CROWN POINT VENTURES LTD.

ANNUAL INFORMATION FORM

For the year ended August 31, 2011

Dated: February 27, 2012

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ABBREVIATIONS

Crude Oil and Natural Gas Liquids		**Natural Gas**	
Bbls	barrels	Mcf	thousand cubic feet
Bbls/d	barrels per day	Mmcf	million cubic feet
Mbbl	thousand barrels	Bcf	billion cubic feet
BOE	barrels of oil equivalent of natural gas, on the basis of 1 BOE for 6 Mcf of natural gas	Mcfe	thousand cubic feet equivalent, on the basis of 1 barrel to 6 thousand cubic feet
MBOE	thousands of barrels of oil equivalent	Mcf/d	thousand cubic feet per day
MmBOE	millions of barrels of oil equivalent	Mmcf/d	million cubic feet per day
BOE/d	barrels of oil equivalent per day	GJ	gigajoule
Bopd	barrels of oil per day	GJs/d	gigajoules per day
NGLs	natural gas liquids	btu	British thermal unit
stb	standard stock tank barrel	mmbtu	million British thermal units

Other

AECO	The natural gas storage facility located at Suffield, Alberta
API	American Petroleum Institute
°API	an indication of the specific gravity of crude oil measured on the API gravity scale
m^3	cubic metres
$000s or $M	thousands of dollars
NGLs	natural gas liquids
WTI	West Texas Intermediate, the reference price paid in U.S. dollars at Cushing, Oklahoma for crude oil of standard grade

CONVERSION

The following table sets forth certain standard conversions from Standard Imperial units to the International System of Units (or metric units).

To Convert From	**To**	**Multiply By**
Mcf	thousand cubic metres ("10^3m^3")	0.0282
thousand cubic metres	Mcf	35.494
Bbls	cubic metres ("m^3")	0.159
cubic metres	Bbls	6.290
feet	metres	0.305
metres	feet	3.281
miles	kilometres	1.609
kilometres	miles	0.621
acres	hectares	0.405
hectares	acres	2.471

GLOSSARY OF TERMS

Unless the context otherwise requires, the following terms shall have the respective meanings set out below when used in this annual information form:

"**3-D**" means three dimensional;

"**AIF**" means this annual information form;

"**BCBCA**" means *Business Corporations Act* (British Columbia), including the regulations promulgated thereunder, as amended from time to time;

"**Board of Directors**" or "**Board**" means the board of directors of the Corporation;

"**Canadian GAAP**" means Canadian generally accepted accounting principles;

"**Cañadón Ramirez Concession**" means Crown Point's exploitation concession in the CGSA-13 Cañadón Ramirez area of the Golfo San Jorge basin of Argentina;

"**CanAmericas**" means CanAmericas (Argentina) Energy Ltd.;

"**Cerro Los Leones Permit**" means Crown Point's exploration permit in the Cerro Los Leones area of the Neuquén basin of Argentina;

"**Common Shares**" means the common shares in the capital of Crown Point;

"**Corporation**" or "**Crown Point**" means Crown Point Ventures Ltd.;

"**Crown Point Argentina**" means Crown Point Oil & Gas S.A.;

"**El Valle Area**" means Crown Point's interests in the El Valle area of the Golfo San Jorge basin of Argentina pursuant to the El Valle UTE;

"**El Valle Assignment and Transfer Agreement**" has the meaning ascribed to such term under the heading "*Description of the Business – Principal Properties – El Valle*";

"**El Valle Drilling and Option to Drill Agreement**" has the meaning ascribed to such term under the heading "*General Developments of the Business – Three Year History – Fiscal Year Ended August 31, 2010*";

"**El Valle UTE**" means the UTE dated August 14, 1991 originally among Formicruz, Conipa S.A., Ingenrieria Alpa S.A., Ecofisa S.A. and Rio de la Plata S.R.L., as amended and assigned from time to time;

"**Finder's Options**" shall have the meaning ascribed to such term under the heading "*General Development of the Business - Three Year History - Fiscal Year Ended August 31, 2010*";

"**Finder's Units**" shall have the meaning ascribed to such term under the heading "*General Development of the Business - Three Year History - Fiscal Year Ended August 31, 2010*";

"**Fomicruz**" means Fomento Minero de Santa Cruz Sociedad del Estrado, a state owned company of the Province of Santa Cruz, Argentina;

"**GCA**" means Gaffney, Cline & Associates Inc.;

