and equipment expenditures, net	(1,312,788)	(89,607)
Exploration and evaluation asset (expenditures) recovery	(1,709,553)	24,179
Change in other non-current assets	20,200	–
Change in non-cash working capital (Note 13)	(838,931)	(181,338)
	(3,841,072)	(246,766)
Financing:		
Share issuance proceeds, net of costs	–	12,035,553
Change in cash and cash equivalents	(2,854,258)	12,106,411
Foreign exchange effect on cash held in foreign currencies	(39,779)	177,759
Cash and cash equivalents, beginning of period	12,872,129	21,046,439
Cash and cash equivalents, end of period	\$ 9,978,092	\$ 33,330,609

See accompanying notes to the consolidated financial statements

CROWN POINT ENERGY INC.
NOTES TO CONSENSUED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2013
(Unaudited)
(Canadian dollars)

1. REPORTING ENTITY:

Crown Point Energy Inc. ("Crown Point" or the "Company"), was incorporated under the laws of British Columbia and continued under the laws of Alberta on July 27, 2012. Crown Point is based in Calgary, Alberta and is involved in the exploration for, and development and production of petroleum and natural gas in Argentina.

During 2012, Crown Point changed its financial year-end from August 31 to December 31. The first interim period following the change in year-end is the three months ended March 31, 2013. The comparative period is the three months ended February 29, 2012.

The Company's registered office is Suite 1600, 700 – 6th Street SW, Calgary, Alberta, T2P OT8.

2. BASIS OF PRESENTATION:

These unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, including International Accounting Standard 34 – Interim Financial Reporting.

The Company has consistently applied the same accounting policies throughout all periods presented except as noted below (Note 3). These unaudited condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto for the four months ended December 31, 2012.

These unaudited condensed interim consolidated financial statements include the accounts of the Company and its wholly owned Argentine subsidiaries, Crown Point Oil & Gas S.A., CanAmericas (Argentina) Energy Ltd. and Antrim Argentina S.A.

These unaudited condensed interim consolidated financial statements were authorized for issue by the Board of Directors on May 27, 2013.

3. CHANGES IN ACCOUNTING POLICIES:

As disclosed in the Company's December 31, 2012 audited consolidated financial statements, on January 1, 2013, the Company adopted new standards for IFRS 10, "Consolidated Financial Statements", IFRS 11 "Joint Arrangements", IFRS 12 "Disclosure of Interests in Other Entities", IFRS 13 "Fair Value Measurement" as well as consequential amendments to IAS 28 "Investments in Associates and Joint Ventures". The adoption of these standards and amendments had no impact on the amounts recorded or disclosures included in the unaudited condensed interim consolidated financial statements as at and for the three months ended March 31, 2013.

CROWN POINT ENERGY INC.
NOTES TO CONSENSUED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2013
(Unaudited)
(Canadian dollars)

4. TRADE AND OTHER RECEIVABLES:

The Company's trade and other receivables consist of:

		March 31 2013		December 31 2012
Due from international oil and gas companies	\$	1,734,421	\$	1,054,544
Due from other Argentine companies		3,714,004		2,883,657
Other receivables		845,747		991,795
Total trade and other receivables	\$	6,294,172	\$	4,929,996

The Company's trade and other receivables are aged as follows:

		March 31 2013		December 31 2012
Not past due (less than 90 days)	\$	5,195,521	\$	4,695,579
Past due (more than 90 days)		1,098,651		234,417
Total trade and other receivables	\$	6,294,172	\$	4,929,996

Although trade and other receivables are subject to credit risk, the Company has not written off any trade and other receivables and has not recorded an allowance for doubtful accounts in the periods presented.

5. EXPLORATION AND EVALUATION ASSETS ("E&E"):

Carrying amount, December 31, 2012	\$	9,915,032
Additions		1,709,553
Decommissioning changes		(2,066)
Effect of change in exchange rates		(208,219)
Carrying amount, March 31, 2013	\$	11,414,300

E&E assets consist of the Company's intangible exploration projects in Argentina which are pending the determination of proven or probable reserves. Additions represent the Company's share of costs incurred on E&E assets during the period. E&E assets are not depreciated or depleted.

