CROWN POINT ENERGY INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS

The following Management's Discussion and Analysis ("**MD&A**") of the consolidated financial results of Crown Point Energy Inc. ("**Crown Point**" or the "**Company**") is at and for the three and six months ended June 30, 2016.

This MD&A is dated as of August 10, 2016 and should be read in conjunction with the Company's unaudited June 30, 2016 condensed interim consolidated financial statements and the audited December 31, 2015 consolidated financial statements. The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

The functional currency of the Company's two subsidiaries is the United States dollar ("**USD**"); the functional currency of the Company is the Canadian dollar ("**CAD**"). The Company's presentation currency is the USD. In this MD&A, unless otherwise noted, all dollar amounts are expressed in USD. References to "**ARS**" are to Argentina Pesos.

This MD&A contains non-IFRS measures, abbreviations and forward-looking information relating to future events and the Company's future performance. Please refer to "Non-IFRS Measures", "Abbreviations and BOE Presentation" and "Advisories" sections at the end of this MD&A for further information.

Additional information relating to Crown Point, including Crown Point's unaudited June 30, 2016 condensed interim consolidated financial statements and audited December 31, 2015 consolidated financial statements and other filings are available on SEDAR at www.sedar.com.

In the following discussion, the three and the six months ended June 30, 2016 may be referred to as "Q2 2016" and "June 2016 period", respectively, the comparative three and six months ended June 30, 2015 referred to as "Q2 2015" and "June 2015 period", and the previous three months ended March 31, 2016 referred to as "Q1 2016".

CORPORATE OVERVIEW AND STRATEGY

Crown Point (TSX-V:CWV) is a Calgary-based junior international oil and gas company with producing assets and an opportunity base in two of the largest producing basins in Argentina, the Austral basin in the province of Tierra del Fuego ("**TDF**") and the Neuquén basin, in the province of Mendoza.

The Company's strategy is designed to deliver low-risk growth and capitalize on large potential exploration upside. Specifically, Crown Point is focused on increasing its production base in TDF through exploration and development drilling supplemented by recompletion and fracture stimulation of selected older producing wells. At Cerro de Los Leones, the Company is developing additional drilling plans contingent on successful results from its long-term production testing on the Vega del Sol x-1 and x-3 well re-completions. The Company is also evaluating other potentially high impact exploration opportunities in the Neuquén basin.

Currently, the Company's production is derived entirely from its 25.78% interest in three Exploitation Concessions in TDF where an active development and exploration program is in place to expand the Company's reserves and production. Crown Point's production is weighted to natural gas and is levered to benefit from expected increasing natural gas prices in Argentina.

Crown Point is conducting an active exploration and well re-entry program in the 100% interest Cerro de Los Leones Exploration Concession in Mendoza province, an area surrounded by several large conventional oil pools. The Company placed the re-completed Vega del Sol x-1 well on a long-term production test in April 2016. Long-term production testing of the Vega del Sol x-3 well is scheduled to commence in the latter part of 2016.

OPERATIONAL UPDATE

Tierra del Fuego Concession

Drilling Program

During 2014 and 2015 Crown Point and its partners drilled 13 new wells, of which eight wells are on production, three wells have been suspended pending further study, one well has been included in the 2016 capital planning program for a remedial completion workover, and one well is awaiting completion at a time yet to be determined.

Interpretation of 3-D seismic acquired in 2015 on the Las Violetas, Rio Cullen and Angostura concessions has been completed and the results integrated into geological mapping. Prospect identification and evaluation is underway to develop exploitation, step out and appraisal locations on the Las Violetas Concession with drilling on Las Violetas contemplated for 2017.

In January 2016, the Company received confirmation from the government of the Province of Tierra del Fuego of a one-year extension of the commitment dates for the drilling of two exploration wells on the Rio Cullen and La Angostura Concessions to December 31, 2016. Further studies on both concessions were completed in late July 2016. The Rio Cullen study identified nine gas prospects. The Angostura study identified seven oil prospects. The Company is in the process of high grading prospects in both concessions to select one location in each concession for drilling in the fourth quarter of 2016.

The Company has identified a number of older producing and non-producing wells on the Las Violetas concession as candidates for fracture stimulation during 2016. During the first half of 2016 the Company carried out fracture stimulations on 4 older wells.

- LV-104, an older producing gas well offsetting LV-112, was successfully fracture stimulated in April 2016 and placed back on production.
- El Monte-2 (EM-2), located immediately to the west of the San Luis Field, was fracture stimulated in March 2016. This well was drilled and cased by YPF and tested gas from the Springhill Formation in the 1970s before being suspended. The well is currently being tied-in to the San Luis field gathering system.
- LVx-4, a shut in gas well offsetting LV-104 and LV-112, was fracture stimulated in June 2016 and is on post-fracture clean up.
- RCh-6, a shut in oil and gas well located on the eastern flank of the Los Patos pool, was fracture stimulated in early July 2016. The well is on post-fracture clean up.

A potential Springhill tight gas sandstone resource play has been identified in two wells (LFE-1001 and LFE-1003) drilled on the eastern flank of the Las Flamencos Pool that could extend southeast to the San Luis area. Both wells encountered an average 10 metres of tight natural gas saturated Springhill sandstone which can be mapped for 20 km using regional control provided by older abandoned wells and 2-D seismic data lying between the Los Flamencos and San Luis gas pools.

Cerro de Los Leones Exploration

The Company has a 100% working interest in the 100,907 acre area covered by the Cerro de Los Leones ("**CLL**") Concession Permit (the "**Permit**"), which is located in the northern portion of the Neuquén Basin in the Province of Mendoza, Argentina.

During 2015, the Company undertook an evaluation of the potential of two older wells previously drilled in the Vega del Sol structure, which lies approximately 4km west of the La Hoyada exploration well (LH x-1) drilled by the Company in 2014.

Vega del Sol x-1 (VdS x-1) was drilled and cased in 1995 and completed in a naturally fractured volcanic intrusive within the Chachao formation, producing oil at rates between 250 and 350 bbls of oil per day. Vega del Sol x-3 (VdS x-3) was drilled and cased in 2002 and completed in several zones within the shallow Neuquén group where two separate sand intervals tested natural gas. Both wells were subsequently abandoned by YPF when they relinquished the acreage.

After completing its evaluation of the Vega del Sol wells, the Company took the decision to re-enter both wells and conduct further testing.

VdS x-3 was re-entered in November 2015 and three additional sand zones within the Neuquén Group were perforated, stimulated and tested. The well was then placed on an 80 hour production test with all perforated zones co-mingled. During the test period, the well flowed gas, oil and water at restricted rates of 665 Mcf per day of gas, 10 bbls per day of oil plus 18 bbls per day of treatment fluid and formation water. Total gross production during the test was 1.75 MMcf of gas and 90 bbls of liquids comprised of 35% oil and 65% treatment fluid and water. The well has been suspended as a potential oil and gas producer. A plan to place this well on a long-term test by pipelining the production through the VdS x-1 facilities (see below) is scheduled to commence in the latter part of 2016. A flow line connecting the well head with the tank and separator facilities at the VdS x-1 well site has been installed and a small workover unit will be used to swab the well in.

