CROWN POINT ENERGY INC.
(previously Crown Point Ventures Ltd.)
MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("MD&A") of consolidated financial results of Crown Point Energy Inc. ("Crown Point" or the "Company"), previously Crown Point Ventures Ltd., is at and for the three months and year ended August 31, 2012. This MD&A is dated as of December 17, 2012 and should be read in conjunction with the Company's audited August 31, 2012 consolidated financial statements. The audited consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and all comparative figures for 2011 have been restated using IFRS.

DESCRIPTION OF COMPANY

On July 27, 2012, the Company's shareholders approved the continuance of the Company from British Columbia to Alberta, and in connection with the same, the name change of the Company to "Crown Point Energy Inc.". The continuance and name change became effective on July 27, 2012.

Crown Point is an oil and gas exploration and development company which aims to be an exploiter and aggregator of low to medium risk, high growth oil and gas opportunities in Argentina. Crown Point's main assets are the El Valle Exploitation Concession and the Cañadón Ramirez Exploitation Concession, both of which are located in the Golfo San Jorge basin; the Cerro de Los Leones Exploration Concession and the Laguna de Piedra Exploration Concession, both of which are located in the Neuquén basin; and the Las Violetas, Angostura Sur and Rio Cullen Exploitation Concessions in the Austral Basin, Tierra del Fuego. The shares of Crown Point trade on the TSX Venture Exchange under the symbol CWV. The functional currency of its wholly owned subsidiaries, Crown Point Oil & Gas S.A., CanAmericas (Argentina) Energy Ltd. and Antrim Argentina S.A., is the Argentina Peso, and for the Company, the functional currency is the Canadian dollar.

As announced in September 2012, Crown Point has changed its financial year end from August 31 to December 31 and the transition year will be the four months ending December 31, 2012. The comparative period will be the 12 months ended August 31, 2012. The change will align Crown Point's financial reporting and enable it to streamline its annual budgeting and operations with the calendar year which is consistent with other peer companies in the oil and gas industry. The change is expected to be beneficial to Crown Point's shareholders and the capital marketplace in comparing the results of Crown Point to its peer group.

Additional information relating to Crown Point, including Crown Point's Annual Information Form, is available on SEDAR at www.sedar.com.

PRESENTATION CURRENCY

The presentation currency of the Company is the Canadian dollar. Unless otherwise stated, all dollar amounts are in Canadian dollars which is assumed to be at par with the U.S dollar for budgeted and estimated capital expenditures and commodity reference prices.

FORWARD-LOOKING INFORMATION

This MD&A contains forward-looking information relating to future events and the Company's future performance. This forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. Although Crown Point believes that the expectations reflected in this forward-looking information are reasonable, 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. Please refer to our "Forward-Looking Information Advisory" at the end of this MD&A for further information.

BOE PRESENTATION

All boe conversions in this MD&A are derived by converting natural gas to oil in the ratio of six mcf of gas to one barrel of oil. Barrels of oil equivalent ("boe") may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet of gas ("mcf") to one barrel of oil ("bbl") (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.

BOED means barrels of oil equivalent per day.

MMBtu means million British thermal units.

NON-IFRS MEASURES

This MD&A contains the term "funds flow from (used in) operations" which should not be considered an alternative to or more meaningful than, cash flow from (used in) operating activities as determined in accordance with IFRS as an indicator of the Company's performance. Funds flow from (used in) operations and funds flow from (used in) operations per share (basic and diluted) do not have any standardized meanings prescribed by IFRS and may not be comparable with the calculation of similar measures used by other entities. Management uses funds flow from (used in) operations to analyze operating performance and considers funds flow from (used in) operations to be a key measure as it demonstrates the Company's ability to generate cash necessary to fund future capital investment. Funds flow from (used in) operations per share is calculated using the basic and diluted weighted average number of shares for the period consistent with the calculations of earnings per share. The Company reconciles funds flow from operations to cash flow from operating activities, which is the most directly comparable measure calculated in accordance with IFRS as follows:

	Three months ended August 31		Year ended August 31	
	2012	**2011**	**2012**	**2011**
Funds flow from (used in) operations	303,339	(1,574,940)	(700,280)	(1,572,395)
Changes in non-cash working capital	(559,839)	(839,360)	137,021	(986,848)
Cash flow from (used in) operating activities	(256,500)	(2,414,300)	(563,259)	(2,559,243)

This MD&A also contains other industry benchmarks and terms, including "operating netbacks" (calculated on a per unit basis as oil, natural gas and natural gas liquids revenues less royalties, transportation and operating costs), which is a non-IFRS measure. Management believes this measure is a useful supplemental measures of the Company's profitability relative to commodity prices. Readers are cautioned, however, that these measures should not be construed as alternatives to other terms such as current and long-term debt or net income as determined in accordance with IFRS as measures of performance. Crown Point's method of calculating these measures may differ from other companies, and accordingly, may not be comparable to similar measures used by other companies.

BACKGROUND OVERVIEW

Crown Point has a pure play exposure to Argentina, a country that is experiencing an increased demand for oil and gas production, and where the government has taken measures to increase levels of production and reserves by allowing internal prices for oil and gas to rise.

Argentina has had price controls on petroleum and natural gas since 2002. These price controls have resulted in a persistent decline in production and reserves due to lack of investment in the upstream sector coupled with a rapid rise in demand spurred by low consumer prices. The government of Argentina, in response to the widening supply and demand imbalance, introduced measures designed to increase

capital spending in the upstream sector to reverse this trend and reduce the country's increasing dependence on energy imports to fuel its economy. Key to this initiative was the introduction of the Gas Plus and Oil Plus programs allowing developers of new natural gas pools to sell production on the open market and for oil producers to get higher prices than the domestic market by exporting crude oil production. In addition, the controlled domestic crude oil price has been allowed to slowly increase over the past few years. For example, at the Company's El Valle oil producing property, the field price in late 2009 was US$42/bbl, whereas the current field price is US$62/bbl. This gives a strong indication that the government of Argentina will continue this trend of increasing both field oil and natural gas prices.

The Company's asset base includes stable long life oil and gas production, low risk development upside and a portfolio of high working interest exploration lands with both conventional and non-conventional high impact plays. Crown Point has built a strong Argentina based management and technical team supplemented by Canadian expertise in drilling, completion and production technologies and practices, to manage and exploit these assets

Crown Point's primary focus is on operated high working interest properties with an emphasis on oil maintaining a low to medium risk profile, with a drilling depth range between 1,000 meters to 2,500 metres. While continuing with the development of oil prospects, the Company is actively pursuing other gas focused opportunities to take advantage of higher prices obtainable through participation in the Gas Plus Program in Argentina. The acquisition of Antrim Argentina S.A. in May 2012, described below, is a recent result of such pursuits.

On February 3, 2012, the Ministry of Federal Planning, Public Investment and Services of the government of Argentina announced that it has decided to suspend the Petroleo Plus Program on exported production for large companies. Given the size of the Company, it is not expected that the suspension of the Petroleo Plus Program will affect Crown Point; however, as full details of the suspension have not been provided by the government of Argentina it is uncertain exactly which companies will be affected. Later in 2012, Petroleo Plus was reinstated for the large oil companies including YPF and Pan American.

On April 16, 2012, the Argentine President, Cristina Fernández de Kirchner, submitted a bill to the Argentine Congress to expropriate 50.01% of energy company Yacimientos Petroliferos Fiscales' ("YPF") D shares. YPF was established as a state enterprise in 1922, privatized in 1993 and acquired by the Spanish multinational company, Repsol, in 1999. The bill to renationalize YPF was signed into law in May 2012. It is Crown Point's belief that this type of action will be restricted to YPF and will not impact Crown Point's operations or future activities in Argentina, but Crown Point can provide no assurances in this regard. All of Crown Point's concessions are in good standing and the Company has met or is in the process of meeting its work commitments in a timely manner.

On July 27, 2012, Decree No. 1277/2012 (the "Decree") was published by the Official Gazette, providing for regulations by the national government on the hydrocarbons industry (comprising exploration, exploitation, refining, transportation and marketing), particularly in terms of investments, costs and prices. The Decree also repeals several articles of the following decrees: No. 1055/1989, No. 1212/1989 and No. 1589/1989 and any other legal provision opposed to the Decree. The repealed articles of the above-mentioned decrees refer to the free disposal of crude oil and its by-products by the companies that were awarded the areas bid upon under Decree No. 1055/1989, the deregulation of the hydrocarbons sector, the free imports and exports of crude oil and its by-products, the freedom to set prices and the free disposal of a certain percentage of foreign currency by producers entitled to free disposal of crude oil, natural gas and/or liquefied gases.

Through Resolution No. 1/2012 (published by the Official Gazette on September 3, 2012) of the Committee for Strategic Planning and Coordination of the Hydrocarbons Investments National Plan (the "Committee") created by the Decree, the Committee and its operating regulations were established.

According to Resolution No. 3/2012 by the Committee (published by the Official Gazette on September 27, 2012), the Registration Form to be filed with the National Registry of Hydrocarbons Investments was approved. Also, Resolution No. 3/2012 set forth a deadline for registration in the referred Registry and for the filing of the Annual Investments Plan provided for by section 12 of the Decree. The Company has complied with the registration and filing described above.