"**GCA Report**" means the reserves report dated effective August 31, 2011 as prepared by GCA;

"**Laguna de Peidra Permit**" means Crown Point's exploration permit in the Laguna de Piedra area of the Neuquén basin of Argentina;

"**NI 51-101**" means National Instrument 51-101 S*tandards of Disclosure for Oil and Gas Activities*;

"**NI 51-102**" means National Instrument 51-102 *Continuous Disclosure Obligations*;

"**Preferred Shares**" means the Class "A" preferred shares in the capital of Crown Point with a par value of $1.00 each;

"**Series A Warrants**" shall have the meaning ascribed to such term under the heading "*General Development of the Business - Three Year History - Fiscal Year Ended August 31, 2010*";

"**Series B Warrants**" shall have the meaning ascribed to such term under the heading "*General Development of the Business - Three Year History - Fiscal Year Ended August 31, 2010*";

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators; and

"**TSXV**" means the TSX Venture Exchange;

"**YPF**" means Yacimientos Petroliferos Fiscales S.E.;

"**Units**" shall have the meaning ascribe to such term under the heading "*General Developments of the Business – Three Year History – Fiscal Year Ended August 31, 2010*"; and

"**UTE**" or "**Union Transitoria de Empresas**" means a registered joint venture contract established under the laws of Argentina.

Certain other terms used herein but not defined herein are defined in NI 51-101 and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101.

CONVENTIONS

In this AIF, unless otherwise noted, all dollar amounts are expressed in Canadian dollars and references to "$" and "CAD$" are to Canadian dollars. References to "US$" are to United States dollars.

Disclosure provided herein in respect of BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of 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.

Unless otherwise specified, information in this AIF is presented as at August 31, 2011, being the end of the Corporation's most recently completed financial year.

FORWARD-LOOKING STATEMENTS

This AIF and the documents incorporated by reference herein contain forward-looking information. This information relates to future events or the Corporation'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", or the negative of these terms or other comparable terminology are generally intended to identify forward-looking information. Such information represents the Corporation'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 AIF and the documents incorporated by reference herein 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 AIF contains forward-looking information pertaining to, among other things, timing for bringing production on stream, expectations of production and sales volumes increases, timing for completing workovers, plans to improve production and other field infrastructure, expectations of improved productive capacity and operational efficiencies, expectations of achieving commercial production from certain fields, the Corporation's capital expenditure program including drilling and completion plans, the timing for receiving permits, the sufficiency of existing working capital and cash flow, the Corporation's anticipated acquisition program, plans to develop and grow the Corporation's business, intentions of the Corporation to pursue opportunities that allow the Corporation to take advantage of certain Argentina incentive programs, building the Corporation's Argentina based management and technical team and the use of North American drilling, completion and production technologies and practices into its Argentina operations. The reader is cautioned that such information, although considered reasonable by the Corporation, may prove to be incorrect. Actual results achieved during the forecast period will vary from the information provided in this AIF and in the documents incorporated by reference herein as a result of numerous known and unknown risks and uncertainties and other factors which are discussed in this AIF.

Some of the risks and other factors which could cause actual results to differ materially from those expressed in the forward-looking information contained in this AIF and in certain documents incorporated by reference herein include, but are not limited to:

- 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;
- fluctuations in the price of oil and natural gas, interest and exchange rates;
- governmental regulation of the oil and gas industry, including environmental regulation;
- lack of diversification of the Corporation's interests;
- risks associated with foreign operations, including changes in energy policies or personnel administering them, nationalization, currency fluctuations, exchange and export controls and royalty and tax rates;
- the impact of work disruption and labour unrest on the Corporation'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;
- the uncertainty of reserves estimates and reserves life;
- 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;
- the insufficiency of cash flow to fund operations;

- availability of sufficient financial resources to fund the Corporation's capital expenditures;
- 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 capacity;
- 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 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;
- uncertainty in amounts and timing of royalty payments;
- uncertainties inherent in estimating quantities of oil and natural gas reserves and cash flows to be derived therefrom;
- failure to obtain industry partner and other third party consents and approvals, as and when required;
- stock market volatility and market valuations;
- competition for, among other things, capital, acquisition of reserves, undeveloped land and skilled personnel;
- the availability of capital on acceptable terms; and
- the other factors considered under "*Risk Factors*" in this AIF.