VdS x-1 was re-entered in December 2015 to swab test the fractured igneous sill in the Chachao formation. Swabbing operations continued for 3 days at the end of which time a stabilized production rate of 8.9 bbls of oil per hour or 215 bbls per day (zero water cut) was achieved. A total of 145.8 bbls of oil and 497.6 bbls of treatment water were recovered. The well was suspended while a pump jack, tanks and separator were installed at the well site. Installation was completed in April 2016 after which the well placed on long-term production test. During the first week of testing the well flowed gas with little fluid inflow. Testing operations were suspended, and in May 2016 the pump was pulled and de-emulsifier was pumped into the reservoir to clear any near bore emulsion blockage. The pump was re-run and in early June 2016, the well was placed back on long-term production test. During June and July 2016, the well has produced at an average rate of 12 bbls of fluid per day with a 75% oil cut (9 bbls per day of oil). Additional analysis of the reasons for the restricted inflow is underway. Other operators have reported similar performance issues in local wells producing from this reservoir type which were remedied by a limited fracture stimulation designed to prop open the natural fracturing in the intrusive immediately around the perforated interval. It is believed that the fractures are not naturally propped and can close as the reservoir pressure drops near the well due to production, thus impeding fluid flow from further back in the pool. Crown Point is evaluating using this treatment as a possible way to improve production rates. If Crown Point proceeds, the operation will be scheduled for after the Argentine winter season, early in the fourth quarter of 2016.

OUTLOOK

Capital Spending

Crown Point estimates a total of $5.9 million of capital expenditures for 2016 comprised of $5.0 million on the TDF concessions and $0.9 million on the CLL concession. Crown Point expects to meet these obligations, along with its other anticipated expenses, using funds flow from operations, working capital which totaled approximately $1.5 million at the end of Q2 2016 and $1.9 million of expected Petróleo Plus bond proceeds as disclosed in the Liquidity and Capital Resources – Petróleo Plus Bonds section of this MD&A.

The Company anticipates the following activities to occur during the last half of 2016 at an estimated cost of $4.2 million:

- Tie-in of the EM x-2 well to the San Luis Gas Plant gathering system is scheduled to be completed in the third quarter. Testing and cleanup of the recently fracture stimulated LV x-4 and RCh-6 wells will be completed during the third quarter and tied in using existing facilities at both well sites.
- Ongoing long-term production testing of Vega del Sol x-1 and Vega del Sol x-3 wells at CLL to evaluate possible development locations. Future capital programs at CLL will be determined after a full evaluation of the re-entry program has been completed.
- Reprocessing of a subset of the CLL 3-D seismic to high grade possible development locations on the Vega del Sol structure.
- Completion of geological and seismic evaluation of the Springhill formation on the Rio Cullen and Angostura Concessions to identify one exploration drilling location on both concessions.
- Completion of geological and seismic work to build a drilling inventory on the Rio Chico and Los Flamencos eastern extensions, Puesto Quince and the south flank of the Las Violetas gas pool.

- Evaluation of a potential Springhill tight gas fairway extending south and east of the Los Flamencos pool to the western limit of the San Luis gas pool.

Argentina – Economic Summary

Currency controls were relaxed by the Government in December 2015 and the ARS underwent a devaluation. A portion of TDF operating costs and general and administrative expenses incurred in Argentina are denominated in ARS. As a result, a portion of the Company's operating costs per BOE and general and administrative expenses have decreased in USD equivalent terms.

Commodity Prices

Oil

Domestic oil pricing policy has been influenced by the worldwide collapse in international oil prices. The intent of the Government is to allow domestic pricing to be coupled with international benchmarks, however it is evident that the Government is reluctant to allow domestic pricing to fall precipitously as this could result in a severe downturn in the industry, which in turn could trigger extensive layoffs, social unrest and disruptions. The Government has therefore entered into a new oil pricing scheme for 2016 which fixes domestic oil prices approximately US$10 per barrel lower than the previous pricing scheme, which expired on December 31, 2015. The Company expects to receive an average of US$57 per barrel for its TDF oil in the last half of 2016.

Natural gas

On March 29, 2016, the Ministry of Energy and Mines issued Resolutions 28/2016 and 34/2016 which set new natural gas prices as of April 1, 2016. The TDF natural gas price for residential sales was expected to be approximately $2.66 to $4.25 per Mcf, depending on variables such as the exchange rate from ARS to USD and the type of residential user classified based on the volume of natural gas consumed which may result in a discounted price for certain residential users, depending on consumption levels.

On June 6, 2016, the Ministry of Energy and Mines issued Resolution 99/2016 which established a 400% increase limit for residential users and a 500% increase limit for small and medium-sized companies on prices set before the issuance of Resolutions 28/2016 and 34/2016.

On July 12, 2016 the Ministry of Energy and Mines issued Resolution 129/2016 which modified Resolution 99/2016 and clarified that the 400% increase limit for residential users and the 500% increase limit for small and medium-sized companies related to prices set in the comparative period, not to prices set before the issuance of Resolutions 28/2016 and 34/2016.

While the Ministry of Energy and Mines addresses consumers' concerns over price increases and clarifies the process to phase in the price increases, there is uncertainty about the price of gas that will ultimately be charged to residential users. As a result, the Company and the operator of the TDF UTE have invoiced residential gas sales based on conservative estimates of residential gas prices.

FINANCIAL INFORMATION

SUMMARY OF FINANCIAL INFORMATION

(expressed in $, except shares outstanding)	June 30 2016	December 31 2015
Working capital	1,538,735	642,828
Exploration and evaluation assets	8,447,055	7,731,691
Property and equipment	28,973,490	32,250,082
Total assets	44,378,558	47,197,795
Non-current financial liabilities [(1)]	773,622	1,253,469
Share capital	116,003,355	116,003,355
Total common shares outstanding	164,515,222	164,515,222

(expressed in $, except shares outstanding)	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Oil and gas revenue	3,778,045	3,887,066	7,454,394	7,929,749
Net loss	(1,829,347))	(1,070,071)	(3,173,125)	(2,717,391)
Net loss per share [(2)]	(0.01)	(0.01)	(0.02)	(0.02)
Cash flow from (used by) operations	653,110	64,303	1,445,972	(87,752)
Cash flow per share – operations [(2)]	0.00	0.00	0.01	(0.00)
Funds flow from operations	910,252	335,954	1,741,487	414,585
Funds flow per share –operations [(2)]	0.01	0.00	0.01	0.00
Weighted average number of shares	164,515,222	161,183,271	164,515,222	146,928,561

(1) Non-current financial liabilities are comprised of bank debt. The total amount outstanding at June 30, 2016 is $2,330,695 of which $1,557,073 is classified as current and $773,622 is long-term (December 31, 2015 – $2,416,186; $1,162,717 current and $1,253,469 long-term).

