



TSX.V : CWV



# Exploration and Production Growth in Argentina

CORPORATE PRESENTATION

March 2015

# Advisories

- ▶ **Forward-Looking Statements** - Certain information regarding Crown Point Energy Inc. ("Crown Point", "our" or "we") set forth in this document may constitute forward-looking statements under applicable securities laws, including, but not limited to, the following: our belief that Crown Point offers production growth with exploration upside; our belief that we are poised for production growth; our belief that Cerro de Los Leones ("CLL") has high impact exploration upside; our belief that we can generate repeatable growth from our Tierra del Fuego ("TDF") core asset; the elements of our growth platform, including anticipated growth from TDF and CLL, anticipated consolidation/acquisition activity and our intention to maintain a strong balance sheet; the details of our development, re-completion and exploration program at TDF; our plan to acquire new 3-D seismic data at TDF and the proposed locations; the details of our planned 5-well follow-up program and 2015 seismic program; the details of our proposed operations at the Los Flamencos/San Luis Field, test rates for successful wells, targeted drilling depths, estimated well costs and the areas where we believe there is gas/oil upside; the details of the PQ x-1001 exploration well, including the size of the prospective area, the timing for fracturing the well, the identity of analogous pools and areas with gas/oil upside; additional drilling plans in Q2 2015 at San Luis; our beliefs with respect to the La Hoyada x-1 well and subsequent intentions at CLL as a result thereof and the expected effects of further seismic mapping at CLL; the number of acres at CLL modeled as potentially being in the oil generation window; the operational milestones at CLL, including plans to finish the completion and testing of the La Hoyada x-1 well, possible development drilling, and plans for a seismic program and possible drilling program in the eastern portion of the concession; Crown Point's projected operational milestones and indicative operational timelines for TDF and CLL; and other statements herein with respect to intended operational, business and other expected activities are deemed to be forward-looking information, as it involves the implied assessment, based on certain estimates and assumptions, that the resources and reserves described can be economically produced in the future.
- ▶ The forward-looking information is based on certain key expectations and assumptions made by Crown Point, including expectations and assumptions concerning: prevailing commodity prices and exchange rates (including those prevailing in Argentina); applicable royalty rates and tax laws; future well production rates and resource and reserve volumes; the timing of receipt of regulatory approvals; the performance of existing wells; the success obtained in drilling new wells (including exploration wells); the sufficiency of budgeted capital expenditures in carrying out planned activities; assumptions of costs associated with drilling and development plans; consistency of laws and regulation relating to the oil and gas industry; expectation that current pricing and incentive programs will continue to be in force as expected; the costs and availability of labour and services; the general stability of the economic and political environment in which Crown Point operates; and the ability of Crown Point to obtain financing on acceptable terms when and if needed, including the completion of the final portion of its current US\$15 million private placement.
- ▶ Since forward-looking information addresses future events and conditions, by its very nature it involves inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These risks include, without limitation: risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation, risks that current exploration targets will result in unsuccessful wells despite initial expectations being positive, risks that although exploration drilling may result in successful wells, any production from such wells is uneconomic, loss of markets, volatility of commodity prices, environmental risks, inability to obtain drilling rigs or other services, capital expenditure costs, including drilling, completion and facility costs, unexpected decline rates in wells, wells not performing as expected, delays resulting from labour unrest, delays resulting from Crown Point's inability to obtain required regulatory approvals and ability to access sufficient capital from internal and external sources, expropriation risks and risks that Crown Point's tenure to its lands may be revoked, or not renewed, the impact of general economic conditions in Canada, Argentina, the United States and overseas, industry conditions, changes in laws and regulations (including the adoption of new environmental laws and regulations) and changes in how they are interpreted and enforced, increased competition, the lack of availability of qualified personnel or management, fluctuations in foreign exchange or interest rates, and stock market volatility and market valuations of companies with respect to announced transactions and the final valuations thereof. Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements contained in this document are made as at the date of this document and Crown Point does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.
- ▶ Although Crown Point believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Crown Point can give no assurances that they will prove to be correct. Crown Point's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that Crown Point will derive therefrom. Additional information on these and other factors that could affect Crown Point's operations and financial results are included in reports, including, but not limited to, Crown Point's current Annual Information Form, on file with Canadian securities regulatory authorities, which may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)) or Crown Point's website ([www.crownpointenergy.com](http://www.crownpointenergy.com)).