In addition, please note that information relating to reserves is deemed to be forward-looking information, as it 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 or incorporated by reference in this AIF, the Corporation has made assumptions regarding: the impact of increasing competition; the general stability of the economic and political environment in which the Corporation operates; the timely receipt of any required regulatory approvals; the ability of the Corporation 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 Corporation's capital expenditure program; the ability of the operator of the projects which the Corporation has an interest in to operate the field in a safe, efficient and effective manner; the ability of the Corporation 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 Corporation to secure adequate product transportation; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Corporation operates; and the ability of the Corporation 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 AIF and the documents incorporated by reference herein in order to provide readers with a more complete perspective on the Corporation'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 AIF, and the documents incorporated by reference herein, are expressly qualified by this cautionary statement.

This forward-looking information is made as of the date of this AIF, or in the case of documents incorporated by reference herein, as of the dates of such documents, and the Corporation 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.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Corporation was incorporated under the BCBCA on March 16, 1966 under the name "Coin Explorations Ltd. (N.P.L.)". On December 20, 1972, the Corporation altered its Memorandum to change its name to "Matador Developments Ltd." On March 12, 1975, the Corporation altered its Memorandum to effect a five-for-one share consolidation and changed its name to "Betina Resources Inc." On August 16, 1983, the Corporation altered its Memorandum to effect a four-for-one share consolidation and changed its name to "Nevcal Resources Ltd." On December 2, 1986, the Corporation altered its Memorandum to effect a two-for-one share consolidation and changed its name to "Arapahoe Mining Corp." On May 3, 1996, the Corporation altered its Memorandum to effect a five-for-one share consolidation and changed its name to "Salus Resource Corp." On December 4, 1996, the Corporation altered its Memorandum to change its name to "Brandon Gold Corporation". On September 16, 1999, the Corporation altered its Memorandum to effect a two-for-one share consolidation and changed its name to "Redmond Ventures Corp." On March 12, 2002, the Corporation altered its Memorandum to effect a six-for-one share consolidation and changed its name to "Crown Point Ventures Ltd."

The registered office of the Corporation is located at Suite 1710 – 1177 West Hastings Street, Vancouver, British Columbia, V6E 2L3, and its head office is located at Suite 460, 910 - 7th Avenue S.W., Calgary, Alberta, T2P 3N8.

Intercorporate Relationships

The following table provides the name, the percentage of votes attaching to all voting securities of Crown Point's subsidiaries beneficially owned, or controlled or directed, directly or indirectly by Crown Point, and the jurisdiction of incorporation, continuation, formation or organization of Crown Point's subsidiaries as at the date hereof:

	Percentage of securities held (directly or indirectly)	**Jurisdiction of Formation**
Crown Point Oil & Gas S.A.	100%	Argentina
CanAmericas (Argentina) Energy Ltd.	100%	Alberta, Canada

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

Fiscal Year Ended August 31, 2009

On October 3, 2008, Crown Point closed the sale of its Sinclair Field assets in southwestern Manitoba to an arm's-length purchaser for total proceeds, including adjustments, of $6,427,220.

On May 6, 2009, Murray D. McCartney was appointed President, Chief Executive Officer and a director of Crown Point.

Fiscal Year Ended August 31, 2010

On October 7, 2009, Arthur J. G. Madden was appointed Vice-President, Finance and Chief Financial Officer of Crown Point.

In November 2009, Crown Point completed its initial drilling program with respect to the El Valle UTE, which resulted in two producing oil wells and one natural gas well, thereby satisfying its obligations under the El Valle Assignment and Transfer Agreement. As a result, Crown Point earned a 70% interest in the production from the earning wells (after royalties and Fomicruz's carried interest) prior to recovery of the costs of drilling such wells, and 50% thereafter. Pursuant to the El Valle Assignment and Transfer Agreement, all future work on the block including drilling, workovers and recompletions was to be carried out with a 50% working interest.

In January 2010, Crown Point sold its interests located at Daly, Manitoba for gross proceeds of $707,560.

On January 28, 2010, Crown Point Argentina entered into a new agreement (the "**El Valle Drilling and Option to Drill Agreement**") with its working interest partners pursuant to the El Valle UTE (Ingenieria Alpa S.A., Conipa S.A. and Rio De la Plata S.R.L.), which agreement partially replaces the El Valle Assignment and Transfer Agreement. The El Valle Drilling and Option to Drill Agreement provides Crown Point Argentina with the ability to propose and drill new wells. Pursuant to the terms of the El Valle Drilling and Option to Drill Agreement, Crown Point Argentina must fund 100% of the costs associated with any new wells that it proposes to drill (unless the other parties decide to participate in the drilling of such wells) and is entitled to an 80% interest in production from such wells (after royalties and Fomicruz's carried interest) until Crown Point has recovered 300% of the costs associated with development wells (or, to the extent applicable, 500% of the costs associated with exploration wells). Once the production penalty has been paid out, Crown Point Argentina's working interest in any such wells will revert to 50% (after royalties and Fomicruz's carried interest).

