

FOR IMMEDIATE RELEASE  
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CWV: TSX.V

## **Crown Point Provides Update on Development and Exploration Program**

**TSX-V: CWV: Crown Point Energy Inc. (“Crown Point” or the “Company”)** today provided an update on its 14-well development, exploration and recompletion program at its Tierra del Fuego (“TDF”) concessions in Argentina, in which Crown Point has a 25.78% working interest.

“The latest update provides further evidence that we are able to increase TDF production as our drilling program brings new volumes on stream,” said Murray McCartney, CEO of Crown Point. “We intend to report results from more of our wells in the next few weeks.”

The 14-well program is focused on the Las Violetas concession, one of Crown Point’s three TDF concessions. The program consists of drilling eight new development wells and the fracking and recompletion of four existing wells in the Los Flamencos gas pool, plus two exploration wells, one near the San Luis gas plant and one on the Puesto Quince prospect. Crown Point’s priority is to have as many of the newly drilled wells and the recompleted wells as possible tied in and on production during the fourth quarter of 2014.

### **Details on development well LFE-1002**

As noted in a prior press release, LFE-1002 flowed gas from the Springhill sand formation during an eight hour production test at an average gross rate of 3.0 million cubic feet (“mmcf”) of gas per day and flowed liquids at an average gross rate of 213 barrels per day of oil (44 API) and 67 barrels per day of treatment fluid. Total gross production during the eight-hour test was 0.9 mmcf of gas and 95 barrels of liquids comprised of 75% oil and 25% treatment fluid at an average flowing pressure of 327 psi. Crown Point cautions that test results are not necessarily indicative of long-term performance of the well or of ultimate recovery of hydrocarbons.

Necessary government approvals to lay a gas line from the well head to field facilities have been issued and field work has commenced to place the well on production.

LFE-1002 was drilled to a final total depth of 2,280 metres, logged and cased with a 10 metre gross Springhill sand section. The well was completed and fracked with 92 tonnes of sand.

### **Details on development well LF-1027**

As noted in a prior press release, LF-1027 was drilled to a final total depth of 2,242 metres, logged and cased with a 16 metre gross Springhill sand formation, and subsequently completed and fracked with 90 tonnes of sand. The well was tied into field facilities on November 15 and production tested for ten hours through a separator on November 16. During the production test it flowed gas and liquids at an average gross rate of 2.77 mmcf of gas per day and an average gross rate of 55 barrels per day of oil (41 API) and 18 barrels per day of treatment fluid respectively. Total gross production during the ten-hour test was 1.16 mmcf of gas and 30.5 barrels of liquids comprised of 23 barrels of oil and 7.5 barrels of treatment fluid at an average flowing pressure of 182 psi. LF-1027 is now on production.

### **Update on exploration program**

SL x-1003, the first of two exploration wells, was drilled to a depth of 2,207 metres and cased on

November 11 as a potential Springhill gas well. Completion and testing equipment has arrived at the well site and completion operations commenced on November 19. The well is located approximately 2.6 km from the San Luis Gas Plant and was drilled to evaluate the potential of the Springhill sandstones on a separate fault block adjacent to the San Luis Springhill gas pool.

The drill rig has moved to the second exploration well site, PQx -1001, to evaluate the Springhill formation in the Puesto Quince Prospect. Drilling operations are scheduled to begin this weekend.

### **Realized Benefits Expected in the Fourth Quarter**

Crown Point expects a positive impact on its TDF operating results starting in the fourth quarter of 2014 from the new production from this 14-well program, especially when combined with the effects of improving natural gas prices so far in the quarter compared with the fourth quarter of 2013.

As disclosed in October, two other wells have recently been placed on production: LF-1024, a development well, and LFa-1003, a newly recompleted well that had previously been suspended in 2012 due to low flow rates.

