

FOR IMMEDIATE RELEASE  
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CWV: TSX.V

## **Crown Point Announces Financial and Operating Results for the Three and Nine Months Ended September 30, 2013**

**TSX-V: CWV: Crown Point Energy Inc. ("Crown Point" or the "Company")** today announces its operating and financial results for the three and nine months ended September 30, 2013. Copies of the Company's September 30, 2013 unaudited condensed interim consolidated financial statements and the related Management's Discussion and Analysis ("MD&A") for the period ended September 30, 2013 have been filed with Canadian securities regulatory authorities and will be made available under the Company's profile at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.crownpointenergy.com](http://www.crownpointenergy.com). All amounts are in Canadian '\$' unless otherwise stated.

### **HIGHLIGHTS**

- **Tierra del Fuego Concessions Extended** – Approval of ten year extensions to November 2026 received.
- **Ten Well Initial Tierra del Fuego Drilling Program Planned** – Drilling operations expected to commence in Q1 2014.
- **Cerro de Los Leones Oil Exploration Drilling Target Selected** – Crown Point plans to drill an exploration well in Q1 2014 on the La Hoyada prospect. This is the western structure of the two separate structures that have been identified on the recent 3-D seismic program. The well will target multiple conventional formations on the same producing structural trend which is productive immediately to the south of Cerro de Los Leones.
- **Argentina New Gas Incentive Program** - On August 16, 2013, Crown Point submitted to the Argentine Government its formal proposal for participation in the New Gas Program announced by the President of Argentina. Finalization of the New Gas Program structure and terms and the approval of program applications has not yet occurred.

The New Gas Program is designed to encourage and compensate gas producers by paying cash compensation to companies who increase production above a corporate base production rate provided that their natural gas production remains at or above a negotiated committed level of production.

- **Petro Plus Credits** - During the nine months ended September 30, 2013, the Company received proceeds of US\$2.8 million for the sale of Petroleo Plus Credits. Crown Point received an additional US\$1.0 million of proceeds in October 2013 and expects to receive US\$2.4 million of proceeds in December 2013 for recently approved certificates relating to 2011 and 2012 production. The Company also has US\$2.0 million of outstanding certificates relating to the remainder of 2012 and 2013 production and reserves.
- **Argentina and Repsol SA Reach Preliminary Accord on Compensation for the Nationalisation of YPF** – Repsol SA announced that they have reached a preliminary agreement with the Argentina Government for the compensation payable for the 2012 nationalization by the Argentine Government of Repsol SA's 51-per-cent stake in YPF. Depending on the confirmation and finalization of terms and conditions, any agreement intended to resolve the dispute between Argentina and Repsol SA is expected to be positive for the oil and gas industry in Argentina. Any progress made with Repsol SA would be key to unlocking foreign investment in the energy sector and critical in helping reverse the country's declining energy production trend and reducing the existing energy deficit over the midterm.

In turn, new foreign direct investment would help to mitigate the drain of international reserves, which is a top priority for the Argentine government.

## FINANCIAL AND OPERATING RESULTS

Results for the three and nine months ended September 30, 2013 include:

- **Average Sales Volumes:** 1,730 BOEPD and 1,841 BOEPD for the three month and nine month periods ended September 30, 2013, as compared to 1,888 BOEPD and 857 BOEPD for the comparative three and nine month periods ended August 31, 2012<sup>(1)</sup>, respectively, and 2,053 BOEPD for the four month period ended December 31, 2012.
- **Operating Netback per BOE:** \$13.23 and \$14.16 for the three and nine month periods ended September 30, 2013, as compared to \$14.12 and \$19.03 for the comparative three and nine month periods ended August 31, 2012<sup>(1)</sup>, respectively, and \$15.65 for the four month period ended December 31, 2012. As Tierra del Fuego volumes, which include a large percentage of natural gas and earn a lower operating netback than oil sales volumes from the El Valle area, are only included in the June 1 to August 31 portion of the nine months ended August 31, 2012, the operating netback is higher for the nine months ended August 31, 2012.
- **Funds Flow From (Used By) Operations:** \$2.5 million and \$6.0 million for the three and nine month periods ended September 30, 2013, as compared to \$0.3 million and \$(0.7) million for the comparative three and nine month periods ended August 31, 2012<sup>(1)</sup>, respectively, and \$2.57 million for the four month period ended December 31, 2012.