Although there has been no change to the fiscal regime, the Company is currently evaluating what impact the Decree may have on the Company's business, financial condition, results of operations and prospects. Future regulatory changes could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

New Gas Pricing Announcement by the President of Argentina

On November 28, 2012, the President of Argentina, Cristina Fernández de Kirchner, announced the creation of a new gas pricing program under which “Old Gas” would continue to be paid at current prices, while any incremental gas or “New Gas” would receive $7.50/MMBtu (approximately $7.75/mcf). The implementation of this program or one similar would have a significant and positive impact on Crown Point’s capital programs and its financial netbacks on its Tierra del Fuego Concessions. For comparison, Crown Point’s average natural gas price for the year ended August 31, 2012 was approximately $2.33/MMBtu ($2.41/mcf).

There is no certainty that the pricing announcement for new gas will be formally approved and put into effect on the terms announced or at all.

RECENT ACQUISITION – ANTRIM ARGENTINA

On May 28, 2012, Crown Point acquired all the issued and outstanding shares of Antrim Argentina S.A. (“Antrim Argentina”). Consideration for the acquisition was $9,246,784 of cash and 35,761,290 common shares of the Company (“Crown Point Shares”).

The acquisition of Antrim Argentina has resulted in the following benefits for Crown Point:

- Operatorship and increase in working interest to 100% interest in the 307,000 acre Cerro de Los Leones Neuquén Basin Exploration Concession which the Company believes has significant conventional oil and unconventional Shale Oil potential including the Vaca Muerta Shale.
- Increase in corporate average daily production to 1,888 BOED[1], giving the Company critical mass for continuing operations ;
- Near-term seismic and drilling catalysts;
- Entry into the natural gas weighted Tierra del Fuego portion of the Austral Basin at a time of rising Argentine natural gas prices;
- Near-term 3D seismically defined natural gas and oil exploitation and exploration opportunities in the Tierra del Fuego Austral Basin assets;
- Significant increases in the Company’s total proved and probable reserves;
- Significant increases in the Company's revenues;
- Increase in Argentina land holdings to 693,000 net acres; and
- Maintenance of a strong financial position.

(1) Based on Crown Point's average daily production for the three months ended August 31, 2012.

THE FOCUS

Crown Point is committed to Argentina and in developing our current level of reserves, production and opportunities present on our seven concessions. The Company is also committed to expanding its portfolio of asset and opportunities. The acquisition of all the issued and outstanding shares of Antrim Argentina provides the Company with three additional concessions in the natural gas weighted Tierra del Fuego portion of the Austral Basin in a time of rising Argentine natural gas prices. The acquisition of Antrim Argentina also provides Crown Point with Operatorship and 100% working interest in the 307,000 acre Cerro de Los Leones Exploration Concession that the Company believes has significant conventional and unconventional oil potential.

The Company’s efforts over the next twelve months will be focused principally on three areas: Tierra del Fuego, Cerro de Los Leones and El Valle.

TIERRA DEL FUEGO, ARGENTINA

The Company's 25.78% working interest in the Tierra del Fuego area of Argentina covers approximately 489,000 acres (126,000 net acres) in the Austral Basin and includes the Las Violetas, Angostura Sur and Rio Cullen exploitation concessions. The primary term of all three licenses expires in November 2016 however the Company and its partners have negotiated a ten year extension (to November 2026) with the provincial government authorities of Tierra del Fuego. The extension and its terms are currently awaiting ratification by the provincial legislature..

Crown Point's operational focus at Tierra del Fuego is on increasing production and reserves from the higher priced Gas Plus areas. Currently, approximately 10% of Crown Point's natural gas production flows from a Gas Plus designated reservoir and is sold at a price of $4.10/MMBtu (approximately $4.24/mcf) , as compared to an average price of $2.10/MMBtu (approximately $2.17/mcf) for its remaining gas production.

DEVELOPMENT AND DRILLING PLANS

Development and drilling operations will commence in Tierra del Fuego after the ten year extension to 2026 has been approved.

Crown Point and its partners plan to drill six to eight new wells per year for the next three to four years. The majority of these wells will target the areas which are currently designated as Gas Plus areas as well as other 3D seismically defined areas which would also qualify as Gas Plus eligible (at $4.10/MMBtu).The Company plans to acquire additional 3D seismic on the Las Violetas, Angostura Sur and Rio Cullen concessions starting in 2014. The proposed Las Violetas 3D seismic program is designed to fully evaluate and identify drilling targets over areas and trends which have been mapped using older 2D seismic. The Angostura Sur and Rio Cullen seismic programs are following up exploration leads from existing 2D seismic and geological information.

Crown Point's Tierra del Fuego concessions are high quality natural gas weighted assets possessing the capability to deliver increased levels of production and reserves in an increasing natural gas price market. Crown Point currently estimates net capital expenditures in the Tierra del Fuego area for the period September to December 2012 of $0.5 million, $7.2 million for 2013 and $6.7 million for 2014, and an as yet undefined amount for the additional 3D seismic planned to be shot on all three concessions. If the new pricing program announced by the President of Argentina on November 28, 2012 is implemented and is available to Crown Point and its partners, it is likely that the Tierra del Fuego capital spending plans would be revised to include additional drilling and 3D seismic acquisition designed to accelerate growth in production and reserves.

PRODUCTION

The bulk of the Company's production and reserves in the Tierra del Fuego area are located on the Las Violetas Concession. Crown Point's net production at Tierra del Fuego has increased 15% over historical production levels following a fracture stimulation program carried out on five wells on the Las Flamencos gas pool earlier this year. This fracture program primarily targeted wells eligible to receive the higher Gas Plus prices $4.10/MMBtu (approximately $4.24/mcf).

BACKGROUND INFORMATION

Drilling on the Tierra del Fuego concessions had been deferred for the last two years while the concession extensions were being negotiated. In April 2012, Crown Point (25.78% WI) and its partners commenced a five well hydraulic fracturing program designed to improve deliverability from the eastern region of the Los Flamencos gas pool. The overall results of this program were successful and have led to increased production from the concession. Accordingly, Crown Point and its partners are evaluating additional lower deliverability wells as potential hydraulic fracture candidates or as suitable for radial drilling stimulation.

Until recently, sales of oil and gas from the Las Violetas Concession to the Argentina mainland generated value-added tax ("VAT") of 21%, which Crown Point was able to retain due to favorable tax laws pertaining to Tierra del Fuego. Antrim reported VAT income of US$2.2 million in 2011 and US$2.1 million in 2010. However, on May 16, 2012 the Federal Government of Argentina issued a decree removing the tax free status of the Province of Tierra del Fuego (the "TDF Policy Change"). Over the short to medium term, the

TDF Policy Change is expected to have a modestly negative impact on the Company's income, although the TDF Policy Change is not expected to have a material impact on the Company's reserves. The TDF Policy Change's impact on Crown Point may be mitigated to some degree by the continuation of the trend in rising natural gas prices in Argentina, and/or an increase in the proportion of Crown Point's production that is derived from natural gas production from the Las Violetas Concession, which attracts the higher Gas Plus pricing. No assurances, however, can be provided by Crown Point that any of these mitigating factors will materialize, or that if they do, that they will offset the effects of the TDF Policy Change in total, in part or at all.

CERRO DE LOS LEONES, NEUQUEN BASIN, ARGENTINA

The Company’s 100% interest in the Cerro de Los Leones exploration concession in the Neuquén Basin in Mendoza, Argentina covers approximately 306,646 acres in the Mendoza portion of the Neuquén Basin.

In May 2012, the Company received environmental approval to undertake exploration work over the Cerro de Los Leones concession.

EXPLORATION, DEVELOPMENT AND DRILLING PLANS

In August 2012, the Company began field operations with re-conditioning of existing access roads and tracks so as to enable the seismic crews to effectively access the concession. The seismic programs comprise 122 kilometers of 2D seismic which was recorded in September 2012 and 143 square kilometers of 3D seismic which commenced in late October 2012. Field recording of both seismic programs has now been completed and the data has been sent in for processing. The Company expects to have the processed data ready for interpretation in early February 2013. The total cost of the two seismic programs is estimated to be $6 million.

Drilling on various conventional plays is expected to commence in 2013, following interpretation of the seismic programs. Information obtained from these wells may assist Crown Point in determining the economic viability of the Vaca Muerta on the Cerro de Los Leones Concession. A second 3D seismic program is planned for the eastern portion of the concession targeting the Loncoche, Neuquén Group and Huitrin resource type plays. This program may be shot in late 2013 or 2014 and would be followed up with the drilling of one to two wells targeting the above mentioned plays.

Following the initial drilling phase, Crown Point may consider additional exploration and development drilling in the area, including the possibility of drilling vertical and horizontal tests in the Vaca Muerta shale play. Capital expenditures relating to the expected Cerro de Los Leones Concession drilling programs are currently projected at $4.8 million for the period September to December 2012, $9.9 million for 2013 and $12.1 million for 2014.