# Advisories

- ▶ **Barrels of Oil Equivalent** - Barrels of oil equivalent ("boes") may be misleading, particularly if used in isolation. A boe conversion ratio of 6 thousand cubic feet ("Mcf"): 1 barrel ("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. In addition, given that the value ratio based on the current price of crude oil in Argentina as compared to the current price of natural gas in Argentina is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.
- ▶ **Analogous Information** - Certain information contained herein is considered "analogous information" as defined in National Instrument 51-101 – Standards of Disclosure for Oil and Gas Activities ("NI 51-101"). Such analogous information has not been prepared in accordance with NI 51-101 and the Canadian Oil and Gas Evaluation Handbook and Crown Point is unable to confirm whether such estimates have been prepared by a qualified reserves evaluator. In particular, this presentation presents: the view that the Puesto Quince target is analogous to the Los Flamencos and Los Patos pools; certain resource estimates and other production and drilling results from other producers in the North Neuquén Basin, including test results from the Vega del Sol well, total oil production figures from the Las Cavaos field, total oil production figures from the Puesto Rojas field, heavy oil resource estimate for the Llançanelo field, recoverable oil estimate for the Pampa Palauco field, and recoverable oil estimate for the Cajon de los Caballos field; and certain other analogous information used to develop management expectations of well economics as discussed below. Such information is not intended to be an estimate of Crown Point's resources or projections of future results. In addition, such positive analogous information and any positive initial drilling results may not result in successful exploration drilling. Such information has been presented to show the presence of oil and gas resources in Crown Point's areas of interest or areas analogous to Crown Point's areas of interest. In addition, certain overviews of certain economics, reserves, production data and types curves relating to wells in areas in which Crown Point has an interest or in other areas which Crown Point believes are analogous to the areas in which Crown Point has an interest have been presented herein. Such information is based on independent public data and public information received from other producers and Crown Point has no way of verifying the accuracy of such information. Such information has been presented to help demonstrate the basis for Crown Point's business plans and strategies. There is no certainty that such results will be achieved by Crown Point and such information should not be construed as an estimate of future reserves or resources or future production levels.
- ▶ **Well Economics** - Certain information contained herein sets forth the well economics utilized by management of Crown Point in analyzing various opportunities of Crown Point. The presentation of such well economics does not represent an estimate of reserves or the net present value of such reserves. Such economics were prepared on the assumptions set forth herein and also make certain other assumptions with respect to initial production levels, the type of commodity that may be produced, commodity prices, well depths, capital expenditures that may be incurred in drilling, completing and in the tie-in of wells, operating costs related to the wells and royalties. The well economics are partially based on certain historic results received by Crown Point and other producers in the area to date and certain production profiles based on area production and other assumptions as set forth, which may prove to be inaccurate. Capital costs to drill, complete and tie-in wells and operating costs in each area are also based on management's experience and not on historical data. In addition, such costs are based on management's estimates when the estimates were prepared and have not been escalated notwithstanding that certain wells are planned to be drilled in the future or that operating costs may increase in the future, including during the period that wells are projected to be drilled. Target volumes are volumes of oil and natural gas that management is targeting and in respect to which management is basing its decision to pursue the opportunity in a particular prospect. Actual reserves recovered from any prospect may be different than management's expectations utilized for planning purposes as provided herein and such difference may be material and would impact on the economics of each particular play.
- ▶ **Initial Production Rates** - Any references herein to production rates, test rates or initial production rates (including IP 90) are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for Crown Point. Initial production or test rates may be estimated based on other third party estimates or limited data available at this time. Well-flow test result data should be considered to be preliminary until a pressure transient analysis and/or well-test interpretation has been carried out. In all cases herein, initial production or test results are not necessarily indicative of long-term performance of the relevant well or fields or of ultimate recovery of hydrocarbons.

# Why Argentina

- ▶ Revitalized petroleum industry
- ▶ Underexplored and underexploited resources
- ▶ Net importer of oil and gas
- ▶ Government encouraging new development and exploration
  - Favorable New Gas Subsidy Program
  - Regulated oil prices – oil from Tierra del Fuego concessions priced at approximately US \$70/bbl
- ▶ Attractive commodity pricing
- ▶ Extensive infrastructure to support production growth

Poised for production growth



# High Potential Asset Base

## ▶ Austral Basin (Tierra del Fuego)

25.78% working interest

- Core producing asset (Q3 2014 average production of 1,281 boepd; estimated to have increased to 1,393 boepd in Q4 2014)
- 126,000 net acres (489,000 gross)
- Strong inventory of 3D seismically defined drilling locations
- Concession extension approved (valid through 2026)

## ▶ Neuquén Basin (Cerro de Los Leones)

100% working interest

- Most active oil and gas basin in Argentina, large conventional and unconventional plays
- High impact exploration upside
- 306,646 acres



**Good access to infrastructure and undersupplied markets**

# Our Growth Platform

## ▶ Tierra del Fuego

- Conventional – generate repeatable growth from our core

## ▶ Cerro de Los Leones

- Conventional upside – high impact exploration

## ▶ Consolidation/acquisition

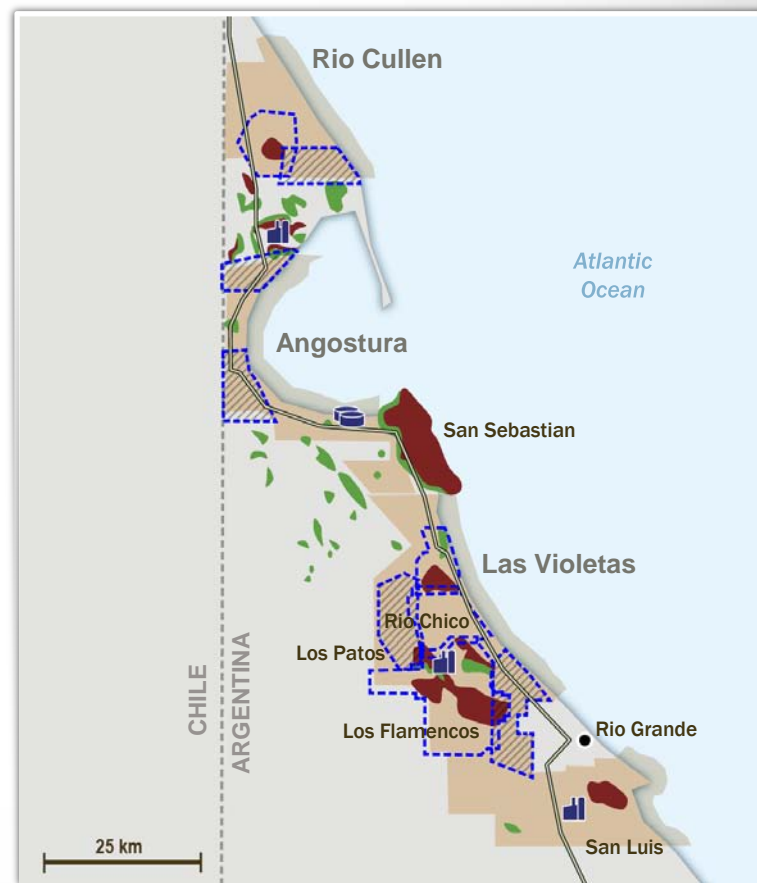
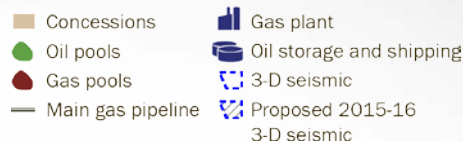
## ▶ Maintain a strong balance sheet