The amounts capitalized as Argentina E&E assets at March 31, 2013 include \$0.8 million of Value Added Tax ("VAT") (December 31, 2012 – \$0.8 million). VAT is payable on goods and services supplied to the Company and is not recoverable from the Government of Argentina, however the Company is allowed to retain VAT on any sales that it collects to the extent of the VAT recorded and paid on previous expenditures.

CROWN POINT ENERGY INC.
NOTES TO CONSENSUED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2013
(Unaudited)
(Canadian dollars)

6. PROPERTY AND EQUIPMENT:

	Argentina		Canada	
	Development and Production Assets	Other Assets	Other Assets	Total
	\$	\$	\$	\$
Cost:				
Balance at December 31, 2012	59,726,893	250,015	647,590	60,624,498
Additions	1,263,122	5,499	85,917	1,354,538
Decommissioning changes	(20,071)	–	–	(20,071)
Effect of change in exchange rates	(1,004,769)	(4,889)	–	(1,009,658)
Balance at March 31, 2013	59,965,175	250,625	733,507	60,949,307
Accumulated depletion and depreciation:				
Balance at December 31, 2012	6,917,524	83,784	238,398	7,239,706
Depletion and depreciation	1,939,138	15,463	59,234	2,013,835
Effect of change in exchange rates	(157,763)	(1,814)	–	(159,577)
Balance at March 31, 2013	8,698,899	97,433	297,632	9,093,964
Net carrying amount:				
At December 31, 2012	52,809,369	166,231	409,192	53,384,792
At March 31, 2013	51,266,276	153,192	435,875	51,855,343

Capitalized amounts:

The amounts capitalized as D&P assets in Argentina during the three months ended March 31, 2013 include \$333,780 of general and administrative costs and \$41,750 of share-based compensation.

As at March 31, 2013, D&P assets in Argentina include \$5.2 million of VAT (December 31, 2012 – \$5.2 million).

Future development costs and salvage value:

The depletion expense calculation for the three months ended March 31, 2013 included \$36.9 million (four months ended December 31, 2012 – \$37.2 million) for estimated future development costs associated with proved and probable reserves in Argentina. The Company reduced the March 31, 2013 depletable amount by \$0.7 million of estimated salvage value (December 31, 2012 – \$0.8 million).

CROWN POINT ENERGY INC.
NOTES TO CONSENSUED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2013
(Unaudited)
(Canadian dollars)

7. OTHER NON-CURRENT ASSETS:

	March 31 2013	December 31 2012
Interest-bearing bonds	\$ 531,413	\$ 566,894
Long-term receivables	261,331	264,289
	792,744	831,183
Current portion of interest-bearing bonds included in trade and other receivables	(107,048)	(111,418)
Total non-current assets	\$ 685,696	\$ 719,765

8. DEBT FACILITY:

Antrim Argentina has a development loan facility in the amount of ARS\$26,800,000 (Cdn\$5.3 million). Advances under the facility bear compensatory interest at 15.01% (the "Fixed Rate") and is repayable in 24 monthly installments commencing 396 days after the funds have been drawn by the Company. The loan may not be drawn until the Tierra del Fuego concession ten-year extension to 2026 has been approved and must be drawn in one sum on or before June 30, 2013. As at March 31, 2013, the Company had not drawn on the loan.

9. DECOMMISSIONING PROVISION:

The Company's decommissioning provision results from net ownership interests in petroleum and natural gas assets including well sites, gathering systems and processing facilities. A reconciliation of the decommissioning provision is provided below:

Balance, December 31, 2012	\$ 2,299,227
Accretion	80,099
Change in estimates	(22,137)
Effect of change in exchange rates	(46,742)
Balance, March 31, 2013	\$ 2,310,447

The Company's decommissioning provision is based on the following assumptions:

Undiscounted inflation-adjusted amount of cash flows	\$5.4 million
Average risk-free interest rate	15.4%
Inflation rate	10.6%
Weighted average expected timing of cash flows	13 years

10. SHARE-BASED COMPENSATION:

On January 31, 2013, the Company granted 2,775,000 stock options to directors, officers and employees of the Company. The options are exercisable at \$0.37 per share and expire January 31, 2018. One third of the options vest immediately and the remainder vest in equal tranches on the first and second year anniversaries of the grant date.