EL VALLE, ARGENTINA

Crown Point has a 50% working interest in the approximate 15,864 acre El Valle Concession This exploitation concession is located in the southern flank of the Golfo San Jorge Basin. Crown Point can propose joint operations to its partners in the concession, and if the partners decide not to participate, Crown Point can fund 100% of the capital to obtain an 80% interest in production until the recovery of 300% of the costs of the program at which time the Company’s interest reverts to 50%.

El Valle has three distinct productive sedimentary formations, which, in descending order from shallow to deep, are the Cañadon Seco, Caleta Olivia and Mina el Carmen. Each of these formations may contain multiple discrete hydrocarbon bearing sandstone zones. Typically, the Cañadon Seco oil produces medium grade oil (API gravity that ranges from 16 to 22°), while the Caleta Olivia and Mina el Carmen produce lighter oil (API gravity of approximately 30°). By continuing to re-interpret the seismic data and integrating recent drilling results the Company has developed a drilling inventory consisting of 12 development drilling and eight new exploration drilling targets in the El Valle field. Additionally, potential exists for secondary recovery programs such as water flood or horizontal drilling plus workovers and recompletions on existing wells.

2012 DRILLING PROGRAM

Since Crown Point commenced drilling operations on the El Valle Concession, the Company has drilled and completed 18 wells (16 oil wells, 1 suspended potential oil well and 1 non-producing natural gas well) with no dry holes.

During calendar 2012, to August 31, 2012, Crown Point drilled 6 wells on the El Valle Concession for a total cost of $11.7 million. The Company, in accordance with the terms of its agreement with its partners in El Valle, paid 100% interest of the capital costs and will receive 80% of the revenues until the recovery of 300% of the costs of the program at which time the Company's interest reverts to 50%. This program, which commenced in April 2012, was focused on the drilling of development oil wells with multiple-zones targeted in the Cañadón Seco and Caleta Olivia formations in the south east and south central areas of El Valle.

In late May 2012, the first well of the 2012 El Valle drilling program, the EV34 well, was placed on production. In May, June and July 2012, Crown Point drilled and completed the second, third fifth and sixth wells (EV33, EV28, EV36 and EV38X) and cased the fourth well (EV32) as a potential oil well, pending a further completion operation.

- EV34 - Crown Point successfully completed a 5.0 metre thick oil bearing section in the Cañadón Seco formation.
- EV33 – Crown Point successfully completed a 3.0 meter thick oil bearing section in the Cañadón Seco formation.
- EV36 – Crown Point successfully completed a 2.5 metre thick section of the Cañadón Seco formation in the EV 36 wellbore.
- EV32 – Crown Point has suspended operations on this well and management is reviewing a work over program for this well.
- EV28 - Crown Point has successfully completed a total of 22 meters of oil pay in 6 different zones in the Mina el Carmen, Caleta Olivia and Cañadón Seco formations. This well has confirmed an additional four to six drilling locations.
- EV38X – This is an exploration well, located on an undrilled structure, approximately 2 km north of the Company's recent oil drilling activities. The well encountered a total of 7 metres of oil pay in three separate sand zones within the Cañadón Seco formation and has been completed and placed on production. The well's performance is being closely monitored as there are numerous offsetting additional potential drilling locations on the structure.

The producing zones in the EV 33, EV34 and EV36 wells demonstrate a good correlation to the EV23, EV26 and EV31 wells drilled in 2011. Stratigraphic correlation and production performance of these wells all point to a single oil pool of significant size. The new wells encountered a slightly pressure depleted reservoir indicative of connectivity with the prior year's wells. The larger pool size is supported by geological and seismic mapping and the lack of a defined water contact in the reservoir.

Crown Point has identified additional drilling locations in this pool and is in the early conceptual planning stage of implementing a waterflood secondary recovery scheme. Waterflood secondary recovery schemes are used throughout the San Jorge Basin and consistently demonstrate improved rates of production and higher ultimate recoveries of oil in place from equivalent reservoirs. Current tentative plans call for a three well program to be drilled in the latter part of 2013 and the construction of facilities for oil production and water flood. A decision to proceed will be dependent on the creation of an economic full cycle development plan for the field. Current budgets allocate spending of $1.9 million for the period September to December 2012, $5.6 million to be expended at El Valle in 2013, and $7.3 million to be expended in 2014. These budgeted amounts do not include costs for the previously discussed facilities as the process to estimate such costs is still underway.

ELECTRIFICATION

During the year ended August 31, 2012, the El Valle Concession continued to experience production inefficiencies due to the lack of electrification and the resultant inability to employ more efficient pumping systems such as progressive cavity pumps. Some wells drilled by Crown Point, which have conventional insert bottom-hole pumps, have low pump efficiencies and low rates of pumping production due to entrained natural gas in the oil. In 2012, Crown Point undertook a program to electrify the field and installed progressive cavity pumps in three wells on the El Valle Concession. The electrification program was completed in early December 2012 for a total cost of approximately $1 million.

Management anticipates that electrification and use of cavity pumps will improve Crown Point's field production volumes. Electrification will also permit the installation of surface measuring equipment as well as down-hole monitoring where deemed necessary to better evaluate production conditions and reservoir characteristics.

CURRENT EL VALLE PRODUCTION

Sales volumes for the year ended August 31, 2012 averaged 358 barrels of oil per day compared to 202 barrels of oil per day for the year ended August 31, 2011.

CAÑADÓN RAMIREZ

The Corporation has a 100% working interest in approximately 6,325 acres in the Cañadón Ramirez area of the Golfo San Jorge Basin. The Company plans to commence the drilling of two oil exploitation wells at an estimated total cost of $ 3.6 million on the Cañadón Ramirez Concession in 2014. The proposed wells are to be drilled on a 3D seismically defined western extension of the Mata Magallanes Oeste field. The Cañadón Ramirez Concession has access to existing infrastructure in the adjacent Mata Magallenes Field.

LAGUNA DE PIEDRA

In April 2012, Crown Point exercised a right of first refusal to acquire the remaining undivided 50% interest in the Laguna de Piedra concession for $494,750 (US$500,000). The Company now holds a 100% interest and operatorship of the approximate 246,354 acre exploration concession.

Crown Point plans to drill one exploration well on the Laguna de Piedra Concession. The primary targets are 3D seismically defined light oil objectives in the Punta Rosada and Quintuco sandstones. Environmental approval from the Province of Rio Negro will be required before drilling operations can begin. Discussions with the local municipal governments and Provincial Environmental departments are ongoing. The Laguna De Piedra Concession is located in the south flank of the Neuquén basin. The Company's estimates the cost to drill, complete and equip the well to be approximately $2.5 million, however the expenditures will not be budgeted for until the environmental approvals are received.

CALENDAR 2013 CAPITAL EXPENDITURE PROGRAM

The Company anticipates using existing working capital and cash flow to fund the Company's capital expenditure program through the end of calendar 2014 as summarized below:

	(in millions of $)		
Concession	September to December 2012	2013	2014
Tierra del Fuego [1]	$ 0.5	$ 7.2	$ 6.7
Cerro de Los Leones	4.8	9.9	12.1
El Valle	1.9	5.6	7.3
Electrification	–	–	–
Cañadón Ramirez	–	–	3.6
Laguna de Piedra [2]	–	–	–
Other and corporate	0.9	1.3	1.2
	$ 8.1	$ 24.0	$ 30.9

[1] Assumes that the extension of the Tierra del Fuego concessions are ratified by the Provincial Legislature.
[2] The cost to drill, complete and equip one exploration well is estimated at $2.5 million which will be budgeted for after environmental approvals are received.

SUMMARY ANNUAL FINANCIAL INFORMATION

	August 31 2012	August 31 2011	September 1 2010
Working capital (deficiency)	17,736,716	24,405,427	(186,069)
Total assets	86,745,872	51,411,935	14,114,423
Total non-current liabilities [1]	2,267,574	565,291	283,453
Share capital	107,387,933	67,132,442	28,093,271
Total common shares outstanding	104,515,222	54,674,907	30,353,129

	Year ended August 31 2012	Year ended August 31 2011	Year ended August 31 2010 [2]
Total revenue	10,772,942	3,839,359	–
Loss from continuing operations	(5,093,023)	(3,288,065)	(2,030,136)
Per share – basic and diluted	(0.07)	(0.07)	(0.09)
Income from discontinued operations	–	462,578	434,875
Per share – basic and diluted		0.01	0.02
Net loss	(5,093,023)	(2,825,487)	(1,595,261)
Per share – basic and diluted	(0.07)	(0.06)	(0.07)
Weighted average number of shares	73,906,739	44,532,957	23,801,255

[1] The Company's non-current liabilities are the decommissioning provision.
[2] In accordance with Canadian Generally Accepted Accounting Principles.

FINANCING ACTIVITIES

In December 2011, the Company closed its short-form prospectus bought deal equity financing (the "Offering"). In total, 13,774,900 common shares of the Company were sold pursuant to the Offering at a price of $0.95 per common share for aggregate gross proceeds of $13,086,155. Share issue costs of $1,239,741 were incurred as part of the Offering.

On May 28, 2012, the Company issued 35,761,290 common shares as partial consideration for the acquisition of Antrim Argentina.

During the year ended August 31, 2012, the Company issued 304,125 common shares on the exercise of 303,729 warrants and 396 finders' options for gross proceeds of $304,125.