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

RESULTS OF OPERATIONS

Results of Operations – TDF

Operating Netback

	Three months ended June 30		Six months ended June 30	
Per BOE	2016	2015	2016	2015
Oil and gas revenue ($)	28.86	29.61	28.24	29.79
Royalties ($)	(5.07)	(5.11)	(5.10)	(5.21)
Operating costs ($)	(9.74)	(10.82)	(10.11)	(10.92)
Operating netback ($)	14.05	13.68	13.03	13.66

Variances in the TDF operating netback for the 2016 periods as compared to the 2015 periods is explained by changes in sales volumes and revenues, royalties and operating costs as detailed below.

Sales Volumes and Revenues

	Three months ended June 30		Six months ended June 30	
	2016	**2015**	**2016**	**2015**
Light oil (bbls)	22,120	20,156	46,302	43,951
NGL (bbls)	2,960	543	4,010	2,202
Natural gas (Mcf)	634,987	663,361	1,281,739	1,320,073
Total BOE	130,911	131,259	263,935	266,165
Light oil bbls per day	243	221	254	243
NGL bbls per day	33	6	22	12
Natural gas Mcf per day	6,978	7,290	7,043	7,293
BOE per day	1,439	1,442	1,450	1,471
Light oil revenue ($)	1,328,092	1,404,485	2,805,633	3,084,382
NGL revenue ($)	49,535	6,841	56,694	20,586
Natural gas revenue ($)	2,400,418	2,475,740	4,592,067	4,824,781
Total revenue	3,778,045	3,887,066	7,454,394	7,929,749
Light oil revenue per bbl ($)	60.04	69.68	60.59	70.18
NGL revenue per bbl ($)	16.73	12.60	14.14	9.35
Natural gas revenue per Mcf ($)	3.78	3.73	3.58	3.65
Revenue per BOE ($)	28.86	29.61	28.24	29.79

TDF Sales and Production Volumes

During Q2 2016, the Company's average daily sales volumes were 1,439 BOE per day, down 2% from 1,462 BOE per day in Q1 2016 due to lower sales of inventoried volumes of oil and comparable to 1,442 BOE per day in Q2 2015.

TDF average daily production volumes for Q2 2016 averaged 1,406 BOE per day, down 1% from 1,421 BOE per day in Q1 2016 and down 2% from 1,430 BOE per day in Q2 2015. The decrease in Q2 2016 daily production volumes is due to the natural decline of wells.

TDF sales volumes were weighted as follows:

	Three months ended June 30		Six months ended June 30	
	2016	**2015**	**2016**	**2015**
Light oil	17%	15%	18%	16%
NGL	2%	1%	1%	1%
Natural gas	81%	84%	81%	83%
Total	100%	100%	100%	100%

All of the Company's natural gas production is sold in the period produced, therefore natural gas sales volumes equal production volumes.

Oil (and related NGL) 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 and NGL sales volumes may include both previously inventoried volumes as well as current period production.

During the June 2016 period, oil production was 39,860 bbls (219 bbls per day) and sales were 46,302 bbls (254 bbls per day) as compared to the June 2015 period for which oil production was 37,626 bbls (208 bbls per day) and sales were 43,951 bbls (243 bbls per day). June 2016 period oil sales volumes include 16,498 bbls of oil in inventory at December 31, 2015 while June 2015 period oil sales volumes include 12,241 bbls of oil in inventory at December 31, 2014. As at June 30, 2016 oil inventory was 10,056 bbls.

NGL production for the June 2016 period was 3,812 bbls (21 bbls per day) and sales were 4,010 bbls (22 bbls per day) as compared to the June 2015 period for which NGL production was 1,817 bbls (10 bbls per day) and sales were 2,202 bbls (12 bbls per day). June 2016 period NGL sales volumes include 1,692 bbls of NGL in inventory at December 31, 2015 while June 2015 period NGL sales volumes include 1,772 bbls of NGL in inventory at December 31, 2014. As at June 30, 2016 NGL inventory was 1,494 bbls.

TDF Revenues and Pricing

TDF revenue per BOE for Q2 2016 was approximately $28.86 per BOE, higher than TDF revenue per BOE of $27.64 achieved in Q1 2016 due mainly to an increase in gas and NGL prices. TDF revenue per BOE for Q2 2016 is lower than the $29.61 per BOE earned in the comparative Q2 2015 quarter due primarily to a lower oil price.

Of the commodities produced from the TDF concessions, only natural gas is subject to seasonal demand. Residential demand for natural gas in Argentina is higher during the colder months of April through October, generally resulting in lower average natural gas prices during this period as sales to the residential market earn a lower price than sale to the industrial market. Seasonal reductions in average natural gas prices during winter are typically offset by increases in gas sales during warmer months to the much higher-priced industrial market.

The price earned by the Company on TDF natural gas sales in Q2 2016 averaged $3.78 as compared to $3.73 per Mcf in Q2 2015 as a result of a higher price received in Q2 2016 for the residential market of approximately $2.00 per Mcf compared to $0.66 per Mcf in Q2 2015 offset by a lower percentage of gas volumes being sold to the higher-priced industrial market than in the comparative period. The average natural gas price for the industrial market was $4.46 and $4.49 per Mcf in Q2 2016 and in Q2 2015, respectively.

The price earned by the Company on TDF natural gas sales in the June 2016 period averaged $3.58 per Mcf as compared to $3.65 per Mcf in the June 2015 period as a result of a lower price received in Q1 2016 for the residential market of $0.28 per Mcf compared to $0.48 per Mcf in Q1 2015. The average natural gas price for the industrial market was $3.89 per Mcf in Q1 2016 and in Q1 2015.

As for Argentina's government-regulated oil prices, the price for local benchmark Medanito crude oil was posted at $67.50 per bbl for Q2 2016 and Q1 2016 as compared to $77.00 per bbl for Q2 2015. Oil from Crown Point's TDF concessions, which sells at a discount to Medanito crude, was sold at $60.04 per bbl in Q2 2016, down 2% from $61.10 per bbl in Q1 2016 due to the impact of quality discounts.

The Company's June 2016 period average oil price was $60.59 per bbl, approximately 48% higher than the June 2016 period average price for global benchmark Brent crude of approximately $41.00 per bbl.

The price earned by the Company on TDF NGL sales was higher in Q2 2016 than the price earned in Q2 2015 as a greater portion of sales in Q2 2016 were to the higher-priced the industrial market.