On May 5, 2010, Crown Point issued 4,289,334 units of the Corporation (the "**Units**") pursuant to a non-brokered private placement at a price of $0.75 per Unit for aggregate gross proceeds of approximately $3.2 million. Each Unit consisted of one Common Share and one-half of one Common Share purchase warrant (each whole warrant, a "**Series A Warrant**"). Each Series A Warrant is exercisable for one Common Share and one additional Common Share purchase warrant (each whole warrant, a "**Series B Warrant**") at an exercise price of $1.00 per Series A Warrant until two years from the date of issue (subject to acceleration in certain circumstances). Each Series B Warrant is exercisable for one Common Share at an exercise price of $1.50 per Common Share for a period of three years from the date of closing of the issuance of the Units. On June 1, 2010, Crown Point closed the second tranche of the private placement, issuing 1,567,516 Units for additional aggregate gross proceeds of approximately $1.2 million. Pursuant to the private placement, the Corporation granted finder's options (the "**Finder's Options**") to certain parties who assisted the Corporation in locating subscribers for such private placement. Each Finder's Option entitles the holder to purchase one finder's unit (a "**Finder's Unit**") at a price of $0.75 per Finder's Unit for a period of two years from the closing date of the private placement. Each Finder's Unit consists of one Common Share and one-half of a Series A Warrant.

In July 2010, Crown Point commenced its second drilling program under the El Valle Drilling and Option to Drill Agreement in the El Valle Area consisting of three wells targeting oil bearing reservoirs in the Mina el Carmen, Caleta Olivia and the Cañadón Seco. All three wells were successful completed as oil wells by September 2010 and were placed on production by November 2010.

Fiscal Year Ended August 31, 2011

On October 14, 2010, Crown Point entered into an agreement to acquire a 49.9% interest in an approximate 306,646 acre area in the Neuquén Basin in the Province of Mendoza, Argentina pursuant to the Cerro Los Leones Permit. Crown Point's interest in the Cerro Los Leones Permit was acquired from two private Argentina companies for consideration consisting of (i) the reimbursement to the vendors of approximately $1,000,000 ($500,000 net to Crown Point) of exploration and development expenses; and (ii) the grant to the vendors of a 2.5% gross overriding royalty (1.25% net to Crown Point). The terms of the Cerro Los Leones Permit provide for a state royalty of 16% and require the expenditure of US$13.85 million (US$6.91 million net to Crown Point) to be spent on 3-D seismic and drilling of up to five wells over a three-year exploration period (provided such period will not commence until the Corporation receives all necessary regulatory approvals to conduct such work).

On December 14, 2010, Crown Point issued 7,750,594 Common Shares pursuant to a bought-deal private placement and a concurrent non-brokered private placement at a price of $1.55 per Common Share for aggregate gross proceeds of approximately $12 million.

On December 24, 2010, Crown Point issued 1,417,323 Common Shares pursuant to a non-brokered private placement at a price of $1.55 per Common Share for aggregate gross proceeds of approximately $2.2 million.

In January 2011, Crown Point completed the acquisition of CanAmericas. As consideration for the acquisition, the Corporation issued 258,065 Common Shares at a deemed value of $1.85 per Common Share and paid $50,000 in cash. The assets of CanAmericas included a 49% interest in the Cañadón Ramirez Concession and a 25% interest in the Laguna de Piedra Permit. In January 2011, the Corporation also completed a separate asset acquisition from the remaining working interest holders of the Cañadón Ramirez Concession of the other 51% working interest in the Cañadón Ramirez Concession. As consideration for the asset acquisition the Corporation paid US$25,000 in cash and undertook to reimburse certain costs incurred by the vendors. As a result of the two acquisitions, the Corporation now holds a 100% interest in the Cañadón Ramirez Concession and a 50% interest in the Laguna de Piedra Permit. In addition, pursuant to the acquisition the Corporation acquired 190 square kilometres of recently shot high quality 3-D seismic data over the entire Cañadón Ramirez Concession including the Mata Magallanes Oeste and Este fields.