CROWN POINT ENERGY INC.
NOTES TO CONSENSUED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2013
(Unaudited)
(Canadian dollars)

The grant date fair value of the options was \$0.30 per option, estimated using the Black-Scholes pricing model calculations based on the following significant assumptions:

Risk-free interest rate	1.32%
Expected forfeitures	10%
Expected volatility	115%
Expected life	5 years
Dividends	nil

Stock option activity is summarized as follows:

	Number of options	Weighted average exercise price
Balance, December 31, 2012	4,990,000	\$ 1.09
Granted	2,775,000	0.37
Balance, March 31, 2013	7,765,000	\$ 0.83
Balance exercisable, March 31, 2013	4,061,649	\$ 1.07

Stock options outstanding and exercisable at March 31, 2013 are as follows:

Expiry date	Exercise price	Outstanding	Exercisable
July 9, 2013	\$ 0.60	180,000	180,000
July 18, 2013	0.60	30,000	30,000
October 7, 2014	0.70	150,000	150,000
February 23, 2015	0.86	25,000	25,000
June 9, 2015	1.22	620,000	620,000
June 24, 2015	1.22	50,000	50,000
March 18, 2016	1.96	1,005,000	1,005,000
June 9, 2016	1.98	100,000	66,666
August 2, 2016	1.70	50,000	33,333
October 19, 2016	1.25	150,000	100,000
May 1, 2017	0.78	2,045,000	681,662
May 31, 2017	0.78	150,000	50,000
June 15, 2017	0.58	150,000	50,000
August 1, 2017	0.40	285,000	94,998
January 31, 2018	0.37	2,775,000	924,990
		7,765,000	4,061,649

During the three months ended March 31, 2013, the Company recognized \$586,096 (three months ended February 29, 2012 – \$330,355) of share-based compensation. As at March 31, 2013, the remaining unvested share-based compensation was \$732,020.

On May 1, 2013, the Company granted 100,000 stock options to the Company's corporate secretary. The options are exercisable at \$0.26 per share and expire May 1, 2018.

CROWN POINT ENERGY INC.
NOTES TO CONSENSUED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2013
(Unaudited)
(Canadian dollars)

11. SHARE PURCHASE WARRANTS:

As at December 31, 2012 and March 31, 2013, the Company had the following Series B warrants outstanding, entitling the holder to acquire a common share of the Company:

Expiry date	Exercise price	Outstanding
May 5, 2013	\$ 1.50	1,008,494
May 31, 2013	1.50	297,204
		1,305,698

12. PER SHARE AMOUNTS:

	For the three months ended	
	March 31 2013	February 29 2012
Loss for the period	\$ (221,051)	\$ (564,984)
Basic weighted average number of shares:		
Issued common shares, beginning of period	104,515,222	54,674,907
Effect of shares issued	–	11,606,794
	104,515,222	66,281,701
Loss per share – basic and diluted	(0.00)	(0.01)

For the three months ended March 31, 2013 and February 29, 2012, all stock options and share purchase warrants were excluded from the diluted per share amounts as their effect was anti-dilutive.

13. SUPPLEMENTAL CASH FLOW INFORMATION:

Change in non-cash working capital items for the three months ended March 31, 2013 and February 29, 2012 are as follows:

	March 31 2013	February 29 2012
Trade and other receivables	\$ (1,364,176)	\$ 294,923
Inventory	383,838	(147,284)
Prepaid expenses	(253,524)	34,010
Trade and other payables	(1,239,958)	(199,466)
Effect of change in exchange rates	(24,643)	46,093
	\$ (2,498,463)	\$ 28,276
Attributable to:		
Operating activities	(1,659,532)	209,614
Investing activities	(838,931)	(181,338)
	\$ (2,498,463)	\$ 28,276

CROWN POINT ENERGY INC.
NOTES TO CONSENSUED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2013
(Unaudited)
(Canadian dollars)

The breakdown of the Company's cash and cash equivalents is as follows:

		March 31 2013	December 31 2012
Cash in bank	\$	1,445,360	\$ 1,092,328
Short-term investments		8,532,732	11,779,801
	\$	9,978,092	\$ 12,872,129

The Company did not pay any interest or taxes during the three months ended March 31, 2013 and February 29, 2012.