Royalties

	Three months ended June 30		**Six months ended June 30**	
	2016	**2015**	**2016**	**2015**
Provincial royalties ($)	663,882	671,291	1,346,503	1,387,005
Royalties as a % of Revenue	17.6%	17.3%	18.1%	17.5%
Royalties per BOE ($)	5.07	5.11	5.10	5.21

The base royalty rate for revenue from the TDF concessions is 15% plus other royalties at an average rate of 2% on revenues for which the base royalty is paid in cash rather than in-kind. Variances in TDF royalties are also impacted by commodity prices over certain thresholds which may increase the base rate by 0.5% increments and by the level of export sales volumes which bear an additional royalty of 2% compared to mainland Argentina sales which carry a 1% royalty.

The royalty rate is higher in Q2 2016 and the June 2016 period than in the 2015 comparative periods due mainly to a reduction in the amount of royalties paid in-kind resulting in more revenue attracting the additional

2% royalty.

Operating Costs

	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Production and processing ($)	1,158,701	1,286,532	2,425,188	2,616,272
Transportation and hauling ($)	116,210	133,551	243,550	290,794
Total operating costs ($)	1,274,911	1,420,083	2,668,738	2,907,066
Production and processing per BOE ($)	8.85	9.80	9.19	9.83
Transportation and hauling per BOE ($)	0.89	1.02	0.92	1.09
Operating costs per BOE ($)	9.74	10.82	10.11	10.92

Operating costs are lower in Q2 2016 and the June 2016 period as compared to Q2 2015 and the June 2015 period due in part to the effect of the devaluation of the ARS against the USD. During the year ended December 31, 2015, the ARS declined 53% against the USD and declined a further 15% during the June 2016 period. The majority of the devaluation has occurred since December 16, 2015, the date currency controls were lifted. A portion of the Company's operating costs, including rates for field personnel and trucking, are set and settled in ARS based on the ARS to USD exchange rate at a particular point in time. Rates are subsequently adjusted in the event of significant changes in the ARS to USD exchange rate.

Transportation and hauling costs per BOE consist of contracted services hired to perform vacuum truck and transportation activities for crude oil.

G&A Expenses

	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Salaries and benefits ($)	599,875	819,962	1,069,790	1,533,076
Professional fees ($)	113,814	295,906	216,514	469,606
Office and general ($)	258,092	346,897	452,752	595,973
Travel and promotion ($)	20,307	56,908	40,900	98,341
Capitalized G&A expenses($)	(133,759)	(100,705)	(244,636)	(158,016)
	858,329	1,418,968	1,535,320	2,538,980

Salaries and benefits are lower in Q2 2016 and in the June 2016 period than in the 2015 comparative periods due to an overall reduction in staffing levels combined with the devaluation of the ARS against the USD which resulted in lower salary costs for Argentine employees.

Professional fees include reserve reports fees, consulting fees for financial reporting and investor relations services and legal and consulting fees related to assistance with the preparation of various documents for regulatory compliance. Professional fees are lower in Q2 2016 and in the June 2016 period than in the 2015 comparative periods due mainly to a reduction in legal services.

Office and general expenses are lower in Q2 2016 and in the June 2016 period than in the 2015 comparative periods due to efficiencies and cost-savings achieved in the Canadian and Argentina offices.

Travel and promotion expenses include the cost of management's investor relations activities and travel between Argentina and Canada. Travel and promotion expenses are lower in Q2 2016 and in the June 2016 period than in the 2015 comparative periods as there were fewer but more extended trips by management to Argentina which reduced airfare costs.

Capitalized G&A relates to direct costs associated with the Company's capital programs. Capitalized G&A was higher in Q2 2016 and in the June 2016 period due to a greater portion of time and resources being directly attributed to drilling operations on the Cerro de Los Leones concession and the TDF drilling program as compared to Q2 2015 and in the June 2015 period for which capitalized G&A primarily related to the Company's 13-well drilling program in TDF.

Depletion and Depreciation

	Three months ended June 30		Six months ended June 30	
	2016	**2015**	**2016**	**2015**
TDF depletion ($)	1,656,975	1,375,203	3,332,068	2,783,150
Depreciation ($)	92,164	42,312	138,024	80,351
	1,749,139	1,417,515	3,470,092	2,863,501
TDF depletion rate per BOE ($)	12.66	10.48	12.62	10.46

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 to 10 years for Argentina office furniture and equipment; and a straight line basis over the term of the lease for all leasehold improvements.

The TDF depletion rate is higher in the 2016 periods compared to the 2015 periods due mainly to a reduction in the proved plus probable reserves estimated in the externally prepared December 31, 2015 reserve report as compared to the 2014 report from 6.04 MBOE to 4.92 MBOE. The decrease in proved plus probable reserves in the 2015 reserve report is due to 2015 production of 0.53 MBOE and to certain wells drilled in 2014 and 2015 performing below expectations which resulted in reductions to the related proved undeveloped and probable reserve estimates.

Share-based Payments

Share-based payments ("**SBP**") are non–cash amounts, 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.

The Company recognized the following SBP in the periods noted below:

	Three months ended June 30		Six months ended June 30	
	2016	**2015**	**2016**	**2015**
Expensed ($)	17,707	32,127	30,226	100,522
Capitalized ($)	1,173	921	2,127	4,797
	18,880	33,048	32,353	105,319

As at June 30, 2016, there is no remaining unvested balance of SBP.

Foreign Exchange Gain (Loss)

During Q2 2016 and the June 2016 period, the Company recognized a foreign exchange loss of $2,116 and a foreign exchange gain of $122,618, respectively, compared to foreign exchange gains of $183,603 and $451,413, respectively, during Q2 2015 and the June 2015 period.

The functional currency of Crown Point is the CAD. The functional currency of each of Crown Point's wholly owned subsidiaries, CanAmericas (Argentina) Energy Ltd. and Antrim Argentina ("**Antrim**"), is the USD. The presentation currency of Crown Point is the USD.

Foreign exchange gains (losses) reported in the consolidated statement of loss and comprehensive loss occur as a result of translation of foreign denominated monetary assets and liabilities to the functional currency of the respective entity and the related currency fluctuations between the CAD and the USD and the USD and the ARS.

Exchange rates [1] as at:	June 30 2016	December 31 2015
CAD to USD	0.7742	0.7225
ARS to USD	0.0674	0.0772
USD to ARS	14.8386	12.9467

[1] Source Bank of Canada

In Crown Point, the translation of USD denominated foreign currency to CAD during the June 2016 period resulted in a foreign exchange loss of approximately $133,000 (June 2015 period – $366,000 foreign exchange gain).