- LF-1024 was drilled to a total depth of 2,200 metres. This well was logged and cased with a 13.5 metre gross Springhill sand section and has been completed and fracked with 93 tonnes of sand. The well was tied in on October 7, 2014. A production control on November 8 recorded a gross average flow rate of 3.0 mmcf of gas per day and 30 barrels of oil per day at a flowing well head pressure of 754 psi.
- LFa-1003 has a 6.5 metre perforated Springhill sand section and was recompleted and fracked with 52 tonnes of sand. The well was placed back on production on October 1, 2014 at an average gross rate of 0.6 mmcf of gas per day. A production control conducted on November 15 indicated that the well is producing at an average gross rate of 1.1 mmcf of gas per day and 10 barrels of oil per day at a flowing well head pressure of 169 psi.
- Of the other three recompletions, all have been fracked and one (LF-1013) is waiting on post frack clean out operations which Crown Point expects to be completed prior to year-end. Of the two wells that have been cleaned out,
  - LFE.x-1 has a 16.5 metre perforated Springhill sand section and was recompleted and fracked with 57 tonnes of sand. The well was placed on production on October 27. The latest production control carried out on November 8 recorded a gross average flow rate of 0.3 mmcf of gas per day at a flowing well head pressure of 128 psi.
  - Laz.x-2 has a 6.5 metre perforated Springhill sand section and was recompleted and fracked with 93 tonnes of sand. The well has been swabbed and flowed gas intermittently at low pressure rates. The well is suspended and under review.

Of the other two development wells drilled to date, one (LF-1008) awaits testing after having been cased, completed and fracked as a potential Springhill gas well, and one (LF-1028) was cased as a potential Springhill gas well but due to borehole conditions could not be successfully cemented. This well remains suspended and may be re-entered at a later date for remedial work. Three other development wells remain to be drilled during the fourth quarter and early 2015.

The Company believes market conditions will continue to have a positive impact on oil and natural gas prices as there is not sufficient hydrocarbon production in Argentina to meet the demand for energy consumption in the country. The Company also expects to realize benefits from its approved participation in the New Gas Subsidy Program. This new hydrocarbon subsidy program provides an incentive for producers to effectively earn higher gas prices for increases in natural gas production above base production levels.



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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 Alberta, Canada, trading on the TSX Venture Exchange and operating in South America. Crown Point's exploration and development activities are focused in the Austral and Neuquén 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**

*Forward looking information: Certain information set forth in this document, including: our expectation that the Company will be able to increase production as its drilling program brings new volumes on stream; expectations with respect to the timing of announcing further drilling and completion results; Crown Point's priority is to get as many as possible of the newly drilled wells and the recompleted wells tied in and on production during the fourth quarter of 2014; the Company's expectation that drilling operations at PQx -1001 are scheduled to begin this weekend; the Company's expectation with respect to a positive impact on its TDF operating results starting in the fourth quarter of 2014 from the new production from its 14-well program (including when combined with the effects of improving natural gas prices); Crown Point's expectation that LF-1013 will be completed prior to year-end; the Company's expectation that three development wells may be drilled during the fourth quarter and early 2015; our belief that market conditions will continue to have a positive impact on oil and natural gas prices as there is not sufficient hydrocarbon production in Argentina to meet the demand for energy consumption in the country; our expectation to realize benefits from our approved participation in the New Gas Subsidy Program, and the details of such program; and our strategy to focus on establishing a portfolio of producing properties plus production enhancement and exploration opportunities to provide a basis for future growth; is considered forward-looking information, and necessarily involve risks and uncertainties, certain of which are beyond our 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 us), expropriation/nationalization of assets, price controls on commodity prices, inability to enforce contracts in certain circumstances, the potential for a sovereign debt default or a hyperinflationary economic environment, and other economic and political risks; risks that third party operators will not*

*operate in projects where we have an interest in a safe, efficient and effective manner; risks that third parties will not satisfy their contractual obligations; 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; 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 so, what benefits that we will derive therefrom. With respect to forward-looking information contained herein, we have made assumptions regarding: the impact of increasing competition; the general stability of the economic and political environment in Argentina; the timely receipt of any required regulatory approvals; our ability 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 our capital expenditure program; the ability of the operator of the projects in which we have an interest to operate the field in a safe, efficient and effective manner; our ability 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 our ability 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 our ability to successfully market our oil and natural gas products. Additional information on these and other factors that could affect us are included in reports on file with Canadian securities regulatory authorities, including under the heading "Risk Factors" in our annual information form, and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)). Furthermore, the forward-looking statements contained in this document are made as of the date of this document, and we do not undertake any obligation to update publicly or to revise any of the forward looking statements, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable securities law.*

*Initial Production Rates: Any references in this news release to production rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter. Additionally, such rates may also include recovered "load oil" fluids used in well completion stimulation. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company. Initial production rates may be estimated based on other third party estimates or limited data available at this time. Well-flow test result data should be considered to be preliminary until a pressure transient analysis and/or well-test interpretation has been carried out. In all cases in this news release initial production results are not necessarily indicative of long-term performance of the relevant well or fields or of ultimate recovery of hydrocarbons.*

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