# Tierra del Fuego – Las Violetas Concession

- ▶ Extensive drilling inventory
- ▶ Recent well IP90 rates – 1 to 3 mmcf/d plus liquids\*
- ▶ Drilling depths: 1,700 - 2,300 m
- ▶ US \$3.5–4 million (gross) per well to drill, case, complete, frac and tie-in
- ▶ Extensive 3-D coverage: 900 km<sup>2</sup>
- ▶ Additional 3-D seismic and drilling planned in 2015 and 2016

**Historical drilling success rate  
with 3-D Seismic >90%**



\*Production results have varied, and will continue to vary between wells. See also "Advisories – Initial Production Rates"

# Tierra del Fuego – Development Strategy

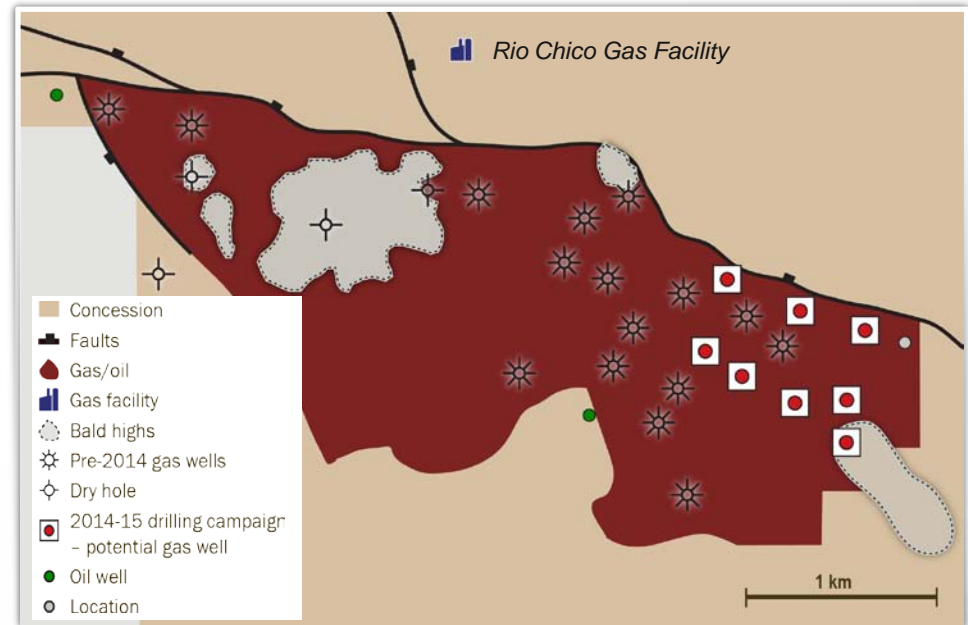


## ► Goals

- Focus on low risk in fill and step out drilling on established producing pools, pursue exploration upside
- Generate higher revenues: increase gas production qualifying for higher unit prices (as a result of the New Gas Subsidy Program)

## ► Strategy

- Focus on low-risk targets with solid economics
- New seismic; east extension of Los Flamencos Gas Pool
- Increase field infrastructure capacity



## Los Flamencos



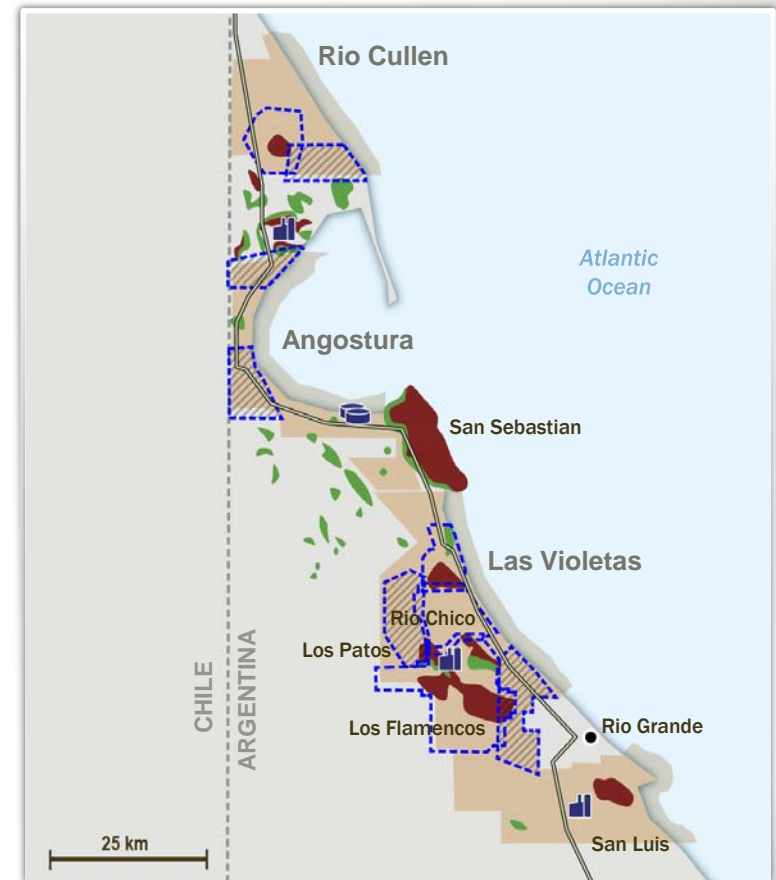
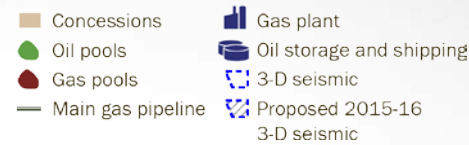
# Building Reserves and Cash Flow