Although commodity prices and many components of capital, operating and general and administrative costs in Argentina are negotiated and denominated in USD, the Argentine government requires receipts and payments to be made in ARS at the official Argentine exchange rate. As a result, even though the functional currency of the Argentine subsidiaries is USD, a portion of monetary assets and liabilities such as accounts receivable and accounts payable are denominated in ARS and re-measured into the functional currency at each reporting date, making net monetary assets and liabilities somewhat sensitive to currency fluctuations.

In the Argentine subsidiary, the translation of ARS denominated net monetary liabilities during the June 2016 period resulted in a foreign exchange gain of approximately $255,000 (June 2015 period – $85,000 foreign exchange gain).

The devaluation of ARS against the USD is linked to Argentina's rate of inflation, which has been a persistent problem for several years. During the year ended December 31, 2015, the value of the ARS declined by 53% against the USD and declined a further 15% during the June 2016 period. The majority of the 2015 devaluation occurred in the latter part of December 2015 following the lifting of currency controls on December 16, 2015 by the new Argentine government.

Currency devaluation in Argentina affects the cost of ARS denominated items which are translated to the USD functional currency of the Argentine subsidiaries. A portion of TDF operating costs and general and administrative expenses incurred in Argentina are denominated in ARS. During the June 2016 period, the devaluation of ARS resulted in lower TDF operating costs and general and administrative expenses incurred in Argentina by approximately 6% (June 2015 period – 3%).

During the June 2016 period, the devaluation of ARS resulted in a reduction in the USD equivalent of ARS denominated foreign currency denominated financial instruments, excluding bank debt, by approximately $56,000 (June 2015 period – $13,000).

The HSBC Argentina bank debt, as described under Liquidity and Capital Resources, is denominated in ARS and translated to USD at each reporting date.

The effects of currency devaluation on the HSBC Argentina bank debt during the June 2016 period are shown in the following table:

		June 30 2016
November 2013 Development loan facility (ARS 12,283,329)	$	948,710
Repayment of November 2013 development loan facility (ARS 6,700,002)		(468,557)
		480,153
June 2015 Loan facility (ARS 9,500,000)		733,738
October 2015 Loan facility (ARS 9,500,000)		733,738
February 2016 Loan facility (ARS10,000,000)		709,300
Effect of change in exchange rates		(326,234)
	$	2,330,695

Net Finance Expense

During Q2 2016 and the June 2016 period, the Company earned $10,600 and $21,240, respectively, of interest income on short-term deposits compared to $42,335 and $54,897 respectively, in Q2 2015 and the June 2015 period. The decrease in interest income is consistent with the decrease in the balance of short-term deposits.

During Q2 2016 and the June 2016 period, the Company incurred $71,038 and $150,192 of financing fees and bank charges compared to $150,568 and $312,563 respectively, in Q2 2015 and the June 2015 period. Financing fees and bank charges result primarily from bank taxes charged in Argentina on cash transfers of which there were fewer in the 2016 periods.

During Q2 2016 and the June 2016 period, the Company incurred $148,405 and $273,767 of interest expense on bank debt with HSBC Bank Argentina S.A. compared to $109,973 and $344,796, respectively, in Q2 2015 and the June 2015 period. Interest expense is higher in Q2 2016 than in Q2 2015 due to higher interest rates on the loans drawn since July 2015 and is lower in the 2016 period than in the 2015 period due to the repayment of loans as scheduled and described under the Liquidity and Capital Resources – HSBC Argentina Loans section of this MD&A.

Other Income and Expenses

Recovery of Impaired Receivable

During Q2 2016 and the June 2016 period, the Company recognized $ nil and $38,776, respectively, of other income for the partial recovery of a receivable due from an Argentine operator that was previously provided for due to collectability concerns.

Special Meeting Expenses

During Q2 2015 and the June 2015 period, the Company incurred $15,092 and $739,988, respectively, of expenses in response to actions by a dissident shareholder, which resulted in the preparation of various documents in advance of the special meeting of shareholders held on February 24, 2015.

Deferred Tax

During the June 2016 period, the Company recognized a $1,299,000 deferred tax liability and corresponding expense in the consolidated statement of loss and comprehensive loss. The deferred tax liability arose in Argentina primarily due to the expiry of certain tax pools and the effect of the devaluation of the ARS on Antrim's ARS denominated tax pools which reduced the USD equivalent amount upon conversion to Antrim's USD functional currency.

CAPITAL EXPENDITURES

The Company recognized the following additions in exploration and evaluation ("**E&E**") assets during the June 2016 period, primarily related to the completion of the Vega del Sol x-1 and x-3 wells, and the June 2015 period, primarily related to seismic reprocessing and reinterpretation:

	Six months ended June 30	
	2016	**2015**
Cerro de Los Leones ($)	$ 494,464	$ 127,359
TDF seismic program ($)	–	574,090
Capitalized G&A ($)	128,731	–
Capitalized VAT ($)	86,848	17,238
Cash expenditures ($)	710,043	718,687
Capitalized SBP ($)	1,379	–
Decommissioning revisions ($)	3,942	(8,752)
	$ 715,364	$ 709,935

The Company also recognized the following additions (recoveries) to property and equipment assets during the June 2016 and June 2015 periods:

	Six months ended June 30 2016	2015
Drilling and completion ($)	$ 600,400	$ 6,204,125
(Recovery of) capitalized VAT($)	(930,350)	407,213
Capitalized G&A ($)	115,905	158,016
Corporate assets ($)	50,017	24,099
Cash expenditures ($)	(164,028)	6,793,453
Capitalized SBP ($)	748	4,797
Decommissioning revisions ($)	256,981	(187,219)
	$ 93,701	$ 6,611,031

Allocation of cash expenditures (recoveries):	Six months ended June 30 2016	2015
TDF ($)	$ (214,045)	$ 6,769,354
Corporate ($)	50,017	24,099
	$ (164,028)	$ 6,793,453

During the June 2016 period, the Company incurred $716,305 of expenditures in the TDF area primarily related to tangible costs for lease construction and completion and evaluation of the currently non-productive wells from the 2014/2015 TDF drilling program as described under the Operational Update section of this MD&A.

During the June 2015 period, the Company incurred $6,769,354 of expenditures in the TDF area related to the Company’s multi-well development, recompletion and exploration program.

VAT

	June 30 2016	December 31 2015
Included in prepaid expenses	$ 46,283	$ 51,910
Included in E&E assets	1,490,763	1,403,915
Included in property and equipment	2,041,249	2,971,599
	$ 3,578,295	$ 4,427,424

VAT on purchases is applied against VAT on sales to reduce the amount paid to the Argentine government. VAT is included in prepaid expenses when amounts are expected to be offset with VAT on current sales. VAT is included in E&E assets and property and equipment when related sales have not yet commenced (E&E assets) or sales are lower than capital expenditures (property and equipment) and VAT amounts are not expected to be offset with VAT on sales within the next 12 months. VAT does not expire and may be carried forward indefinitely.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity risk is the risk that the Company will not meet its financial obligations as they become due. The Company manages its liquidity risk through management of its capital structure and annual budgeting of its revenues, expenditures and cash flows.