NET LOSS AND FUNDS FLOW FROM (USED IN) OPERATIONS

	Three months ended August 31		Year ended August 31	
	2012	**2011**	**2012**	**2011**
Net loss ($)	(1,831,364)	(1,294,423)	(5,243,023)	(2,825,487)
Net loss per share [1] ($)	(0.02)	(0.03)	(0.07)	(0.06)
Weighted average number of shares	104,515,222	54,652,912	73,906,739	44,532,957
Funds flow from (used in) operations ($)	303,339	(1,574,940)	(850,280)	(1,572,395)
Funds flow per share [1] ($)	0.00	(0.03)	(0.01)	(0.04)

[1] All per share figures are based on the basic weighted average number of shares outstanding in the period. The effect of options and warrants is anti-dilutive in loss periods.

OPERATING NETBACKS – TOTAL COMPANY

	Three months ended August 31		Year ended August 31	
Per BOE	**2012**	**2011**	**2012**	**2011**
Total sales volumes (BOE)	173,696	26,384	266,215	73,696
Oil and gas revenue ($)	28.29	55.97	40.47	52.10
Royalties ($)	(5.70)	(10.84)	(8.97)	(11.11)
Operating costs ($)	(8.47)	(16.10)	(10.60)	(14.18)
Operating netback ($)	14.12	29.03	20.90	26.81

Total Company operating netbacks have decreased from 2011 due to the addition of natural gas volumes at an average price of $2.41 per mcf produced in the Tierra del Fuego ("TDF") area. Natural gas production makes up 68% and 44% of total Company boe volumes in the three months and year ended August 31, 2012, respectively.

Operating netbacks are analyzed below by area: El Valle and TDF. The TDF assets were acquired as part of the acquisition of Antrim Argentina on May 28, 2012.

OPERATING NETBACKS – TDF

	Three months ended August 31		Year ended August 31	
Per BOE	**2012**	**2011**	**2012**	**2011**
Oil and gas revenue ($)	18.15	–	18.15	–
Royalties ($)	(2.72)	–	(2.72)	–
Operating costs ($)	(6.98)	–	(6.98)	–
Operating netback ($)	8.45	–	8.45	–

TDF – Sales Volumes and Revenues

	Three months ended August 31		Year ended August 31	
	2012	**2011**	**2012**	**2011**
Light oil (bbls)	9,583	–	9,583	–
NGL (bbls)	7,290	–	7,290	–
Natural gas (mcf)	710,782	–	710,782	–
Total BOE	135,336	–	135,336	–
Light oil bbls per day	104	–	26	–
NGL bbls per day	79	–	20	–
Natural gas mcf per day	7,726	–	1,942	–
BOE per day	1,471	–	370	–
Light oil revenue ($)	671,363	–	671,363	–
NGL revenue ($)	74,568	–	74,568	–
Natural gas revenue ($)	1,710,646	–	1,710,646	–
	2,456,577	–	2,456,577	–
Light oil revenue per bbl ($)	70.06	–	70.06	–
NGL revenue per bbl($)	10.23	–	10.23	–
Natural gas revenue per mcf ($)	2.41	–	2.41	–
Revenue per BOE ($)	18.15	–	18.15	–

Sales Volumes

TDF production is weighted 12% oil and 88% natural gas. Natural gas production increased 15% over historical levels resulting from a pre-Argentine winter fracture stimulation program carried out on five wells on the Las Flamencos gas pool. This fracture program targeted wells eligible to receive the higher price of $4.10/MMBtu (approximately $4.24/mcf) under the Gas Plus incentive program, which the Company started collecting in May 2012.

Oil production from TDF is stored and periodically transported by ship to a refinery on the mainland. The sale of crude oil from TDF can be impacted by intermittent shipments due to storage levels and weather conditions. Oil production was 258 bbls per day in the fourth fiscal quarter, while oil sales were 104 barrels per day during the quarter. The oil in inventory at August 31, 2012 was 740 bbls which was sold during October, November and December 2012.

Revenues

The price earned by the Company on TDF oil averaged 74% of WTI in 2012. Oil from the TDF concessions is sold on a spot basis with reference to the in-country Medanito crude oil benchmark price less a quality

discount. Increases in mainland Argentina demand have resulted in increased market prices for oil since the middle of 2009, resulting in increases in the oil price received.

The price earned by the Company on TDF natural gas production averaged $2.41/mcf during the three months ended August 31, 2012.

TDF Royalties

	Three months ended August 31		Year ended August 31	
	2012	**2011**	**2012**	**2011**
Provincial royalties ($)	367,770	–	367,770	–
Royalties as a % of Revenue	15%	–	15%	–
Royalties per BOE ($)	2.72	–	2.72	–

The royalty rate being paid in TDF is approximately 15% of revenue.

TDF Operating Costs

	Three months ended August 31		Year ended August 31	
	2012	**2011**	**2012**	**2011**
Production and processing ($)	824,679	–	824,679	–
Transportation and hauling ($)	119,864	–	119,864	–
Total operating costs ($)	944,543	–	944,543	–
Operating costs per BOE ($)	6.98	–	6.98	–

OPERATING NETBACKS – EL VALLE

	Three months ended August 31		Year ended August 31	
Per BOE	**2012**	**2011**	**2012**	**2011**
Oil and gas revenue ($)	64.08	55.97	63.54	52.10
Royalties ($)	(16.22)	(10.84)	(15.43)	(11.11)
Operating costs ($)	(13.75)	(16.10)	(14.33)	(14.18)
Operating netback ($)	34.11	29.03	33.78	26.81

The increase in the operating netback for the three months and year ended August 31, 2012 over the comparative periods is explained by changes in sales volumes and revenues, royalties and operating costs as detailed below.

EL VALLE Sales Volumes and Revenues

	Three months ended August 31		Year ended August 31	
	2012	2011	2012	2011
Argentina light oil (bbls)	38,360	26,384	130,879	73,696
BOE per day	417	287	358	202
Revenue ($)	2,458,027	1,476,765	8,316,365	3,839,359
Revenue per BOE ($)	64.08	55.97	63.54	52.10

Sales Volumes

El Valle average daily sales volumes for the three months and year ended August 31, 2012 increased 45% and 78%, respectively, over the 2011 comparative periods.

The increase in oil volumes for the three months ended August 31, 2012 was a direct result of six wells drilled and placed on production during the year ended August 31, 2012, the majority of which came on production in the fourth fiscal quarter and added 208 bbl per day over the quarter.

The increase in oil volumes for the year ended August 31, 2012 is due to six wells drilled during the year ended August 31, 2011, the majority of which came on production during August 2011 and added 165 bbls per day plus production from six wells drilled during the year ended August 31, 2012 that added 55 bbls per day over the year.

Revenues

Crude oil revenue for the three months and year ended August 31, 2012 increased 66% and 117%, respectively, over the 2011 comparative periods. The increase in revenues is due to the wells that came on production in 2012 and the latter part of 2011 combined with higher prices as discussed in the following paragraph. To date, Crown Point has not undertaken any hedging or other commodity price risk management contracts.

The increase in sales price in the 2012 periods compared to 2011 is a result of Argentina increasing commodity prices closer to world levels and is consistent with the increase in the WTI price of oil from 2010 to 2012. The price earned by the Company on El Valle production averaged 67% of WTI in 2012. In the last couple of years, Argentina domestic prices have been set locally and without a clear reference to WTI. Based on the current situation, management does not expect material changes in the domestic price of oil to be made by the provincial or central government authorities in the near term.

EL VALLE Royalties

	Three months ended August 31		Year ended August 31	
	2012	2011	2012	2011
Royalties by type				
Provincial ($)	353,275	170,664	1,169,852	479,742
Freehold and other ($)	268,799	115,315	849,660	339,135
Total ($)	622,074	285,979	2,019,512	818,877
Royalties as a % of Revenue				
Provincial	14.4%	11.6%	14.1%	12.5%
Freehold and other	10.9%	7.8%	10.2%	8.8%
Total	25.3%	19.4%	24.3%	21.3%
Total royalties per BOE ($)	16.22	10.84	15.44	11.11

Provincial royalties as a percentage of sales are higher in the three months and year ended August 31, 2012 over the 2011 comparative periods due to turnover taxes which increased 1% in the current quarter and 3% in total.

Freehold and other royalties as a percentage of sales were higher in the three months ended August 31, 2012 and in the year ended August 31 2012 due to the payment of the yearly right paid to a provincial oil company in the province of Santa Cruz. This payment was made in August 2012 for the first time as a result of the concession extension in El Valle.

EL VALLE Operating Costs

	Three months ended August 31		Year ended August 31	
	2012	**2011**	**2012**	**2011**
Production and processing ($)	244,034	292,157	976,650	678,939
Transportation and hauling ($)	283,331	132,655	899,543	365,893
Total operating costs ($)	527,365	424,812	1,876,193	1,044,832
Operating costs per BOE ($)	13.75	16.10	14.33	14.18

Operating costs per BOE for the three months ended August 31, 2012 decreased due to fixed operating costs being allocated over higher production volumes.

Operating costs per BOE for the comparative three months ended August 31, 2011 are higher than other comparative periods due to the effect of work stoppages related to on-going strike action in 2011.