## ► 14-Well Tierra del Fuego Drilling Program

- 8 development (8 complete, 4 on production)
- 4 re-completion (4 complete, 2 on production)
- 2 exploration (2 complete, 1 on production)

## ► 2015 Five-Well Follow-up Program

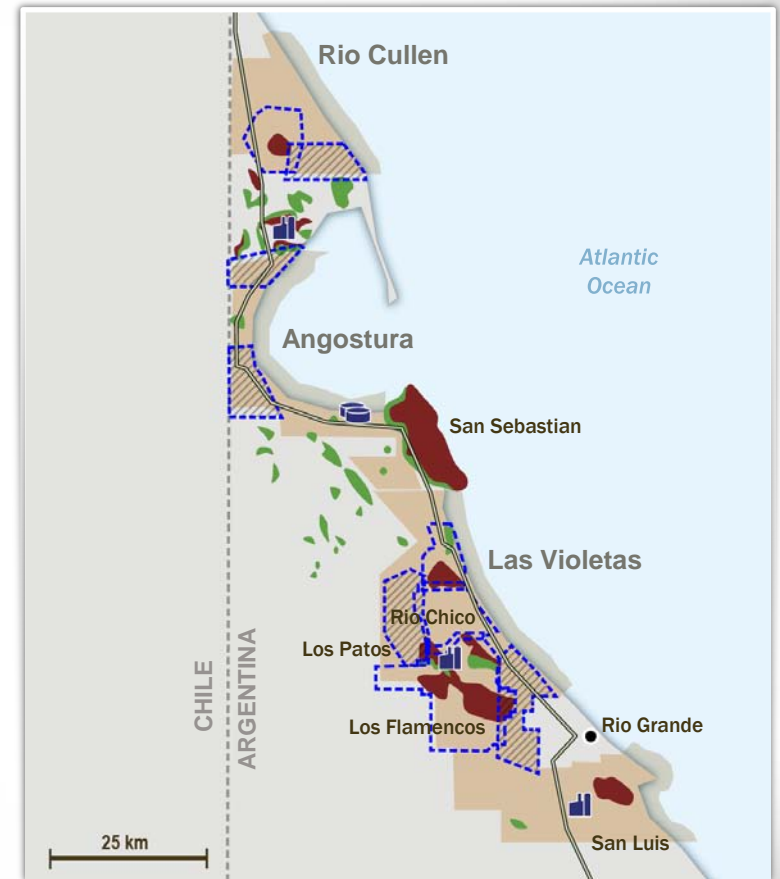
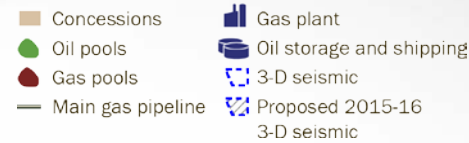
- Various locations in Las Violetas, Angostura and Rio Cullen Concessions
- 1 development: Los Flamencos gas pool
- 1 step-out: Las Violetas gas pool
- 1 step-out: San Luis new gas pool
- Additional locations in planning stage