During the June 2016 period, the Company incurred a net loss of $3,173,125. As at June 30, 2016, the

Company has significant future capital commitments to develop its properties and working capital of $1,538,735 (December 31, 2015 – $642,828) including $688,304 of cash and cash equivalents comprised of $679,590 of cash held in bank accounts and $8,714 of short-term GICs with a major Canadian financial institution. Management has received confirmation from the financial institutions 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's June 30, 2016 condensed interim consolidated financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. The ability of the Company to continue as a going concern and the recoverability of its assets is dependent upon the existence of economically recoverable reserves and upon the Company's ability to obtain additional financing to continue the development of the Company's properties and generate funds therefrom and to meet current and future obligations. The need to obtain capital to fund the existing and ongoing operations creates a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's unaudited June 30, 2016 interim condensed consolidated financial statements do not reflect adjustments in the carrying values of the assets and liabilities, expenses and the statements of financial position classifications that would be necessary if the going concern assumption were not appropriate. Such adjustments could be material.

The Company anticipates using funds flow from operations, existing working capital and the expected proceeds from the Petróleo Plus bond proceeds (as described below under the Petróleo Plus Bonds section of this MD&A) to fund the Company's capital expenditure program through to the end of 2016. For details of the Company's 2016 capital expenditure program, see the Outlook section of this MD&A. However, as new opportunities arise or planned expenditures are revised, the Company is committed to raising the necessary funds required for operations and capital expenditures through equity financing, joint venture agreements, and debt. 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.

Monetary and Currency Exchange Controls

On December 16, 2015, the new Argentine government lifted monetary and currency control measures, however restrictions on transferring funds abroad remain, with certain exceptions for transfers related to foreign trade and other authorized transactions approved by the Argentina Central Bank. The Central Bank may require prior authorization and may or may not grant such authorization for the Company's Argentina subsidiaries to make dividend or loan payments to us and there may be a tax imposed with respect to the expatriation of such proceeds.

HSBC Argentina Loans

In November 2013, the Company obtained a development loan facility with HSBC Argentina in the amount of ARS 26,800,000, of which ARS 5,583,327 ($0.4 million) was outstanding as at June 30, 2016. The development loan facility bears interest at a fixed rate of 15.25% per annum and is repayable in monthly installments of ARS 1,116,667 until December 8, 2016. As at June 30, 2016, the development loan was secured by a USD denominated $280,000 GIC on deposit with a major Canadian financial institution.

As at June 30, 2016, the Company had ARS 19,000,000 ($1.3 million) outstanding on a loan facility with HSBC Argentina secured by two $350,000 USD denominated GICs on deposit with a major Canadian financial institution. Amounts advanced under the facility bear interest at 19%, calculated and paid monthly commencing on the date of each draw. ARS 9,500,000 of principal is repayable in 24 monthly installments commencing July 17, 2016 and ARS 9,500,000 of principal is repayable in 24 monthly installments commencing October 23, 2016.

On February 2, 2016, the Company obtained and drew ARS 10,000,000 ($0.7 million) of proceeds under a loan facility with HSBC Argentina, at which time the Company provided the lender security in the form of a USD denominated $730,000 letter of credit held as a GIC with a major Canadian financial institution. The loan principal was repayable in one installment on May 2, 2016. The facility bore interest at 34%, calculated and paid monthly commencing on February 2, 2016. On May 2, 2016 the Company renewed this loan facility at an interest rate of 38.75%, calculated and paid monthly commencing May 2, 2016 and repayable in one installment on July 2, 2016. On July 4, 2016, the Company repaid ARS 3,000,000 ($0.2 million) of the loan facility and renewed the remaining ARS 7,000,000 as described below in the Subsequent Events section of this MD&A.

Petróleo Plus Bonds

On July 13, 2015, the Government of Argentina issued a new decree under which the Government has offered publically-traded government bonds to qualifying companies with outstanding certificates under the cancelled Petróleo Plus Program.

The Company made a submission to receive approximately $2.2 million of bonds with respect to its outstanding Petróleo Plus certificates, of which bonds were received in relation to approximately $0.3 million of outstanding certificates in September 2015. There is no certainty that the Company will receive bonds in relation to the remaining $1.9 million of outstanding certificates.

RELATED PARTY TRANSACTIONS

As a result of the completion of the first tranche of a strategic financing in 2014 with Liminar Energía S.A. and GORC S.A. (the "Strategic Investors"), the completion of the second tranche in April 2015 may be considered to be with related parties as the Strategic Investors became significant shareholders of the Company in 2014 and a representative of each of the Strategic Investors (being Messrs. Pablo Peralta and Gabriel Obrador) was appointed to the Company's Board of Directors in 2014. Following the closing of the balance of the second tranche, the Company has 164,515,222 common shares issued and outstanding of which the Strategic Investors hold approximately 36.5% of Crown Point's issued and outstanding shares.

Energía y Soluciones SA, a company controlled by Gabriel Obrador, who is a director of the Company and the majority shareholder of GORC S.A. (one of the Strategic Investors), owns a 1.46% overriding royalty on revenue earned from the CLL Permit. As of June 30, 2016 and the date of this MD&A, no revenue has been earned from the CLL Permit.

During Q2 2016 and the June 2016 period, the TDF UTE (of which the Company is a member) sold a portion of natural gas volumes to Energía y Soluciones SA for which the Company recognized $38,560 and $163,680 of oil and gas revenue for its working interest share.

There were no other transactions between the Company and related parties of the Company during the June 2016 period or all of 2015.

SUBSEQUENT EVENTS

On July 4, 2016, the Company repaid ARS 3,000,000 ($0.2 million) of the ARS 10,000,000 loan facility obtained on February 2, 2016 at which time $250,000 of the $730,000 USD denominated letter of credit was returned to the Company. The Company renewed the remaining ARS 7,000,000 ($466,100) of the loan facility which is secured by a $480,000 USD denominated letter of credit held as a GIC with a major Canadian financial institution, bears interest at 36%, calculated and paid monthly commencing on July 2, 2016 and is repayable in one installment on September 2, 2016.

COMMITMENTS AND CONTINGENCIES

The Company's commitments are disclosed in Note 23 to the Company's December 31, 2015 audited consolidated financial statements as well as in the December 31, 2015 MD&A. There have been no significant changes to the Company's commitments during the June 2016 period.

SHARE CAPITAL

Issued and outstanding	Common Shares	Stock Options
December 31, 2015	164,515,222	4,565,000
Expired	–	(545,000)
June 30, 2016 and August 10, 2016	164,515,222	4,020,000

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 of the Company on the basis of earnings, financial requirements and other conditions existing at the time.