14. OTHER INCOME:

Other income for the three months ended March 31, 2013 is comprised of \$1.2 million of Petroleo Plus Credits and \$0.3 million of VAT recoveries.

Petroleo Plus Credits:

The Government of Argentina implemented the Petroleo Plus Program in 2008 to reward producers who materially increase oil reserves and production through drilling and development by issuing export tax credits ("Petroleo Plus Credits") that can be used to offset taxes on oil sold off shore at market price. Petroleo Plus Credits are transferrable and can be sold to other domestic oil exporters.

The Company recognizes revenue from the sale of Petroleo Plus Credits on a cash basis when proceeds are received. During the three months ended March 31, 2013, the Company received proceeds of \$1.2 million for the sale of Petroleo Plus Credits earned in previous years.

VAT recoveries:

In 2009, Antrim Argentina wrote off \$1.1 million of VAT credits which were considered uncollectible at the time due to the tax free status of the Province of Tierra del Fuego ("TDF"). However, as a result of the decision of the Federal Government of Argentina in May 2012 to remove certain favourable tax laws pertaining to the Province of Tierra del Fuego, the Company is able to apply the credits against VAT now charged on TDF sales. During the three months ended March 31, 2013, the Company recognized \$0.3 million for the recovery of amounts previously estimated as unrecoverable.

15. FOREIGN CURRENCY EXCHANGE RISK:

A substantial portion of the Company's exploration and development activities are conducted in foreign jurisdictions and a portion of the Company's cash and cash equivalents are denominated in US dollars (USD) and Argentina Pesos (ARS). The Company has not entered into foreign exchange rate contracts to mitigate this risk.

The following table provides information on the foreign currency denominated financial instruments held by the Company:

As at March 31, 2013	Balance denominated in		Total CDN \$ equivalents
	USD	ARS	
Cash and cash equivalents	\$ 405,281	\$ 3,643,309	\$ 1,135,246
Trade and other receivables	\$ 4,989,727	\$ 5,041,318	\$ 6,073,757
Trade and other payables	\$ (1,097,308)	\$ (10,920,748)	\$ (3,283,402)

CROWN POINT ENERGY INC.
NOTES TO CONSENSUED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
For the three months ended March 31, 2013
(Unaudited)
(Canadian dollars)

The following table presents an estimate of the impact on net loss of the market risk factors discussed above and is calculated based on the noted change in exchange rates applied to balances as at March 31, 2013.

Sensitivity analysis	Change in exchange rates	Change in net loss
Foreign exchange - effect of strengthening CAD\$:		
USD denominated financial assets and liabilities	5%	\$ 218,473
ARS denominated financial assets and liabilities	5%	\$ 22,194

16. SEGMENTED INFORMATION:

The Company's one reportable operating segment is the acquisition, exploration and development of oil and gas properties. Geographic information is as follows:

	Canada	Argentina	Total
March 31, 2013	\$	\$	\$
Assets	9,949,100	71,966,757	81,915,857
Liabilities	(361,432)	(5,594,085)	(5,955,517)
Three months ended March 31, 2013			
Revenue ⁽¹⁾	54,602	7,651,918	7,706,520
Net income (loss)	(1,468,348)	1,247,297	(221,051)
December 31, 2012			
Assets	12,792,732	70,958,728	83,751,460
Liabilities	(536,105)	(6,648,150)	(7,184,255)
Three months ended February 29, 2012			
Revenue ⁽¹⁾	79,235	2,041,901	2,121,136
Net income (loss)	(685,835)	120,851	(564,984)

⁽¹⁾ Represents interest income in Canada and oil and gas revenue and Petroleo Plus Credits in Argentina.