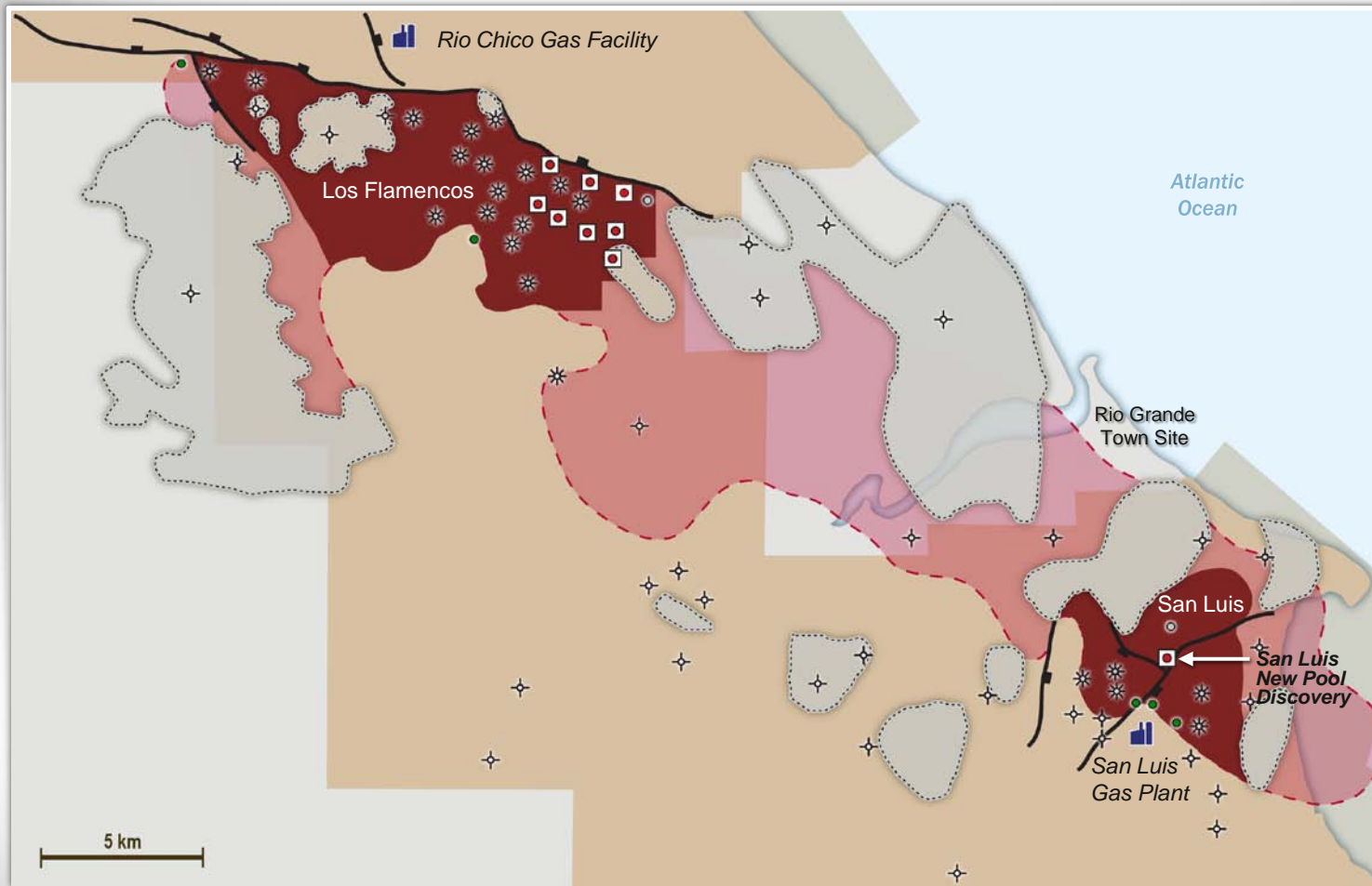
# Building Reserves and Cash Flow

## ► Q2 2015 Seismic Acquisition Program

- Total of approximately 220 km<sup>2</sup>
- Rio Cullen Concession: 50 km<sup>2</sup>
- Angostura Concession: 50 km<sup>2</sup>
- Las Violetas Concession (Los Flamencos gas pool, eastern extension): 120 km<sup>2</sup>



# Building Production – Prospective Springhill Formation Fairway



- Concession
- Faults
- Prospective trend
- Bald highs
- Gas facility
- Location
- Gas well
- Oil well
- Dry hole
- Prospective gas well
- 2014-2015 drilling campaign

# Las Violetas Block – Fields

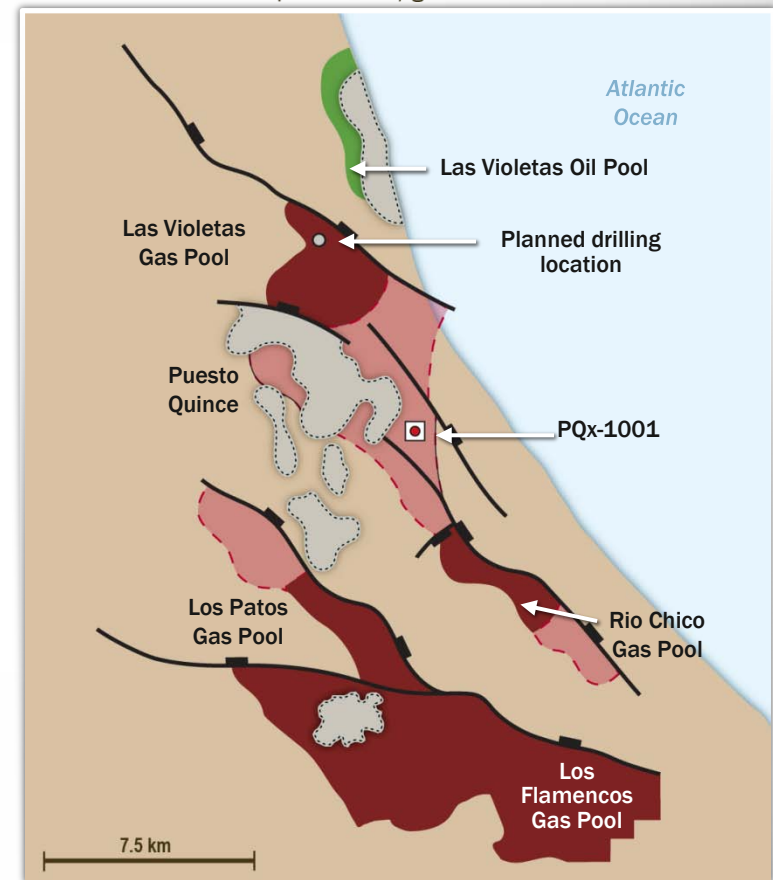
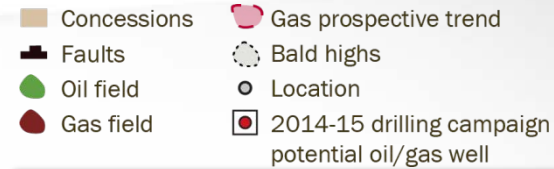
## ► Puesto Quince Discovery

