

## **Crown Point Signs Agreement to Sell a Portion of its Participating Interest in Exploitation Concessions in Tierra del Fuego, Argentina Pursuant to Exercise of ROFRs**

CALGARY, Alberta, April 17, 2019 -- Crown Point Energy Inc. (TSX-V:CWV) ("**Crown Point**") is pleased to announce that its wholly-owned subsidiary, St. Patrick Oil & Gas S.A. (formerly named Apco Austral S.A.) ("**St. Patrick**"), has entered into an agreement with its partners to sell a portion of its participating interest in the Rio Cullen, Las Violetas and La Angostura hydrocarbon exploitation concessions located in the Tierra del Fuego region of the Austral basin in southern Argentina (the "**TDF Concessions**").

### **Background**

In June 2018, Crown Point acquired St. Patrick (the "**Acquisition**") from a third party (the "**Vendor**") for US\$28.4 million of cash consideration plus up to US\$9 million of contingent royalty payments pursuant to a royalty agreement (the "**Royalty Agreement**") during a ten-year period commencing on January 1, 2018 (the "**Royalty Period**"). In addition, Crown Point paid US\$4.4 million of withholding taxes to Argentine tax authorities in connection with the Acquisition. St. Patrick holds a 25.7796% participating interest in the TDF Concessions. Following the completion of the Acquisition, Crown Point and its subsidiaries collectively hold a 51.56% participating interest in the TDF Concessions.

Pursuant to the Joint Operating and Union Transitoria de Empresas Agreement governing the TDF Concessions (the "**UTE Agreement**"), St. Patrick's partners in the TDF Concessions (each an "**UTE Partner**") had a right of first refusal ("**ROFR**") to acquire St. Patrick's participating interest in the TDF Concessions. One of the UTE Partners disputed the validity of the ROFR notices issued to the UTE Partners and, among other things, commenced arbitration proceedings against St. Patrick and the Vendor under the UTE Agreement in order to have an arbitration tribunal consider and rule on the dispute. In December 2018, the arbitration tribunal ordered St. Patrick and the Vendor to comply with the provisions of the UTE Agreement that grant the ROFR to acquire St. Patrick's participating interest in the TDF Concessions to the other UTE Partners. In compliance with the arbitration tribunal's decision, St. Patrick and the Vendor subsequently provided notice to its UTE Partners of the indirect transfer of St. Patrick's participating interest in the TDF Concessions that resulted from Crown Point's acquisition of St. Patrick. All of St. Patrick's UTE Partners subsequently exercised their ROFRs to acquire their proportionate share of St. Patrick's participating interest in the TDF Concessions.

### **ROFR Sale**

St. Patrick has now entered into a purchase and sale agreement (the "**ROFR PSA**") with its UTE Partners to sell them, in aggregate, a 16.8251% participating interest (the "**ROFR Interest**") in the TDF Concessions (collectively, the "**ROFR Sales**") for US\$13.5 million in cash (the "**Base Price**"), plus certain contingent consideration (the "**Additional Consideration**"). The Additional Consideration shall be (i) equal to 65.2651% of all royalties accrued under the Royalty Agreement from the Closing Date (defined below) until the end of the Royalty Period, and (ii) capped at US\$5,873,859 less 65.2651% of all royalties paid or payable by St. Patrick under the Royalty Agreement up to the Closing Date. The Base Price will be paid free and clear of any deduction, discounts, withholdings and any applicable taxes (other than any stamp taxes that apply, which

shall be shared equally between St. Patrick and the UTE Partners, and other than any applicable taxes arising from any amount payable on account of the Additional Consideration).

During the three months ended December 31, 2018, the ROFR Interest produced an average of 2,458 boe per day, weighted approximately 61% to crude oil and natural gas liquids and 39% to natural gas. Crown Point's reserves volumes were audited by Gaffney, Cline & Associates Inc. ("GCA") as at December 31, 2018 in accordance with National Instrument 51-101 and the Canadian Oil and Gas Evaluation Handbook. GCA assigned the ROFR Interest 3.2 million boe of total gross proved reserves and 4.6 million boe of total gross proved plus probable reserves. Additional information regarding the TDF Concessions are contained in Crown Point's continuous disclosure documents, which can be accessed on the SEDAR website ([www.sedar.com](http://www.sedar.com)) and on Crown Point's website ([www.crownpointenergy.com](http://www.crownpointenergy.com)).

Completion of the ROFR Sales is subject to customary closing conditions. The ROFR Sales are expected to close between April 22 and April 26, 2019 (collectively, the "Closing Date") and may occur on various dates with different UTE Partners. Following the completion of the ROFR Sales, Crown Point's participating interest in the TDF Concessions will decrease from 51.56% to 34.7349%.

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### **About Crown Point**

Crown Point Energy Inc. is an international oil and gas exploration and development company headquartered in Calgary, Canada, incorporated in Canada, trading on the TSX Venture Exchange and operating in South America. Crown Point's exploration and development activities are focused in two of the largest producing basins in Argentina, the Austral basin in the province of Tierra del Fuego and the Neuquén basin, in the province of Mendoza. Crown Point has a strategy that focuses on establishing a portfolio of producing properties, plus production enhancement and exploration opportunities to provide a basis for future growth.

### **Advisories**

#### Forward-Looking Statements

Certain information regarding Crown Point set forth in this document may constitute forward-looking statements under applicable securities laws, including the anticipated terms on which the ROFR Sales will be completed and the anticipated timing for closing the ROFR Sales. The forward-looking information is based on certain key expectations and assumptions made by Crown Point, including that the ROFR Sales will close on the terms and within the time period contemplated herein. 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. Since forward-looking information addresses future events and conditions, by its very nature it involves inherent risks and uncertainties,

including the possibility that the conditions to closing the ROFR Sales are not satisfied and that the completion of the ROFR Sales is delayed or not completed in whole or in part. Actual results could differ materially from those currently anticipated due to a number of factors and risks. 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 on file with Canadian securities regulatory authorities and 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)). The forward-looking statements contained in this document are made as at the date of this news release and Crown Point does not undertake any obligation to update publicly or to revise any such forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

#### Barrels of Oil Equivalent

Barrels of oil equivalent (boe) may be misleading, particularly if used in isolation. A boe conversion ratio of 6 thousand cubic feet (Mcf) to 1 barrel 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.

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