On March 10, 2011, Crown Point issued 12,825,000 Common Shares on a bought-deal private placement basis at a price of $1.95 per Common Share, for aggregate gross proceeds of approximately $25 million.

Crown Point completed a six well drilling program on the El Valle Area as part of its calendar 2011 drilling program. All of the wells were completed as oil wells.

Recent Developments

On October 24, 2011 Crown Point announced the appointment of Carlos Olivieri of Buenos Aires, Argentina as a director of the Corporation.

On December 15, 2011 Crown Point completed a bought deal short form prospectus financing of 13,774,900 Common Shares at a price of $0.95 per Common Share, for aggregate gross proceeds of $13,086,155.

Potential Acquisitions

Crown Point evaluates potential acquisitions of petroleum, natural gas and other energy-related assets and/or companies as part of its ongoing acquisition program. The Corporation is currently in the process of evaluating several potential acquisitions but has not entered into any definitive agreements with respect to such acquisitions. At the current stage of evaluation, it is difficult to determine whether any acquisitions will be completed, or if completed, the terms and timing of such acquisitions. To the extent an acquisition is completed, the Corporation may have to revise its capital expenditure program as the funds spent on the acquisition will not be available for capital expenditures and the Corporation may re-deploy a portion of its capital towards making expenditures on assets acquired pursuant to such acquisition. As a result of proceeding with any acquisition, the Corporation may require additional financing to proceed with planned capital expenditures on its current properties and on any properties acquired pursuant to such acquisitions.

Significant Acquisitions

Crown Point did not complete an acquisition during its most recently completed financial year that was a significant acquisition for the purposes of Part 8 of NI 51-102.

DESCRIPTION OF THE BUSINESS

General

Crown Point is an oil and gas exploration and development company which aims to be an opportunistic exploiter and aggregator of low to medium risk, high growth oil and gas opportunities in Argentina. Crown Point's main assets are the El Valle Area and the Cañadón Ramirez Concession in the Golfo San Jorge basin and the Cerro Los Leones and Laguna de Piedra Permits in the Neuquén basin. The shares of Crown Point trade on the TSX Venture Exchange under the symbol "CWV".

The Corporation is implementing a low risk development program in the El Valle Area and is developing exploitation and exploration upside on the Cerro Los Leones and Laguna de Piedra Permits and on the Cañadón Ramirez Concession, which is expected to provide the Corporation with a visible and well defined growth profile. Crown Point plans to continue with its focus to develop and grow core business units in the Golfo San Jorge and Neuquén basins.

Crown Point's primary focus is on operated high working interest properties with an emphasis on oil maintaining a low to medium risk profile, with a drilling depth range between 1,000 metres to 2,500 metres. While continuing with the development of oil prospects, the Corporation is actively pursuing other gas focused opportunities to take advantage of higher prices obtainable through participation in certain incentive programs in Argentina.

Crown Point intends to continue to develop a strong Argentina based management and technical team. Crown Point's strategy is to combine North American drilling, completion and production technologies and practices into its Argentina operations.

Principal Properties

The following is a description of the material terms and conditions governing the Corporation's rights to explore for and exploit oil and natural gas on it principal properties in Argentina. For additional details about the Corporation's principal properties, including current and planned activities, please see the Corporation's Statement of Reserves Data and Other Oil and Gas Information on Form 51-101F1 effective August 31, 2011, which is incorporated by reference herein and is available on SEDAR at www.sedar.com.

El Valle

The Corporation has a 50% working interest in an approximate 15,864 acre area in the El Valle Area of the Golfo San Jorge basin pursuant to the El Valle UTE. The El Valle Area is located in the south section of the Golfo San Jorge basin in the Province of Santa Cruz, Argentina.

Unlike standard hydrocarbon concessions existing in Argentina, the hydrocarbon mineral rights to the El Valle Area are not vested in any of the private party working interest members of the El Valle UTE, but in the province of Santa Cruz. Originally, the El Valle Area belonged to the Federal State of Argentina through YPF. As part of the deregulation of the industry and YPF privatization in October 1990, YPF and the federal government of Argentina assigned the El Valle Area to the Province of Santa Cruz. In turn, the Province of Santa Cruz delegated the execution and administration of the operations thereon to Fomicruz which then tendered the El Valle Area to private parties through a public bidding process.