- Prospective area approximately 50 km<sup>2</sup>
- Analogous to Los Flamencos and Los Patos pools\*
- PQ x-1001 well is located 5 km from Crown Point's oil and gas processing facilities at Rio Chico
- Drilled to TD of 1,939 m; preliminary testing indicates a potential new pool discovery
- Fracture stimulation planned for Q2 2015

## ► Las Violetas Gas Pool

- Producing field with identified step out locations; drilling planned for Q2 2015

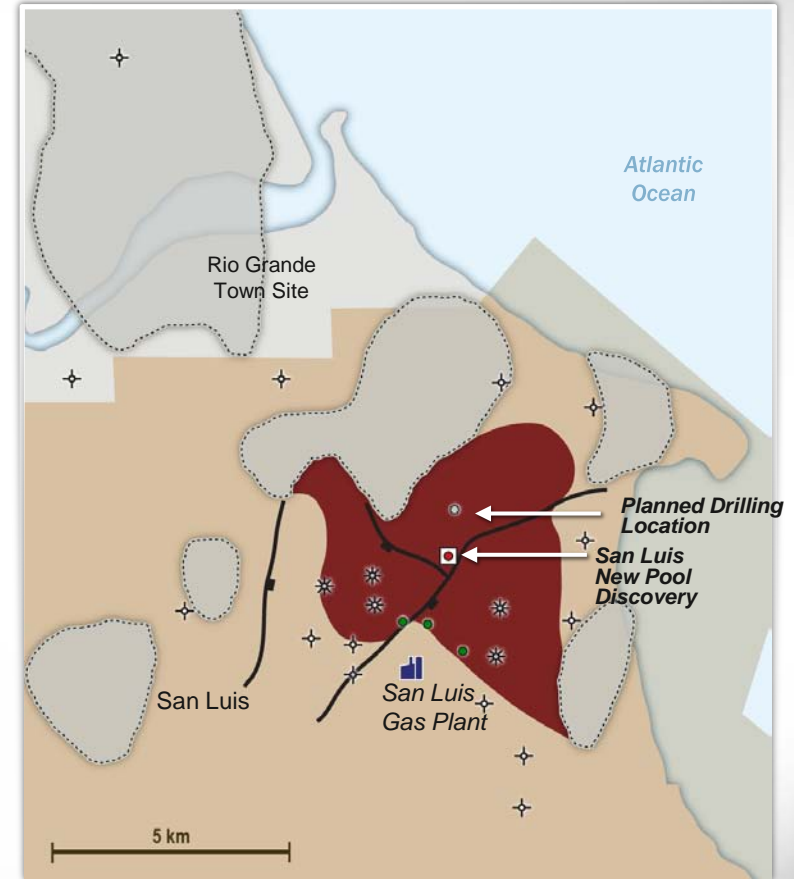
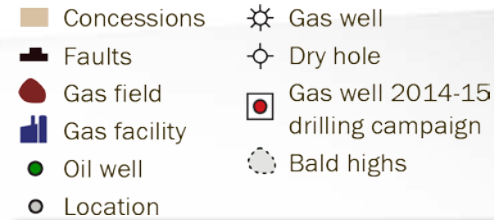
\*See "Analogous Information".



# Exploration Wells

## ► San Luis

- SL x-1003 drilled on a separate fault block adjacent to San Luis Springhill gas pool
- Well is a new pool discovery; tied-in to San Luis Gas Plant and placed on production end-2014
- Additional drilling planned for Q2 2015



# La Marina Compression Plant



*La Marina Compression Plant*



*Turbo Compressor*



*Control Panel House*

- ▶ Capable of 105 mmcf/d to San Martin pipeline
- ▶ Owned by JV (CWV working interest 25.78%)

High Impact Exploration

# Targeting Conventional and Non-Conventional



# Cerro de Los Leones (100%WI) – North Neuquén Basin

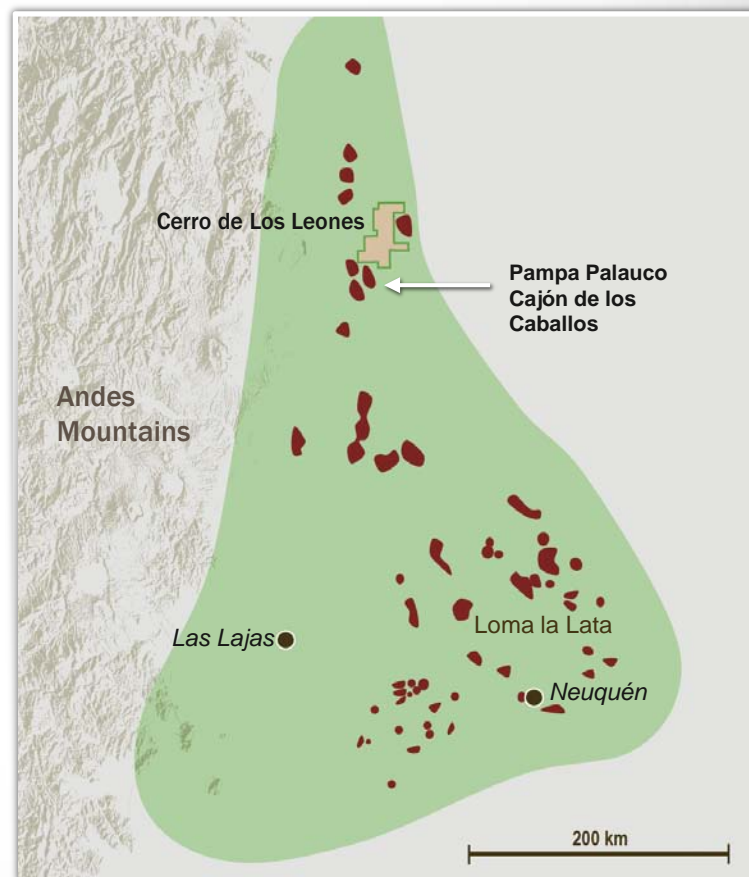
- ▶ High impact exploration
- ▶ Proven productive region with excellent access
- ▶ Unconventional shale resource potential in the Vaca Muerta while drilling conventional targets