OFF BALANCE SHEET ARRANGEMENTS

The Company has no off balance sheet arrangements.

FINANCIAL INSTRUMENTS

The fair values of the Company's cash and cash equivalents, trade and other receivables and trade and other payables approximate their carrying amounts due to the short-term nature of these financial instruments. Financial instruments also include interest-bearing bonds included in other non-current assets, deposits and bank debt for which fair values are not materially different than the carrying amounts.

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.

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 various types of business risks and uncertainties, which may materially affect the Company's future financial and operating performance, including without limitation the following:

- risks associated with foreign operations, including changes in energy policies or personnel administering them, nationalization of the Company's assets, the development of hyper-inflationary conditions, currency fluctuations between the USD, the CDN and the ARS and/or devaluations of the ARS, monetary and currency exchange controls, export controls and changes in royalty and tax 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;
- general economic conditions in Canada, Argentina and globally;
- the ability of management to execute its business plan;
- reliance on third party operators and joint venture partners to satisfy their commitments under existing agreements and arrangements and to carry out operations in a safe, efficient and effective manner;
- the risks of disputes with third party operators and joint venture partners and the effect that such disputes can have on the Company's operations and results;
- risks related to a new federal government in Argentina and the new mandate and policies of the government;
- uncertainties inherent in estimating quantities of oil and natural gas reserves and cash flows to be derived therefrom and the risk that the value of such reserves may be impaired in future periods;

- fluctuations in the price of oil and natural gas, interest rates and exchange rates;
- governmental regulation of the oil and gas industry, including environmental regulation;
- lack of diversification of the Company's interests;
- collection of and value of bonds issuable to the Company in consideration of amounts owing from the cancelled Petróleo Plus Program;
- the impact of work disruption and labour unrest on the Company's operations;
- 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;
- constraints on foreign subsidiaries to make payments to the Company;
- 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 including delays arising as a result of the Company's inability to obtain the necessary oilfield services required, including drilling and fracture stimulation equipment and related personnel;
- the insufficiency of cash flow to fund operations;
- 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 or processing capacity for the Company's production;
- 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 failure to satisfy work commitments and the potential to lose exploration and exploitation rights as a result;
- the enforcement of civil liability in Argentina;
- risks associated with conflicting interests with partners;
- income tax reassessments and other taxes payable by the Company;
- 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;
- failure to obtain industry partner and other third party consents and approvals, as and when required;
- risks associated with having a control person owning approximately 36.5% of the Company's shares and two representatives on the board of directors, including the potential that the Strategic Investors may exert a significant amount of influence over the Company's affairs;
- stock market volatility and market valuations;
- competition for, among other things, capital, acquisition of reserves, undeveloped land and skilled personnel; and
- the availability of capital on acceptable terms.

For additional details of the risks relating to the Company's business, see the Company's most current Annual Information Form, which is available on SEDAR at www.sedar.com.

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.

SELECTED CONSOLIDATED QUARTERLY INFORMATION

The following table sets forth selected consolidated financial information of the Company for the periods presented.

Unaudited [1] Three months ended:	June 30 2016	March 31 2016	December 31 2015	September 30 2015	June 30 2015	March 31 2015	December 31 2014	September 30 2014
Working capital ($)	1,538,735	1,499,486	642,828	1,798,499	2,393,937	796,126	2,575,201	2,603,388
Oil and gas revenue from continuing operations ($)	3,778,045	3,676,349	3,765,903	3,447,010	3,887,066	4,042,683	3,099,203	3,982,151
Petróleo Plus Proceeds ($)	–	–	–	287,623	–	–	–	–
Oil Incentive Bonus Payments ($)	–	–	–	70,451	–	–	–	–
E&E expense ($)	–	–	9,401,452	–	–	–	507,722	–
Net loss from continuing operations ($)	(1,829,347)	(1,343,778)	(11,032,823)	(1,623,146)	(1,070,071)	(1,647,320)	(3,318,889)	(946,711)
Basic and diluted net loss per share [2] ($)	(0.01)	(0.01)	(0.07)	(0.01)	(0.01)	(0.01)	(0.03)	(0.01)
Net loss ($)	(1,829,347)	(1,343,778)	(11,032,823)	(1,623,146)	(1,070,071)	(1,647,320)	(3,318,889)	(930,062)
Basic and diluted net loss per share [2] ($)	(0.01)	(0.01)	(0.07)	(0.01)	(0.01)	(0.01)	(0.03)	(0.01)
Cash flow from (used by) operating activities ($)	653,110	792,862	1,227,370	241,054	64,303	(152,055)	(262,682)	1,201,581
Expenditures on property and equipment and E&E assets ($)	541,127	4,888	2,115,804	975,889	4,321,607	3,190,533	4,700,214	4,042,559
Total assets ($)	44,378,558	45,422,188	47,197,795	56,831,790	58,773,838	57,144,674	57,569,312	52,443,977
Bank debt ($)	2,330,695	2,595,470	2,416,186	2,677,975	2,088,054	4,176,399	4,748,908	3,161,050

(1) The financial data for each quarter has been prepared in accordance with IFRS. The functional currency of Crown Point is the CAD. The functional currency of each of Crown Point's wholly owned subsidiaries, CanAmericas (Argentina) Energy Ltd. and Antrim Argentina, is the USD. The presentation currency of Crown Point is the USD.

(2) The sum of quarterly per share amounts may not add to annual figures due to rounding.

- Net loss in Q2 2016 is higher than Q1 2016 due primarily to an increase in G&A expense and the recognition of an additional $0.8 million deferred tax expense.
- Net loss in Q1 2016 is lower than Q4 2015 due primarily to $9.4 million of E&E expense incurred in Q4 2015 combined with decreases in Q1 2016 in operating and G&A expenses offset by an increase in depletion and depreciation expense and recognition of $0.5 million deferred tax expense.
- Working capital increased in Q1 2016 due to lower expenditures on property and equipment.
- Net loss in Q4 2015 is higher than the previous quarter due primarily to $9.4 million of E&E expense and an increase in depletion expense offset by a decrease in other expenses.
- Working capital decreased in Q4 2015 due to the repayment of bank debt and expenditures on property and equipment offset by the loan facility proceeds drawn in October 2015.
- Net loss in Q3 2015 is higher than the previous quarter due primarily to retirement allowances incurred in Q3 2015 and included in other expenses.
- Working capital decreased in Q3 2015 due to a decrease in oil revenue combined with the repayment of bank debt and expenditures on property and equipment offset by the proceeds from the bank loan.
- Net loss in Q2 2015 is lower than the previous quarter due primarily to special meeting expenses incurred in Q1 2015.
- Working capital increased in Q2 2015 due to the proceeds from the Strategic Financing, which was

offset by the repayment of bank debt and expenditures on property and equipment.

