

FOR IMMEDIATE RELEASE  
October 15, 2012

CWV: TSX.V

**Crown Point Energy Inc. provides Operational Update on recent drilling and completion programs at El Valle and Tierra del Fuego as well as an operational update for Cerro de los Leones and other projects.  
Calgary, Canada**

Crown Point Energy Inc. (TSX-V:CWV) ("Crown Point" or "the Company") advises that significant progress has been made in plans to develop its 690,000 net acres of land:

- **Crown Point's average daily production over July and August increased to 2,070 BOED.**
- **Cerro de los Leones: (CWV: 100% WI) Crown Point's 122 km-2D and 160 km2-3D Seismic Program has commenced data acquisition**
- **Tierra del Fuego: (CWV: 25.78% WI) a successful five well fracture stimulation program has resulted in the addition of 7 mmcf/d of gross new gas production of which a 4 mmcf/d portion is the higher priced Gas Plus production**
- **El Valle: (CWV:80% WI) a six well drilling program has yielded five producing oil wells and one future water injection well.**
- **El Valle: field electrification program is nearing completion.**

## **PRODUCTION UPDATE**

Crown Point's net daily production during July and August of 2012 has averaged 2,070 Boed comprised of 1,630 Barrels of oil equivalent from Tierra del Fuego and 440 barrels of oil from El Valle.

## **CERRO DE LOS LEONES CONCESSION – Neuquén Basin, Mendoza**

Crown Point's Cerro de los Leones seismic program commenced in August as necessary permits were obtained. The initial phase of the program was to re-condition existing access roads and tracks so as to enable the seismic crews to effectively access the property. The Seismic program is comprised of 122 km of 2D seismic and 160 km2 of 3D seismic. The majority of the 2D program has been shot and is in for processing. Data acquisition on the 160 km2 3D program which focuses on structural features and the Vaca Muerta in the southern portion of the Concession is expected to commence at the end of October. We anticipate that recording will be completed in November and will be processed immediately upon program completion with interpretation and drilling location selection following in sequence.

## **LAS VIOLETAS, ANGOSTURA SUR, RIO CULLEN CONCESSIONS, Austral Basin, Tierra del Fuego**

The bulk of Crown Point's production and reserves are located on the Las Violetas Concession. Crown Point's net production at Tierra del Fuego for July and August has averaged 1,630 boed which is comprised of net 7.76 mmcf/d of gas and 321 bbl/day of oil and liquids. This reflects a 15% increase in production resulting from a pre-Argentine winter fracture stimulation program carried out on five wells on the Las Flamencos gas pool. This fracture program targeted wells eligible to receive higher prices under the Gas Plus incentive program. As a result of the fracture program, gross gas production increased by 7 mmcf/d of which 4 mmcf/d is eligible for the higher Gas Plus field pricing of \$4.10/mcf.

The ten year extension agreements (extending the termination date of the three concessions to 2026) negotiated earlier in the year with the provincial government of Tierra del Fuego, have been signed by the Governor and are waiting for ratification by the Provincial Legislature. Timing of the completion of this process is expected prior to year's end. Once the extension agreements have been ratified by the Provincial Legislature, a multi-well drilling program focussing on new Gas Plus Production and Reserves is planned to commence in 2013 on the Los Violetas concession. The company also plans to acquire 3-D seismic on the Angostura Sur and Rio Cullen concessions during 2013. Crown Point's Tierra del Fuego concessions are high quality natural gas weighted assets possessing the capability to deliver increased levels of production and reserves in an increasing natural gas price market.

## **EL VALLE Concession, San Jorge Basin, Santa Cruz**

### **Drilling and Completion update**

Crown Point has completed a six well drilling program at El Valle, resulting in five new oil wells and one suspended well. This drilling program has extended the size of two existing oil pools and discovered a new oil pool in the southern central part of the concession. Close proximity to electricity has allowed two of the new wells to utilize a new type of progressive cavity pump (HRPCP Progressive Cavity pump) which has technology that enables it to handle high GOR (gas/oil ratio) oil more efficiently.

There is an extended break-in period where the pump has to be run at the bottom of its RPM range, but once this period is over the ability to speed the pumps up for additional volumes may become available provided the well maintains high fluid levels. At present both of the wells are producing 80 barrels/day of oil each. Ongoing monitoring of fluid levels in the two HRPCP equipped wells indicated that up to an additional 30 barrels/day per well may be obtained from increased speeds of the pumps. An added benefit of the pumps is that they cost one half of the price of a conventional pump jack and frequently have lower operating costs.

### **South Eastern Area of El Valle**

Crown Point has now drilled six wells into a seismically mapped Cañadon Seco oil pool. The first three wells which were drilled in the 2011 drilling program are EV 23, EV 26 and EV 31; all of these wells were successfully completed in a correlated section in the middle Cañadon Seco sand and have collectively produced 113,000 net barrels of oil (80% WI). In the latest drilling program Crown Point drilled three more wells into the pool; all of these wells were completed in the same middle Cañadon Seco sand that has been correlated between all the wells.