## Neuquén Basin Production 2014\*

Gas	2.3 Bcfd
Shale Gas	66 million cfd
Oil	218,070 bopd
Shale Oil	20,280 bopd

\*Source: Secretaria de Energia, República Argentina, 2015

- Concession
- Basin Boundary
- Pools
- Cities



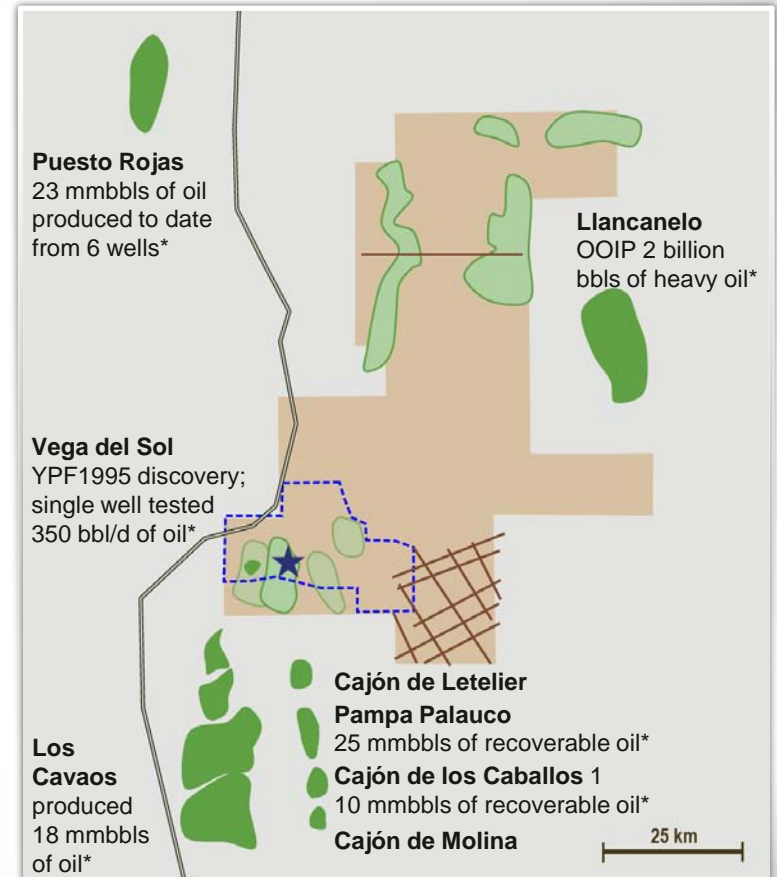


# Cerro de Los Leones – Exploration Potential



- ▶ **La Hoyada x-1** exploration well completed, tested and suspended pending further evaluation
- ▶ **3-D seismic** has been reprocessed and **La Hoyada** data is being integrated into ongoing reinterpretation
- ▶ **New seismic mapping will:**
  - Clarify future activity at **La Hoyada**
  - Help evaluate potential in the **Vega del Sol** structure

- Concession
- ★ La Hoyada x-1
- Oil pools
- Prospects/Leads
- Main pipeline
- 2-D seismic
- 3-D seismic