- Net loss in the quarter ended March 31, 2015 decreased due to an increase in oil and gas revenue combined with decreases in operating and G&A expenses offset by an increase in depletion and depreciation expense.
- Working capital decreased in the first quarter of 2015 due to expenditures on property and equipment and the repayment of bank debt.
- Net loss in the quarter ended December 31, 2014 increased primarily due to a decrease in oil and gas revenue combined with $0.5 million of expenses associated with actions taken by a dissident shareholder, $0.5 million of remediation and concession expenses, an increase in G&A expenses related to year-end audit and reserve report costs and $0.5 million of E&E expense.
- Working capital decreased in the third quarter of 2014 due to continued expenditures on property and equipment.
- Net loss in the quarter ended September 30, 2014 decreased compared to the previous quarter (excluding the effect of the $8.3 million loss on the sale of El Valle recognized in the second quarter of 2014) due to decreases in operating, G&A and depletion expenses. Working capital decreased in the third quarter of 2014 due to continued expenditures on property and equipment.

NON-IFRS MEASURES

This MD&A contains the term “funds flow from (used by) operations” which should not be considered an alternative to, or more meaningful than, operating cash flows from (used by) operations as determined in accordance with IFRS as an indicator of the Company’s performance. Funds flow from (used by) operations and funds flow from (used by) 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 by) operations to analyze operating performance and considers funds flow from (used by) 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 by) 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 (used by) operations to operating cash flows from (used by) operations, which is the most directly comparable measure calculated in accordance with IFRS as follows:

	Three months ended June 30		Six months ended June 30	
	2016	2015	2016	2015
Cash flows from (used by) operations ($)	653,110	64,303	1,445,972	(87,752)
Changes in non-cash working capital ($)	257,142	271,651	295,515	502,337
Funds flow from operations ($)	910,252	335,954	1,741,487	414,585
Weighted average number of shares	164,515,222	161,183,271	164,515,222	146,928,561
Funds flow per share	0.01	0.00	0.00	0.00

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

ABBREVIATIONS AND BOE PRESENTATION

The following abbreviations used in this MD&A have the meanings set forth below:

3-D	-	three dimensional
bbls	-	barrels
BOE	-	barrels of oil equivalent
km	-	kilometres
km^2	-	square kilometres
Mcf	-	thousand cubic feet
MMcf	-	million cubic feet
NGL	-	natural gas liquids
YPF	-	Yacimientos Petrolíferos Fiscales S.E.

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 bbl of oil. BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand Mcf to one bbl of oil (6 Mcf: 1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. Given that the value ratio based on the current price of crude oil as compared to natural gas in Argentina is significantly different from the energy equivalency conversion ratio of 6:1, utilizing a conversion on a 6:1 basis is misleading as an indication of value.

ADVISORIES

Forward-Looking Information

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: under "Corporate Overview and Strategy", the Company's business strategy, the Company's assessment on its leverage to increased natural gas prices (and its expectation of increased natural gas prices) and certain intended and planned future operations; under "Operational Update – Tierra del Fuego Concession", the operations that the Company intends to conduct on certain of its TDF assets and the planned timing thereof; under "Operational Update – Cerro de Los Leones Exploration", the operations that the Company intends to conduct on certain of its CLL assets and the expected timing thereof; under "Outlook – Capital Spending", our estimated capital expenditures for 2016 (including the last half of 2016), the elements of our capital program for the balance of 2016, our estimates of the costs to complete the elements of the program and the timing thereof, and our expectations for how we will fund our capital programs; under "Outlook – Commodity Prices", our expectations regarding the impact that the new government's new energy policies and reforms may have on commodity prices in Argentina, including the Company's estimates with respect to its realized commodity prices for the last half of 2016; under "Liquidity and Capital Resources", our strategies for managing our liquidity risks and our expectations for how we will fund our capital expenditure program through to the end of 2016; under "Liquidity and Capital Resources – Petróleo Plus Bonds", our expectation that the Company will receive $2.2 million in bonds for its cancelled Petróleo Plus certificates. 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.

A number of risks and other factors could cause actual results to differ materially from those expressed in the forward-looking information contained in this MD&A including, but not limited to, the following: the risks and other factors described under “Business Risks and Uncertainties” in this MD&A and under “Risk Factors” in the Company’s most recently filed Annual Information Form, which is available for viewing on SEDAR at www.sedar.com.

In addition, note that information relating to reserves and resources is deemed to be forward-looking information, as it involves the implied assessment, based on certain estimates and assumptions that the reserves and resources described can be economically produced in the future.

With respect to forward-looking information contained in this MD&A, the Company has made assumptions regarding, among other things: the impact that the election of a new federal government will have on the oil and gas industry in Argentina generally and the Company in particular; the impact of increasing competition; the general stability of the economic and political environment in which the Company operates, including operating under a consistent regulatory and legal framework in Argentina; future oil, natural gas and NGL prices (including the effects of governmental incentive programs thereon); the timely receipt of any required regulatory approvals; the ability of the Company to continue as a going concern without the loss of any assets; 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; that the Company will be able to collect and realize the full value of bonds issuable to the Company in consideration of all amounts owing from the cancelled Petróleo Plus Program; the ability of the Company to obtain financing on acceptable terms when and if needed; the ability of the Company to service its debt repayments when required; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration activities; the timing and costs of pipeline, storage and facility construction and expansion and the ability of the Company to secure adequate product transportation; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in 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.

Analogous Information

Certain information contained herein is considered "analogous information" as defined NI 51-101. In particular, this document describes certain information with respect to operational remedies performed by other oil and gas operators in areas in close proximity to the Company's and pool mapping using regional controls provided by older abandoned wells. 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 information has been prepared by a qualified reserves evaluator. Such information is not intended to be a projection of future results. Such information is based on independent public data and public information received from other producers and Crown Point has no way of verifying the accuracy of such information. Such information has been presented to help demonstrate the basis for Crown Point's business plans and strategies. There is no certainty that such results will be achieved by Crown Point and such information should not be construed as an estimate of future reserves or resources or future production levels.

Well-Flow Test Results and Initial Production Rates

Any references in this document to well-flow test results, swab test rates and/or initial production rates are useful in confirming the presence of hydrocarbons, however, such test results and 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 test results and rates in calculating the aggregate production for the Company. Well-flow test results, swab test rates and initial production rates may be estimated based on other third party estimates or limited data available at the 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 in this document, well-flow test results and initial production results are not necessarily indicative of long-term performance of the relevant well or fields or of ultimate recovery of hydrocarbons.

ADDITIONAL INFORMATION

Additional information regarding the Company, including the Company's most recently filed Annual Information Form, 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, or by phone at 403 232-1150, by email at info@crownpointenergy.com or on the Company’s website at www.crownpointenergy.com.