This correlation is encouraging and indicative of an oil pool of significant size. As expected, the new wells encountered a slightly pressure depleted reservoir indicative of connectivity with the prior year's wells. The larger pool size is supported by geological and seismic mapping as does the lack of a defined water contact in the reservoir. Crown Point has mapped additional drilling locations in this pool and a secondary recovery scheme is in the early conceptual planning stage. Waterflood secondary recovery schemes are in wide spread use throughout the San Jorge Basin and generally demonstrate improved rates of production and higher ultimate recoveries of oil in place.

### **Southern Central Area of El Valle**

Crown Point followed up last year's successful EV 24 and EV 27 wells, which were drilled into an untested fault controlled trap. These wells were completed in the Cañadon Seco and Mina el Carmen formations and have produced to date approximately 40,000 barrels of oil. In the latest drilling campaign two wells, EV 28 and EV 32, were drilled to the west and east respectively of the producing wells. The successful EV 28 well did indeed push the pool boundary further to the west and has tested oil from the Cañadon Seco, Caleta Olivia and Mina el Carmen formations. The EV 32 well, which was drilled at a structurally lower level as compared to EV 27, encountered the water leg to the pool. Crown Point has mapped two additional drilling locations to the west of EV 28.

EV-38x is a new pool discovery north of the EV 28 and EV 32 wells. This is a new pool discovery well drilled into an untested fault controlled trap. This well encountered hydrocarbons in three different zones (totalling 7 metres) in the Cañadon Seco formation. Crown Point has mapped several additional drilling locations to the west and east of the well. This well had one of the HRPCP pumps installed and is completing its break in period.

### **Electrical Installation**

The installation of 10.4 kVa (medium tension) electrical lines to the southern portion of the Concession will be completed in October. The program includes the installation, testing and energization of lines to the edge of Crown Point well sites and changing all the pump jack motors currently operating with natural gas powered motors to electric motors.

The benefits of the project will include the ability to install high volume progressive cavity pumps which handle high GOR oil more efficiently, better operational efficiencies due to more consistent rates of production and provide power for expanded facilities at reduced operating costs. Electricity will also permit the installation of surface measuring equipment as well as downhole monitoring to better evaluate production conditions and reservoir characteristics

For inquiries please contact:

Murray D. McCartney,  
President & CEO  
Ph: (403) 232-1150  
Crown Point Energy Inc.  
mmccartney@crownpointenergy.com

Arthur J.G. Madden  
Vice-President & CFO  
Ph: (403) 232-1150  
Crown Point Energy Inc.  
amadden@crownpointenergy.com

Brian J. Moss  
Executive Vice-President & COO  
Ph: (403) 232-1150  
Crown Point Energy Inc.  
bmoss@crownpointenergy.com

Website: [www.crownpointventures.ca](http://www.crownpointventures.ca)

### **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.

### **Advisories**

#### **Forward-Looking Statements**

*Certain information regarding Crown Point set forth in this document may constitute forward-looking statements under applicable securities laws and necessarily involve substantial known and unknown risks and uncertainties, including information relating to the following: Crown Point's exploration and development plans on its Cerro de los Leones concession, including the timing for completing its seismic program and recording and processing data obtained therefrom; Crown Point's exploration and development plans on its Los Violetas, Angostura Sur and Rio Cullen concessions, including the timing for obtaining approvals of the extension agreements for the concessions, the timing for commencing a drilling program on the Los Violetas concession and the details thereof, the intention to conduct a 3D seismic program on the Angostura Sur and Rio Cullen concessions and the timing thereof, and the ability of these concessions to deliver increased levels of production and reserves in an increasing natural gas price market; Crown Point's exploration and development plans on its El Valle concession, including the potential benefits of newly installed progressive cavity pumps (including their ability to increase production volumes), Crown Point's belief that it has found an oil pool of significant size in the South Eastern area of the concession, the possibility of utilizing a secondary recovery scheme that could improve rates*

*of production and recovery rates, and the timing for completing the electrification of the southern portion of the concession and the benefits to be derived therefrom. These forward-looking statements are based on numerous assumptions including but not limited to the following: drilling success, expectations with respect to future production levels, future capital expenditure levels, expectations of cash flow from operating activities, commodity prices, costs associated with capital expenditures, the availability of personnel and equipment when expected, the timely receipt of applicable regulatory and other governmental approvals, and the continuance of existing laws and regulations. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond Crown Point's control, including without limitation, risks associated with the following: oil and gas exploration, development, exploitation, production, marketing and transportation, loss of markets, volatility of commodity prices, environmental risks, inability to obtain drilling rigs or other services, capital expenditure cost increases, including drilling, completion and facility costs, unexpected decline rates in wells, wells not performing as expected, delays resulting from or inability to obtain required regulatory approvals, ability to access sufficient capital from internal and external sources, the impact of general economic conditions in Canada, Argentina, the United States and overseas, industry conditions, changes in laws and regulations (including the adoption of new environmental laws and regulations and changes to tax laws) and changes in how they are interpreted and enforced, political risks (including the risk of the expropriation of the Company's assets), increased competition, the lack of availability of qualified personnel or management, fluctuations in foreign exchange or interest rates, and stock market volatility. Readers are cautioned that the foregoing list of factors is not exhaustive. 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 the Company will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive. All forward-looking statements, whether written or oral, attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. 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.crownpointventures.ca](http://www.crownpointventures.ca)). 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 of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.*

#### **Oil and Gas Disclosures**

*Barrels of oil equivalent (boes) 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.*

#### **TSX Venture Exchange**

*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.*