Operating costs per BOE for the years ended August 31, 2012 and 2011 are comparable because the increases in 2011 labor costs were set off by higher volumes produced in 2012.

GENERAL AND ADMINISTRATIVE

General and administrative expenses for the three months and year ended August 31, 2012 were $1,885,607 and $4,385,413, respectively, as compared to $946,127 and $2,230,172 for the 2011 comparative periods.

	Three months ended August 31		Year ended August 31	
	2012	**2011**	**2012**	**2011**
Salaries and benefits	$ 866,544	$ 574,162	$ 1,967,054	$ 1,044,380
Professional fees	541,302	147,837	1,240,813	541,408
Office and general	275,063	110,850	755,612	450,797
Travel and promotion	117,595	111,114	308,706	162,757
Transfer agent	85,103	2,164	113,228	30,830
	$ 1,885,607	$ 946,127	$ 4,385,413	$ 2,230,172

The increased salaries and benefits and office and general expenses are a result of increased staffing levels and activities in both Canada and Argentina including the addition of Antrim Argentina employees on May 28, 2012. The increase in professional fees is due to the preparation of reserve reports, IFRS implementation and audit, interim review and public company filing fees. The increase in travel and promotion expenses is due to investor relations activities and travel to Argentina. The increase in transfer agent expenses is due to the increase in financing activities and share-based related fees.

ACQUISITION COSTS

The Company incurred $1,336,163 of transaction costs in conjunction with the acquisition of Antrim Argentina.

SHARE-BASED PAYMENTS

Share based payments is a non–cash amount, calculated using the Black-Scholes model, of the estimated cost associated with options granted to purchase common shares. This expense does not represent actual cash compensation realized by the recipients of the options upon the eventual exercise of the options and disposition of the underlying shares.

During the three months and year ended August 31, 2012, the Company recognized $165,647 and $1,426,595 (three months and year ended August 31, 2011 – $335,315 and $1,478,359), respectively, of share-based compensation. In addition, $145,020 of share-based compensation was capitalized to developed and producing assets in 2012 based on the proportion of the related individuals for which salaries were also capitalized. The increase in share-based payments is due primarily to 2,780,000 options granted in 2012 compared to 1,355,000 options granted in 2011.

As at August 31, 2012, the remaining unvested share-based compensation was $925,400.

FINANCING FEES AND BANK CHARGES

During the three months and year ended August 31, 2012, the Company incurred $200,321 and $335,386 (three months and year ended August 31, 2011 – $271,898 and $408,014), respectively, of financing fees and bank charges.

Financing fees and bank charges result primarily from bank stamp taxes charged in Argentina on cash advances and advances were slightly lower in 2012.

FOREIGN EXCHANGE GAIN (LOSS)

During the three months and year ended August 31, 2012, the Company recognized a $4,642 and $20,677 foreign exchange loss (three months and year ended August 31, 2011 – $110,142 and $9,956), respectively.

These amounts occur as a result of currency fluctuations between the Canadian Dollar, United States Dollar and the Argentina Peso due to translation of working capital items.

DEPLETION AND DEPRECIATION

	Three months ended August 31		Year ended August 31	
	2012	**2011**	**2012**	**2011**
El Valle depletion ($)	770,739	635,688	2,360,274	1,151,544
TDF depletion ($)	1,224,527	–	1,224,527	–
Total depletion ($)	1,995,266	635,688	3,584,801	1,151,544
Depreciation ($)	47,680	23,106	107,290	54,528
	2,042,946	658,794	3,692,091	1,206,072

As at August 31, 2012, future development costs of proved and probable reserves were estimated at $38.7 million, of which $12.8 million relates to El Valle and $25.9 million relates to TDF (2011 – El Valle $10 million). The amounts capitalized as developed and producing assets in Argentina at August 31, 2012 include $611,440 of capitalized general and administrative expenses, $145,020 of capitalized share-based payments and $5,047,186 of Value Added Tax.

Depletion rates by area are as follows:

	Year ended August 31	
	2012	2011
El Valle depletion rate per BOE ($)	18.03	15.63
TDF depletion rate per BOE ($)	9.05	–
Total depletion rate per BOE ($)	13.47	15.63

As at August 31, 2012, the Company's share of proved plus probable reserves in El Valle are estimated at 1,927,000 bbls (August 31, 2011 – 1,716,000 bbls). The increase in the reserve base was offset by an increase in the depletable base, including an increase in estimated future development costs, resulting in a higher El Valle depletion rate for the year ended August 31, 2012.

As at August 31, 2012, the Company's share of proved plus probable reserves in Tierra del Fuego are estimated at 5,883,000 boe's.

Depletion rates reflect the all-in combined charge of drilling operations, various asset acquisitions and investments in facilities and gathering systems. Office furniture, equipment and other assets are recorded at cost less accumulated depreciation. Depreciation is provided over the estimated useful lives of the assets using a 20% declining balance basis for Canadian office furniture and equipment, a straight line basis over 3 - 10 years for Argentina office furniture and equipment and a straight line basis over the term of the lease for all leasehold improvements.

The Company did not identify any indicators of impairment during the years ended August 31, 2012 and 2011.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the risk that the Company will not meet its financial obligations as they fall due. The Company manages its liquidity risk through management of its capital structure and annual budgeting of its revenues, expenditures and cash flows. As at August 31, 2012, the Company has working capital of $17,736,716 (August 31, 2011 – $24,405,427) which given planned capital expenditures, administrative overhead requirements and commitments, is sufficient to meet current financial obligations in the upcoming period to December 31, 2013

Of the Company's total cash resources at August 31, 2012, $14.3 million is on deposit in short term guaranteed investment certificates with a major Canadian financial institution. Management has received confirmation from the financial institution that these funds are available on demand. The remaining cash is in bank deposit/chequing accounts available as required for operations and vendor payments.

The Company is committed to raising the necessary funds required for operations and capital expenditures through equity financing, joint venture agreements, and loans. If more of the Company's properties become economic and productive, the additional cash flow generated will assist in funding the Company's future activities.

COMMITMENTS

Leased premises

As at August 31, 2012, the Company is committed to future payments for office rental and a proportionate share of operating costs in the amount of $23,294 per month commencing November 1, 2012 until October 31, 2014, $23,903 from November 1, 2014 to October 31, 2017 and $24,512 from November 1, 2017 to October 31, 2019.

As at August 31, 2012, the Company is committed to future payments for accommodation rental in the amount of US$3,000 (Cdn$2,959) per month commencing September 1, 2012 until August 31, 2013.

As at August 31, 2012, the Company is committed to future payments for Buenos Aires Office rental in the amount of US$10,000 (Cdn$9,863) per month from September 1, 2012 to May 31, 2013 and US$10,500 (Cdn$10,356) per month from June 1, 2013 to May 31, 2014.

As at August 31 2012, the Company has paid ARS$342,000 (Cdn$72,778) for Comodoro Office rent from June 1, 2012 to May 31, 2013. The Company is committed to pay ARS$410,400 (Cdn$87,333) on June 1, 2013 for the period from June 1, 2013 to May 31, 2014 and on June 1, 2014 the Company is committed to pay ARS$492,480 (Cdn$104,800) for the period from June 1, 2014 to May 31, 2015.

In the cases of Argentina leases, the Company has the option to cancel the commitments at any time for a penalty of one month rent cost.

El Valle Concession

On October 25, 2012, the Parliament of Santa Cruz Province issued Law 3293 approving the extension of the El Valle Concession until January 2026. The extension includes the following commitments on the Lago de Desierto UTE (100% working interest):

(in millions of $)	2011 to 2012	2013 to 2016	2017 to 2020	2021 to 2024	2025 to 2028	Total
Total US$	20.4	9.3	8.8	5.1	3.5	47.1
Total Cdn$	20.1	9.2	8.7	5.0	3.5	46.5

The Company has already fulfilled the 2011 and 2012 capital expenditure commitment.

As part of the extension commitment the Company paid US$66,953 (Cdn$66,417) on November 24, 2012 and will have to pay US$18,576 (Cdn$18,321) before January 4, 2013 and US$18,576 (Cdn$18,321) before July 3, 2013.

The Company has the right to freely market and dispose of the hydrocarbons lifted from the area, after paying 15% production royalties to the Province of Santa Cruz. In addition, the Company is required to pay a yearly surface rent of ARS$110,236 (Cdn$23,458) based on a rate of ARS$3,445 (Cdn$733) per square kilometre on the acreage covered by the El Valle Concession at the Company's 50% working interest.

Cañadón Ramirez Concession

The Cañadón Ramirez Concession is not subject to any mandatory relinquishments of acreage nor any outstanding work commitments other than the work plans submitted by the Company to the Provincial and Federal governments on a yearly basis.

The Company has the right to freely market and dispose of the hydrocarbons lifted from the area, after paying the standard 12% royalties to the Province of Chubut. In addition, the Company is required to pay a yearly surface rent of ARS$87,052 (Cdn$18,525) based on a rate of ARS$3,445 (Cdn$733) per square kilometre on the acreage covered by the Cañadón Ramirez Concession.