	Three months ended		Nine months ended		Four months ended
	September 30	August 31	September 30	August 31	December
	2013	2012	2013	2012 <sup>(1)</sup>	2012
Total sales volumes (BOE)	159,201	173,696	502,461	234,697	250,411
Average daily sales volumes (BOEPD)	1,730	1,888	1,841	857	2,053
Oil and gas revenue	\$ 5,038,144	\$ 4,914,604	\$ 16,884,284	\$ 8,894,257	\$ 8,206,914
Royalties	(990,186)	(989,844)	(3,208,494)	(1,950,365)	(1,460,984)
Operating costs	(1,941,923)	(1,471,908)	(6,558,892)	(2,478,484)	(2,825,897)
Operating netback	\$ 2,106,035	\$ 2,452,852	\$ 7,116,898	\$ 4,465,408	\$ 3,920,033
Per BOE					
Oil and gas revenue	\$ 31.65	\$ 28.29	\$ 33.60	\$ 37.90	\$ 32.77
Royalties	(6.22)	(5.70)	(6.39)	(8.31)	(5.83)
Operating costs	(12.20)	(8.47)	(13.05)	(10.56)	(11.29)
Operating netback	\$ 13.23	\$ 14.12	\$ 14.16	\$ 19.03	\$ 15.65

(1) Financial and operating results for the nine month period ended August 31, 2012 only include results from the Tierra del Fuego area from May 28 to August 31, 2012 as the Company's interests in the area were not acquired until May 28, 2012.

## EXPLORATION, DEVELOPMENT AND DRILLING PLANS

### Tierra del Fuego, Argentina

The Company's 25.78% working interest in the Tierra del Fuego ("TDF") area of Argentina covers approximately 489,000 acres (126,000 net acres) in the Austral Basin and includes the Las Violetas, Angostura Sur and Rio Cullen Exploitation Concessions (the "TDF Concessions"). The TDF Concessions are high quality, natural gas weighted assets possessing the capability to deliver increased levels of production and reserves in an expected increasing natural gas price market.

Crown Point and its partners have defined the first ten drilling locations on the Las Violetas Exploitation Concession. Eight of the proposed wells are development locations in the Las Flamencos pool. These

locations are proximal to existing infrastructure and management believes that these wells could be completed and placed on production in a relatively short time frame. The remaining two proposed wells are exploration locations on undrilled fault bounded blocks which are on trend with producing wells. Successful drilling results on these exploration wells may prove up additional development drilling locations.

Negotiations to obtain a long term contract for a drilling rig for TDF are in an advanced stage.

### **Cerro de Los Leones, Neuquén Basin, Argentina**

The Company's 100% interest in the Cerro de Los Leones Exploration Concession covers approximately 306,646 acres in the Mendoza portion of the Neuquén Basin.

Crown Point has identified and selected drilling co-ordinates on two separate 3-D seismically defined structural features on its Cerro de Los Leones Exploration Concession. These two structural features are the northward extensions of producing structural trends on the adjacent concessions to the south of Cerro de Los Leones.

Geologic and reservoir modeling work has been completed to determine the resource and economic potential of both structures. Well bore design has been completed, costing and pre drilling logistics are in progress.

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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 the Golfo San Jorge, Neuquén and Austral basins in Argentina. 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.