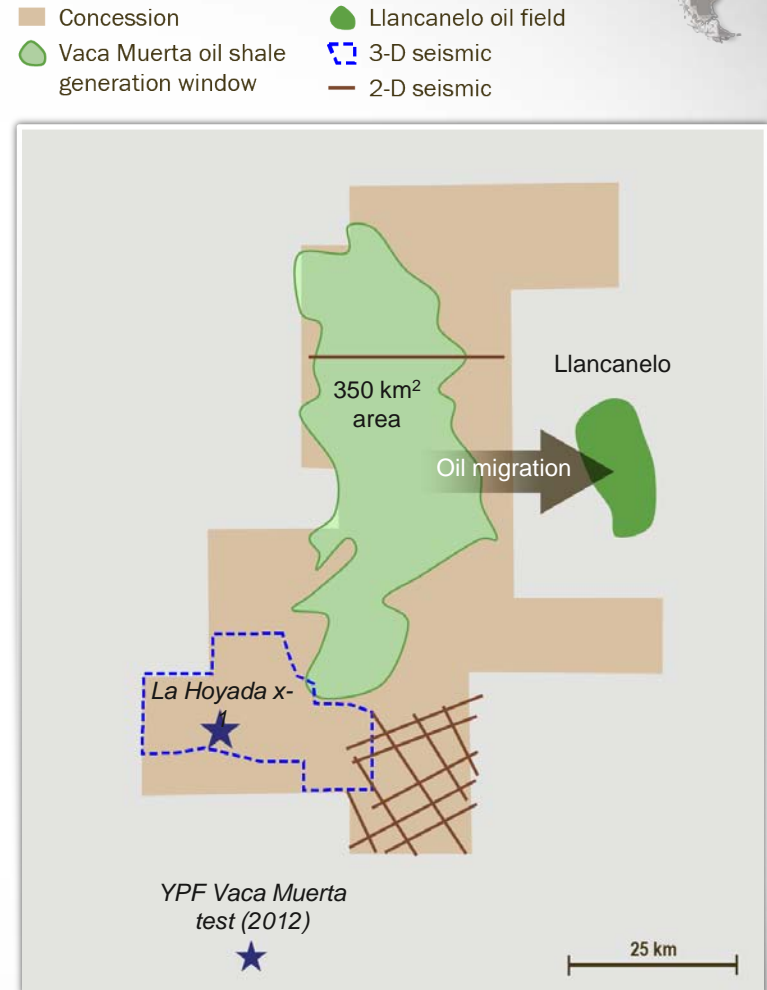


\*Secretaria de Energia, República Argentina. See "Advisories Analogous Information"

# Cerro de Los Leones – Vaca Muerta Non-Conventional Resource Potential



- ▶ 90,000 acres modeled as potentially being in the oil generation window
- ▶ Llanquanelo crude sourced from Vaca Muerta shale
- ▶ Supports Vaca Muerta oil shale thermal maturity in the Cerro de Los Leones block
- ▶ Nearby YPF successful Vaca Muerta Shale test to the south



# Capitalization

As at March 24, 2015

Closing price	\$0.17
Shares outstanding <sup>(1)</sup>	141.2 million
Market cap	Cdn \$24.0 million

As at September 30, 2014

Working capital <sup>(2)(3)</sup>	US \$2.2 million
Debt (Argentine Peso denominated) <sup>(2)(3)</sup>	US \$3.2 million

Average Tierra del Fuego production – Q3 2014<sup>(4)</sup> 1,281 boepd

Estimated average Tierra del Fuego production – Q4 2014<sup>(4)</sup> 1,393 boepd

1) includes 25,965,704, 3,210,640 and 1,500,000 common shares issued to Liminar Energia S.A. on December 19, 2014, February 26, 2015 and March 18, 2015, respectively and 6,000,000 shares issued to GORC S.A. on March 18, 2015

2) As reported in September 30, 2014 Unaudited Financial Statements

3) The 25,965,704 common shares issued to Liminar Energia S.A. on December 19, 2014 provided gross proceeds of US\$6,491,426. In November 2014, Crown Point obtained and drew down a second loan facility in the amount of US\$1,700,000.

4) As reported in Crown Point's Management Information Circular dated January 22, 2015

# Management

## **Murray D. McCartney**

### ***President & CEO, Director***

- More than 34 years petroleum industry experience in both public and private companies
- Previously CEO of Cavell Energy and Adamant Energy

## **Brian J. Moss Ph.D.**

### ***Executive Vice President & COO, Director***

- Former Executive Vice President, Latin America - Antrim Energy
- Former Vice President, International - Rio Alto

## **Arthur J.G. Madden**

### ***Vice President Finance & CFO***

- 40 years of petroleum industry experience in both public and private companies
- Previously VP, Finance and CFO of Adamant Energy and Cavell Energy

## **Daniel Lanussol**

### ***Executive Vice President, Argentina Operations***

- More than 35 years of experience in the oil and gas industry
- Worked in several Latin American countries as an Exploration Manager, Technical Project Leader and Business Development Officer

# Board of Directors

## **Gordon Kettleson – *Non-Executive Chairman***

- Founding Director and previous CEO of Crown Point
- CEO of Interwest Enterprises

## **Carlos Olivieri, CPA**

- Former Chief Financial Officer Repsol YPF
- Former President of Maxus Corporation (US YPF subsidiary)

## **Denny Deren**

- President and director of Foxxhole Escape Systems Ltd. and former President and director of Excalibur Foxx Ltd.
- Drilling / Completions Expert and oil industry safety provider

## **John Clark , CA**

- President of Investments and Technical Management Corp.
- Previously President & Executive Chair of Laurasia Resources Limited

## **Keith Turnbull, CA**

- Former member of KPMG's executive management committee and former Office Managing Partner for KPMG's Calgary office

## **Pablo Bernardo Peralta**

- More than 30 years of experience in financial services and activities
- Director and Vice-President of Banco de Servicios y Transacciones, S.A.

## **Gabriel Dario Obrador**

- Co-founder of Petrolera Piedra del Aquila S.A.
- Former Senior Manager at YPF

## **Murray D. McCartney**

***President & CEO***

## **Brian J. Moss Ph.D.**

***Executive Vice President & COO***

# Investment Highlights

- ▶ **Operating in Argentina's revitalized petroleum industry**
  - Favorable New Gas Subsidy Program
  - Foreign investment incentives
  - Production growth supported by extensive infrastructure
- ▶ **Growing conventional production**
- ▶ **Pursuing high-impact conventional and unconventional growth**
  - Well-defined prospects in the Austral Basin
  - 100% working interest Neuquén Basin Assets; Argentina's most active oil and gas basin





**CROWN  
POINT** ENERGY INC.

*A South American Energy Company*

TSX.V : CWV