Cerro de Los Leones Concession

Following the receipt of environmental permits for its 100% interest in the Cerro De Los Leones Concession in May 2012, the Company has the following work commitments with respect to the concession:

- Commencing May 2012, US$13.85 million (Cdn$13.66 million) of expenditures over a three-year period ("Period 1");
- Commencing upon the expiry of Period 1, US$0.75 million (Cdn$0.74 million) of expenditures including one exploration well over a two-year period ("Period 2"); and
- Commencing upon the expiry of Period 2, one exploration well ("Period 3").

If the Company fails to make the necessary expenditures during Period 1, it will surrender all of the land on that concession.

If a commercial discovery is made by the Company, 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% 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 covered by the Cerro de Los Leones Permit.

Laguna de Piedra Concession

The Company will have the following work commitments with respect to its 100% interest in the Laguna de Piedra Concession in the event that the necessary environmental work permits are received:

- Commencing upon the receipt by the Company of the environmental permits, US$2.85 million (Cdn$2.81 million) of expenditures over a two-year period (“Period 1”) including a minimum of one exploration well; and
- Commencing upon the expiry of Period 1, US$1.75 million (Cdn$1.73 million) of expenditures including one exploration well over a one-year period (“Period 2”).

If a commercial discovery is made by the Company, 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 from the relevant discovery, after paying the standard monthly 12% 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.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off balance sheet arrangements.

SUBSEQUENT EVENT

On October 25, 2012, the Parliament of Santa Cruz Province issued Law 3293 approving the extension of the El Valle Concession until January 2026.

SHARE CAPITAL

Issued and outstanding	Common Shares	Stock Options	Finders’ Options	Series A Warrants	Series B Warrants
August 31, 2011	54,674,907	3,365,000	396	1,879,316	1,002,365
Private placement	13,774,900	–	–	–	–
Acquisition of Antrim Argentina	35,761,290	–	–	–	–
Exercise of finders’ options	396	–	(396)	–	–
Exercise of warrants	303,729	–	–	(303,531)	(198)
Granted/issued	–	2,780,000	–	198	303,531
Expired	–	(275,000)	–	–	–
Forfeited	–	(880,000)	–	(1,575,983)	–
August 31, 2012 and December 12, 2012	104,515,222	4,990,000	–	–	1,305,698

DIVIDENDS

The Company has not declared or paid any dividends. Any decision to pay dividends on any of its shares will be made by the Board of Directors on the basis of earnings, financial requirements and other conditions existing at the time.

FINANCIAL INSTRUMENTS

The fair values of the Company's cash and cash equivalents, trade and other receivables, other non-current assets and trade and other payables approximate their carrying amounts due to the short-term nature of these financial instruments. Financial instruments also include other non-current assets for which fair value is not materially different than the carrying amount.

The Company's accounts receivable are primarily with industry partners and are subject to normal industry credit risks. The Company extends unsecured credit to these entities, and therefore, the collection of any receivables may be affected by changes in the economic environment or other conditions. Management believes the risk is mitigated by the financial position of the entities. To date, the Company has not participated in any risk management contracts or commodity price contracts.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Significant estimates used by Crown Point are disclosed in Note 2(d) to the August 31, 2012 audited consolidated financial statements; significant accounting policies are disclosed in Note 3. Preparing financial statements in accordance with IFRS requires management to make certain judgments and estimates. Changes to these judgments and estimates could have a material effect on the Company's financial statements and financial position. There were no changes to Crown Point's critical accounting estimates during the year ended August 31, 2012.

TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS

On September 1, 2011, the Company adopted IFRS for Canadian publicly accountable enterprises as required by the Accounting Standards Board of Canada.

The Company's accounting policies under IFRS are different from those followed under Canadian GAAP, as disclosed in Note 3 to the August 31, 2012 consolidated financial statements. The transition to IFRS is disclosed in Note 21 to the August 31, 2012 consolidated financial statements.

On transition to IFRS on September 1, 2010 the Company used the IFRS mandatory exception for the retrospective application of certain IFRS whereby hindsight was not used to create or revise estimates and accordingly, the estimates previously made by the Company under Canadian GAAP are consistent with their application under IFRS.

IFRS 1 First-time Adoption of International Financial Reporting Standards allows first-time adopters certain exemptions from the general requirement to retrospectively apply IFRS that were effective as at the date of transition to IFRS, September 1, 2010. The Company has applied the following exemptions:

- Business combinations exemption that allows a company to not have to restate business combinations that occurred prior to the date of transition.
- Deemed cost exemption for full cost oil and gas entities whereby exploration and evaluation assets were reclassified from the full cost pool to exploration and evaluation assets and the remaining full cost pool was allocated to development and production assets on a pro-rata basis using reserve values as of September 1, 2010.
- Foreign currency translation exemption whereby the Company set cumulative translation differences for its foreign operations to zero at the date of transition.
- Decommissioning provision exemption whereby the difference between the net carrying value of the Company's decommissioning provision as measured under IFRS and the net carrying value

under Canadian GAAP as of September 1, 2010 has been recognized directly in opening deficit.

- Share-based payments exemption whereby the estimated fair value of stock options and warrants under Canadian GAAP that were expired, forfeited or cancelled prior to the transition date has been removed from contributed surplus and recognized directly in opening deficit.

IFRS Adjustments

Changes in functional currency

Under Canadian GAAP, the basis of measurement for foreign operations is dependent upon whether an operation is classified as integrated or self-sustaining. The measurement currency of integrated subsidiaries is the same currency as the parent and the measurement currency of a self-sustaining subsidiary is the foreign currency. Under IFRS, the concepts of integrated and self-sustaining subsidiaries are not relevant, rather the functional currency of each individual entity must be determined.

IAS 21 requires management to give priority to certain primary factors in determining functional currency before considering secondary factors; whereas under Canadian GAAP the factors for determining whether an operation is integrated or self-sustaining are not weighted. The weighting under IFRS may result in an entity reaching a different conclusion on functional currency for its foreign operations even though the IFRS factors are similar to those under Canadian GAAP.

Under Canadian GAAP, the Company concluded that the functional currency of its foreign operations was the Canadian dollar. As a result of differences in the guidance for functional currency determination, the Company concluded that under IFRS the functional currency of its foreign subsidiary is Argentine pesos (ARS).

In accordance with IFRS, foreign currency transactions are translated into the respective functional currencies of Crown Point and subsidiary using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss. Under IFRS Crown Point continues to present its consolidated financial statements in CDN$. The Company translates the results and financial position of its subsidiaries from their functional currencies into CDN$ as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
(ii) income and expenses for each year are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
(iii) all resulting exchange differences are recognized in a separate component of equity called ''accumulated other comprehensive income".

The Company did not recognize such gains and losses under Canadian GAAP because the measurement and presentation currencies of Crown Point's entities were all CDN$. As a consequence of this change, gains and losses related to the translation of the financial statements of the subsidiaries are recorded through other comprehensive income and do not impact net income until a disposal or partial disposal of a foreign operation occurs.

On transition to IFRS, Crown Point elected to utilize the IFRS 1 cumulative translation differences exemption, which exempted the Company from calculating the translation difference related to foreign operations retrospectively. At September 1, 2010, Crown Point's cumulative translation differences of $896,307 arising from the retrospective application of the change in the functional currencies of the subsidiary were reclassified to deficit.

For the year ended August 31, 2011, IFRS transition differences resulted in an exchange loss on translation of foreign operations of $2,412,149.

Property and equipment and exploration and evaluation ("E&E") assets

IFRS 1 – Deemed Cost:

The Company applied the IFRS 1 exemption whereby the value of its opening property and equipment at September 1, 2010 was deemed to be equal to the net book value as determined under Canadian GAAP and the corresponding Cash Generating Units ("CGU's") were tested for impairment. The Company chose to allocate its costs to its CGU's based on proved plus probable reserve values.

Under Canadian GAAP, the Company followed the full cost method of accounting for expenditures on petroleum and natural gas properties. All costs associated with the exploration for and the development of petroleum and natural gas reserves are capitalized in country-based cost centers. Under IFRS, pre-exploration costs are recognized in the profit or loss as incurred. Costs incurred after the legal right to explore has been obtained and before technical feasibility and commercial viability have been determined are capitalized as E&E assets.

Once an exploration area has been deemed to be technically feasible and commercially viable, E&E costs are reclassified to development and production ("D&P") assets, a separate category of property and equipment.

Reclassifications from property and equipment under Canadian GAAP to E&E assets:

As at September 1, 2010, $4,218,303 was reclassified from property and equipment to E&E assets and $3,043 was charged to the deficit and loss for pre-exploration costs. During the year ended August 31, 2011, an additional $1,785,101 was reclassified from property and equipment to E&E assets for a total reclassification of $6,003,404.

Impairment:

Upon transition to IFRS, the Company assessed the existence of facts and circumstances that would suggest that the carrying value of the E&E and D&P assets may exceed their recoverable value and performed an impairment test. The assessment resulted in the impairment of $1,332,514, being one component of the E&E assets and one component of the D&P assets, which have been ascribed a $nil value, following the decision to abandon the components.