### **Advisory**

*Certain Oil and Gas Disclosures: Barrels of oil equivalent ("BOE") may be misleading, particularly if used in isolation. A BOE conversion ratio of six thousand cubic feet (6 Mcf) to one barrel (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. 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. "BOEPD" means barrels of oil equivalent per day. "3-D" means three dimensional.*

*Non-IFRS Measures: This press release discloses “funds flow from operations” and “operating netbacks”, which do not have standardized meanings under International Financial Reporting Standards (“IFRS”) and as such may not be comparable with the calculation of similar measures used by other entities. Funds flow from operations should not be considered an alternative to or more meaningful than, cash flow from operating activities as determined in accordance with IFRS as an indicator of the Company’s performance. Management uses funds flow from operations to analyze operating performance and considers funds flow from operations to be a key measure as it demonstrates the Company’s ability to generate cash necessary to fund future capital investment. A reconciliation of funds flow from operations to cash flow from operating activities is presented in the MD&A. Operating netbacks are calculated on a per unit basis as oil, natural gas and natural gas liquids revenues less royalties, transportation and operating costs. Management believes this measure is a useful supplemental measures of the Company’s profitability relative to commodity prices.*

*Forward looking information: Certain information set forth in this document, including: (i) with respect to Petro Plus Credits: our expectation to receive additional proceeds for the sale of Petro Plus Credits and the timing thereof; (ii) with respect to the preliminary agreement between Repsol SA and the Argentine Government: the expected benefits to the Argentine oil and gas industry and the expected increase in foreign investment; (iii) with respect to our TDF Concessions: our belief that our interests in the area possess the capability of delivering increased levels of production and reserves in an expected increasing natural gas price market; our expectations about timing of obtaining a drilling rig for the drilling program in the TDF area; the expected details of the targets, number of wells and timing of our drilling program in the TDF area; and our expectation that the wells drilled could be completed and placed on production in a relatively short time frame; and (iv) with respect to our Cerro de Los Leones Exploration Concession: our expectations as to the drilling targets and structural features to be tested by the Company’s proposed drilling; is considered forward-looking information, and necessarily involve risks and uncertainties, certain of which are beyond Crown Point’s control. Such risks include but are not limited to: risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation; risks associated with operating in Argentina, including risks of changing government regulations (including the adoption of, amendments to, or the cancellation of government incentive programs or other laws and regulations relating to commodity prices, taxation, currency controls and export restrictions, in each case that may adversely impact Crown Point), expropriation/nationalization of assets, price controls on commodity prices, inability to enforce contracts in certain circumstances, the potential for a sovereign debt default, and other economic and political risks; loss of markets and other economic and industry conditions; volatility of commodity prices; currency fluctuations; imprecision of reserve estimates; environmental risks; competition from other producers; inability to retain drilling services; incorrect assessment of value of acquisitions and failure to realize the benefits therefrom; delays resulting from or inability to obtain required regulatory approvals; the lack of availability of qualified personnel or management; stock market volatility and ability to access sufficient capital from internal and external sources; and economic or industry condition changes. Actual results, performance or achievements could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any events anticipated by the forward-looking information will transpire or occur, or if any of them do, what benefits that Crown Point will derive therefrom. In addition, the information relating to reserves is deemed to be forward-looking information, as such information involves the implied assessment, based on certain estimates and assumptions, that the reserves described can be economically produced in the future. With respect to forward-looking information contained herein, the Company has made assumptions regarding: the impact of increasing competition; the general stability of the economic and political environment in which the Company operates; the timely receipt of any required regulatory approvals; the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the costs of obtaining equipment and personnel to complete the Company’s capital expenditure program; the ability of the operator of the projects which the Company has an interest in to operate the field in a safe, efficient and effective manner; the ability of the Company to obtain financing on acceptable terms when and if needed; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration activities; the timing and costs of pipeline, storage and facility construction and expansion and the ability of the Company to secure adequate product transportation; future oil and natural gas prices; currency, exchange and*

*interest rates; the regulatory framework regarding royalties, commodity price controls, import/export matters, taxes and environmental matters in Argentina; and the ability of the Company to successfully market its oil and natural gas products. Additional information on these and other factors that could affect Crown Point are included in reports on file with Canadian securities regulatory authorities, including under the heading "Risk Factors" in the Company's annual information form, and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)). Furthermore, the forward-looking information contained in this document are made as of 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 information, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable securities law.*

***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.***