Decommissioning provision

Consistent with Canadian GAAP, the decommissioning provision (referred to as asset retirement obligation under Canadian GAAP) is measured based on the estimated cost of the decommissioning, discounted to the net present value upon initial recognition. However, under Canadian GAAP, the provision was discounted at a credit adjusted risk free rate whereas under IFRS, the entity is required to risk-adjust the discount rate or its estimated cash flows, but not both.

Under IFRS, the Company has chosen to risk-adjust its estimated cash flows and use a risk-free rate to discount the decommissioning provision under IFRS.

On the date of transition to IFRS, the Company recorded a $93,205 increase to the decommissioning provision and opening deficit. During the year ended August 31, 2011, IFRS transition differences resulted in an increase in the unwinding discount of $29,104 and upward revisions for changes in the risk-free rate and the effect of foreign currency translation of $194,672. As at August 31, 2011, the cumulative adjustment to the decommissioning provision was $316,981.

For financial statement presentation, under IFRS the periodic unwinding of decommissioning provision discount is recognized in earnings as a separate line item called finance cost, as opposed to accretion expense grouped with depreciation and depletion expense under Canadian GAAP.

Depletion

Upon transition to IFRS, the Company adopted a policy of depleting the componentized net book values of producing assets using the unit of production method with reference to the ratio of production in the year to the related proved and probable reserves, taking into account estimated future development costs necessary to bring those reserves into production. Depletion under Canadian GAAP was calculated with reference to proved reserves whereby costs accumulated in

each country cost center together with an estimate of future costs to develop proved reserves were depleted using the unit of production method.

At September 1, 2010, El Valle, in Argentina, was deemed by management to be technically feasible and commercially viable and costs attributed to the concession were transferred from E&E assets to D&P assets, a separate category within property and equipment. Therefore, there was no impact of this difference on adoption of IFRS at September 1, 2010. Depletion was calculated on the D&P assets beginning in the first quarter of 2011.

As a result of the transition to IFRS, depletion for the year ended August 31, 2011 decreased by $979,673.

Contributed surplus

Upon transition to IFRS, the Company determined the estimated fair value under Canadian GAAP of all stock options and warrants that were expired, cancelled, or forfeited at the transition date, and recognized such amount ($291,463) directly in opening deficit.

NEW ACCOUNTING STANDARDS AND PRONOUNCEMENTS

The following describes new accounting pronouncements that have been issued but are not yet effective:

IFRS 9 Financial Instruments

IFRS 9 was issued in November 2009 and reflects the first phase of the IASB's work on the replacement of IAS 39 *Financial Instruments: Recognition and Measurement.* IFRS 9 applies to the classification and measurement of financial assets and liabilities as defined in IAS 39. The adoption of IFRS 9 is not expected to have a significant impact on the consolidated financial statements.

IFRS 10 Consolidated Financial Statements

IFRS 10 was issued in May 2011 and establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities. IFRS 10 replaces SIC-12 *Consolidation—Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statement* and is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

IFRS 11 Joint Arrangements

IFRS 11 was issued in May 2011 and focuses on the rights and obligations of a joint arrangement, rather than its legal form (as is currently the case). To address reporting inconsistencies, the standard requires a single method to account for interests in jointly controlled entities. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities—Non-Monetary Contributions by Venturers* and is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 was issued in May 2011 and is a new and comprehensive standard and applies to entities that have an interest in a subsidiary, a joint arrangement, an associate or an unconsolidated structured entity. IFRS 12 is effective for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

IFRS 13 Fair Value Measurements

IFRS 13 was issued in May 2011 and defines fair value, sets out a single IFRS framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 is to be applied for annual periods beginning on or after January 1, 2013. Earlier application is permitted. The Company is currently evaluating the impact of this standard on its consolidated financial statements.

BUSINESS RISKS AND UNCERTAINTIES

Crown Point's production and exploration activities are concentrated in Argentina, where activity is highly competitive and includes a variety of different sized companies ranging from smaller junior producers to the much larger integrated petroleum companies. Crown Point is subject to the various types of business risks and uncertainties including:

- Finding and developing oil and natural gas reserves at economic costs;
- Production of oil and natural gas in commercial quantities;
- Marketability of oil and natural gas produced; and
- Economic and political events that impact the Company's operations in Argentina.

In order to reduce exploration risk, the Company strives to employ highly qualified and motivated professional employees with a demonstrated ability to generate quality proprietary geological and geophysical prospects. To help maximize drilling success, Crown Point combines exploration in areas that afford multi-zone prospect potential, targeting a range of low to moderate risk prospects with some exposure to select high-risk plays with high-reward opportunities. Crown Point also explores in areas where the Company's officers and employees have significant drilling experience.

The Company mitigates its risk related to producing hydrocarbons through the utilization of the most appropriate technology and information systems. In addition, Crown Point seeks operational control of its projects, where feasible. Oil and gas exploration and production can involve environmental risks such as pollution of the environment and destruction of natural habitat, as well as safety risks such as personal injury. In order to mitigate such risks, Crown Point conducts its operations at high standards and follows safety procedures intended to reduce the potential for personal injury to employees, contractors and the public at large.

The Company maintains current insurance coverage for general and comprehensive liability as well as limited pollution liability. The amount and terms of this insurance are reviewed on an on-going basis and adjusted as necessary to reflect changing corporate requirements, as well as industry standards and government regulations. Crown Point may periodically use financial or physical delivery hedges to reduce its exposure against the potential adverse impact of commodity price volatility, as governed by formal policies approved by senior management, subject to controls established by the Board of Directors.

As the Company's oil and gas properties and operations are located in Argentina, the Company is subject to political, economic, and other uncertainties, including, but not limited to, changes in energy policies or the personnel administering them, nationalization, currency fluctuations, exchange controls, and royalty and tax increases. The Company's business, financial condition, results of operations, and the value of the Company's shares could also be materially adversely affected by social instability in Argentina and other factors which are not within the control of the Company including, among other things, the risks of terrorism, civil strikes, abduction, renegotiation or nullification of existing concessions and contracts, economic sanctions, the imposition of specific drilling obligations, and the development and abandonment of fields. The Company's operations may also be adversely affected by laws and policies of Canada affecting foreign trade, taxation and investment. In the event of a dispute arising in connection with the Company's operations in Argentina, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. The Company may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Company's exploration, development and production activities in Argentina could be substantially affected by factors beyond the Company's control, any of which could have a material adverse effect on the Company's business, financial condition, results of operations, and the value of the Company's shares.

On April 16, 2012, the Argentine President, Cristina Fernández de Kirchner, submitted a bill to the Argentine Congress to expropriate 50.01% of energy company Yacimientos Petroliferos Fiscales' ("YPF") D shares. YPF was established as a state enterprise in 1922, privatized in 1993 and acquired by the Spanish multinational company, Repsol, in 1999. The bill to renationalize YPF was signed into law in May 2012. It is Crown Point's belief that this type of action will be restricted to YPF and will not impact Crown

Point's operations or future activities in Argentina, but Crown Point can provide no assurances in this regard. All of Crown Point's concessions are in good standing and the Company has met or is in the process of meeting its work commitments in a timely manner.

On July 27, 2012 the Federal Government published Decree 1277/12 (the "Decree") in the Official Gazette, regulating Law No. 26741 which introduces a tighter regime on investments and commercialization of hydrocarbons in Argentina. Although there has been no change to the fiscal regime, the Company is currently evaluating what impact the Decree may have on the Company's business, financial condition, results of operations and prospects. Future regulatory changes could have a material adverse effect on the Company's business, financial condition, results of operations and prospects.

LEGAL, ENVIRONMENTAL, REMEDIATION AND OTHER CONTINGENT MATTERS

The Company reviews legal, environmental remediation and other contingent matters to both determine whether a loss is probable based on judgment and interpretation of laws and regulations, and determine that the loss can reasonably be estimated. When the loss is determined, it is charged to earnings. The Company's management monitors known and potential contingent matters and makes appropriate provisions by charges to earnings when warranted by circumstances.

DIRECTOR AND OFFICER APPOINTMENTS

In April 2012, Crown Point appointed Keith S. Turnbull as a Director to fill the vacancy created by the resignation of Martin Walter as a Director of Crown Point.

Mr. Keith S. Turnbull, B.Sc., C.A., joined the Board of Directors as an independent director of Crown Point under the applicable securities rules.

In May 2012, Crown Point announced the appointment of Dr. Brian Moss as a Director of the Company in conjunction with the acquisition of Antrim Argentina and to fill the vacancy created by the resignation of John Chulick as a director of Crown Point.

In June 2012, Dr. Moss was appointed Executive Vice President and Chief Operating Officer of Crown Point.

SELECTED CONSOLIDATED QUARTERLY INFORMATION

The following table sets forth selected consolidated financial information of the Company for the eight most recently completed financial quarters ended as at August 31, 2012 prepared in accordance with IFRS:

Quarter ended (unaudited) (CAD$)	**August 31 2012**	**May 31 2012**	**February 29 2012**	**November 30 2011** [(3)]
Total revenues[(1)]	4,914,604	1,937,752	2,041,901	1,878,685
Funds flow from (used in) operations	303,339	(1,154,565)	108,010	42,936
Basic and diluted per share	(0.00)	(0.02)	0.01	(0.00)
Cash flow from (used in) operating activities	(256,500)	(422,164)	317,624	(202,219)
Loss from continuing operations	(1,831,364)	(1,963,048)	(564,984)	(733,627)
Basic and diluted loss per share	(0.02)	(0.03)	(0.01)	(0.01)
Net loss	(1,831,364)	(1,963,048)	(564,984)	(733,627)
Basic and diluted loss per share	(0.02)	(0.03)	(0.01)	(0.01)
Expenditures on property and equipment and E&E assets	9,217,440	6,556,149	65,428	2,148,731
Total assets	86,745,872	96,079,741	59,286,882	46,366,071
Long-term liabilities	2,267,574	3,308,782	526,525	432,642

- Loss, funds flow used in operations and cash flow from operating activities increased in the May

31, 2012 quarter due primarily to $1,007,155 of transaction costs for the acquisition of Antrim Argentina. An additional $329,008 of transaction costs were incurred in the three months ended August 31, 2012).

- Expenditures on property and equipment and E&E assets in the August 31, 2012 and May 31, 2012 quarters primarily relate to the El Valle drilling program.
- Increase in assets and long-term liabilities as at May 31, 2012 is due to the acquisition of Antrim Argentina.

Quarter ended (unaudited) (CAD$)	**August 31 2011[(2)]**	**May 31 2011[(2)]**	**February 28 2011[(2)]**	**November 30 2010[(2)]**
Total revenues[(1)]	1,476,765	345,490	982,130	1,034,974
Funds flow from (used in) operations	(1,574,940)	(331,227)	(5,872)	339,644
Basic and diluted per share	(0.01)	(0.03)	0.00	0.01
Cash flow from (used in) operating activities	(2,414,300)	140,120	32,277	(317,340)
Loss from continuing operations	(1,738,078)	(1,243,172)	(83,480)	(223,335)
Basic and diluted loss per share	(0.02)	(0.03)	(0.00)	(0.00)
Net loss	(1,294,423)	(1,242,356)	(68,582)	(220,126)
Basic and diluted loss per share	(0.02)	(0.03)	(0.00)	(0.00)
Expenditures on property and equipment and E&E assets	7,703,453	2,515,534	871,688	1,462,063
Total assets	51,411,935	48,631,465	25,255,424	13,569,783
Long-term liabilities	565,291	365,337	271,110	292,361

- Total revenues increased in the three months ended August 31, 2011 due to wells that came on production in the period and the sale of inventoried production from the previous quarter. Loss, funds flow used by operations and cash flow from operating activities increased in the August 31, 2011 quarter due to increased operating costs resulting from Argentine work stoppages and strike action, increased travel and general and administrative expenses.
- Total revenues were lower in the three months ended May 31, 2011 due to lower sales volumes due to Argentine work stoppages which resulted in production being stored in inventory rather than sold. Inventoried production was sold in June 2011.
- The increase in total assets and expenditures on property and equipment and E&E assets in the August 31, 2011 quarter relates to the El Valle drilling program.

(1) Oil and natural gas revenue, before royalties and operating expense, excluding interest income.
(2) Certain figures have been reclassified to conform with current presentation.

FORWARD-LOOKING INFORMATION ADVISORY

This MD&A 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", 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 MD&A 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 MD&A contains forward-looking information concerning, among other things, the following: our business plans and objectives and how we intend to achieve those objectives and our forecast timing for achieving those objectives; our belief that demand for oil and gas in Argentina will continue to increase and that the government of Argentina will continue to allow commodity prices to rise in Argentina; our belief that the Company's asset base includes stable long life oil and gas production, low risk development upside and a portfolio of high working interest exploration lands with both conventional and non-conventional high impact plays; expectations regarding the impact that certain governmental actions and legal and regulatory changes may have on Crown Point and its operations, including our belief that the nationalization of YPF was a singular event that will be restricted to YPF and will not impact our operations or future activities in Argentina, our expectations regarding the impact that the suspension of the Petroleo Plus Program, the adoption of the proposed "New Gas" pricing program and the TDF Policy Change may have on us, and our belief regarding factors that may mitigate the negative impact of certain of such actions and changes; our belief that the Cerro de Los Leones Concession has significant conventional oil and unconventional Shale Oil potential; our intention to focus our efforts over the next twelve months principally on the Tierra del Fuego, Cerro de Los Leones and El Valle areas; our expectation that the Tierra del Fuego license extension and its terms will be ratified by the provincial legislature prior to December 31, 2012; our belief that we have discovered a single oil pool of significant size at El Valle, our identification of additional drilling locations targeting the pool, and our belief that a waterflood secondary recovery scheme may improve rates of production and result in higher ultimate recoveries of oil in place; our belief that we can meet our work commitments in a timely manner; the benefits that we expect to accrue to Crown Point from the acquisition of Antrim Argentina; our expectations regarding the exploration and production potential of our various assets; timing for bringing certain production on stream; expectations of production and sales volumes increases; timing for completing workovers; plans to improve production and other field infrastructure; expectations of improved productive capacity and operational efficiencies; expectations of achieving commercial production from certain fields; the Company's capital expenditure program including drilling and completion plans, seismic program plans, secondary recovery programs and the estimated timing for commencing and/or completing various components thereof; the Company's total budget and budget for each of its Concessions; the Company's drilling inventory at El Valle; the Company's expectations regarding the future performance of wells drilled to date in its current drilling program; the intention to continue to electrify the El Valle field and the timing thereof and benefits to be derived therefrom and the cost thereof; the timing for receiving permits; the sufficiency of existing working capital, cash flow and the net proceeds of the Offering to fund capital expenditures to the end of calendar 2013; management's expectation that no material changes in the domestic price of oil will be made by Argentine government authorities in the near term; our belief that our working capital is sufficient to meet current financial obligations in the upcoming year; and details regarding our proposed loan from a third party lender. 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 MD&A as a result of numerous known and unknown risks and uncertainties and other factors.

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 MD&A include, but are not limited to:

- general economic conditions in Canada, Argentina and globally;
- the ability of management to execute its business plan;
- fluctuations in the price of oil and natural gas, interest and exchange rates;
- the risks of the oil and gas industry both domestically and internationally, such as operational risks in exploring for, developing and producing crude oil and natural gas and market demand;
- governmental regulation of the oil and gas industry, including environmental regulation;
- risks associated with foreign operations, including changes in energy policies or personnel administering them, nationalization, currency fluctuations, exchange and export controls and royalty and tax rates;
- actions taken by governmental authorities, including increases in taxes and changes in government regulations and incentive programs;

- geological, technical, drilling and processing problems;
- risks and uncertainties involving geology of oil and gas deposits;
- risks inherent in marketing operations, including credit risk;
- the ability to enter into, renew and/or extend leases and/or concessions;
- the uncertainty of reserves estimates and reserves life;
- the uncertainty of estimates and projections relating to production, costs and expenses;
- potential delays or changes in plans with respect to exploration or development projects or capital expenditures;
- availability of sufficient financial resources to fund the Corporation's capital expenditures;
- uncertainty of finding reserves and developing and marketing those reserves;
- unanticipated operating events, which could reduce production or cause production to be shut in or delayed;
- the ability of management to identify and complete potential acquisitions;
- if completed, the failure to realize the anticipated benefits of acquisitions;
- incorrect assessments of the value of acquisitions;
- ability to locate satisfactory properties for acquisition or participation;
- shut-ins of connected wells resulting from extreme weather conditions;
- insufficient storage or transportation capacity;
- hazards such as fire, explosion, blowouts, cratering and spills, each of which could result in substantial damage to wells, production facilities, other property and the environment or in personal injury;
- encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations;
- the ability to add production and reserves through development and exploration activities;
- the possibility that government policies or laws, including laws and regulations related to the environment, may change or governmental approvals may be delayed or withheld;
- uncertainty in amounts and timing of royalty payments;
- uncertainties inherent in estimating quantities of oil and natural gas reserves and cash flows to be derived therefrom;
- failure to obtain industry partner and other third party consents and approvals, as and when required;
- stock market volatility and market valuations;
- competition for, among other things, capital, acquisition of reserves, undeveloped land and skilled personnel;
- the availability of capital on acceptable terms;
- the other factors described under "Business Risks and Uncertainties" in this MD&A and under "Risk Factors" in our Annual Information Form, which is available for viewing on SEDAR at www.sedar.com.

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.

With respect to forward-looking information contained in this MD&A, the Company has made assumptions regarding: the impact of increasing competition; the general stability of the economic and political environment in which the Company operates; 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; 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; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in

which the Company operates; and the ability of the Company to successfully market its oil and natural gas products. Management of Crown Point has included the above summary of assumptions and risks related to forward-looking information included in this MD&A 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 MD&A are expressly qualified by this cautionary statement.

The forward-looking information contained herein is made as of the date of this MD&A 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.

ADDITIONAL INFORMATION

Additional information regarding the Company and its business and operations is available on the Company's profile at www.sedar.com. Copies of the information can also be obtained by contacting the Company at Crown Point Energy Inc., 1600, 700 – 6th Avenue SW., Calgary, Alberta T2P 0T8 (Phone 403 232-1150), by email at info@crownpointenergy.com or on the Company's website at www.crownpointenergy.com.