The initial award of the El Valle Area was approved by Decree of the Province of Santa Cruz dated August 6, 1991 and the initial El Valle UTE was entered into on August 14, 1991. Various assignments of interests from the original private parties to the El Valle UTE were approved and authorized over time. In consideration for the award, the original private parties to the El Valle UTE paid a cash bonus and further committed and carried out the work program proposed by them for the initial three-year term of the El Valle UTE.

The El Valle UTE provides that 100% of the hydrocarbon mineral rights to the El Valle Area are held by Fomicruz but are contributed by Fomicruz to the El Valle UTE during the entire term of the UTE. Fomicruz also has a 12.25% carried interest under the El Valle UTE. In turn, the private-party group to the El Valle UTE have an 87.75% working interest thereunder, are required to fund Fomicruz's 12.25% carried interest and are entitled to a share of the production equal to their working interest under the El Valle UTE.

Similar to standard exploitation concession holders, the private-party group to the El Valle UTE have the right to freely market and dispose of their working interest share of the hydrocarbons produced from the El Valle Area, after paying the standard monthly 12% production royalties to the Province of Santa Cruz and further tendering to Fomicruz an additional 12.25% of the production on account of its carried interest. The parties to the El Valle UTE also own any assets contributed by them to the El Valle UTE.

In April 2008 Crown Point Argentina was assigned a 50% interest in the El Valle UTE pursuant to an agreement (the "**El Valle Assignment and Transfer Agreement**") with the existing working interest holders of the El Valle UTE. The El Valle Assignment and Transfer Agreement required Crown Point Argentina to fund 100% of the costs associated with the acquisition, interpretation and analysis of approximately 85 square kilometres of 3D seismic data, as well as the drilling of three exploration wells. As consideration for funding such costs, Crown Point Argentina was entitled to a 70% interest in production from the new wells until all the costs for completing the seismic and drilling the wells were recovered. Following recovery of such costs, Crown Point Argentina's interest reverted to a 50% interest (after royalties and Formicruz's carried interest) in production from the El Valle Area.

In January 2010, Crown Point Argentina entered into the El Valle Drilling and Option to Drill Agreement with its working interest partners pursuant to the El Valle UTE, which agreement partially replaced the El Valle Assignment and Transfer Agreement. The El Valle Drilling and Option to Drill Agreement provides Crown Point Argentina with the ability to propose and drill new wells. Pursuant to the terms of the El Valle Drilling and Option to Drill Agreement, Crown Point Argentina must fund 100% of the costs associated with any new wells that it proposes to drill (unless the other parties decide to participate in the drilling of such wells) and is entitled to an 80% interest in production from such wells (after royalties and Fomicruz's carried interest) until Crown Point has recovered 300% of the costs associated with development wells (or, to the extent applicable, 500% of the costs associated with exploration wells). Once the production penalty has paid out, Crown Point Argentina's working interest in the wells will revert to 50% (after royalties and Fomicruz's carried interest).

The El Valle Area is not subject to any mandatory relinquishments of acreage nor any outstanding work commitments other than the work plans submitted by the private-party group to the El Valle UTE to Fomicruz on a yearly basis.

The El Valle UTE has a term of 25 years which will expire on January 17, 2016. Pursuant to the laws of the Province of Santa Cruz, a ten-year extension of the El Valle UTE may be granted under terms to be renegotiated with the Province of Santa Cruz. Provincial laws require that the renegotiation agreement provide for incremental obligations including, among others, the following terms: (i) an extension bonus proportional to the volumes of the proven reserves existing in the area to be extended and historic production volumes, under a formula provided in law; (ii) a minimum 3% additional monthly production royalty; (iii) a monthly fee for extraordinary income (windfall profits tax) consisting of a minimum 20% of the price difference between the hydrocarbons price effectively collected and reference price of hydrocarbons established by the Federal Government under Resolution 394/07 of the National Secretary of Energy; (iv) an exploration and production investment commitment to develop existing exploitation lots; (v) a complementary exploration investment commitment to explore remnant exploration acreage existing in the concession; and (vi) contributions to funds for social infrastructure investment for institutions and for training.

Cañadón Ramirez

The Corporation has a 100% working interest in an approximate 6,325 acre area in the Cañadón Ramirez area of the Golfo San Jorge basin pursuant to the Cañadón Ramirez Concession. The area covered by the Cañadón Ramirez Concession is in the northwest portion of the Golfo San Jorge basin in the Province of Chubut, Argentina.

Originally, the Cañadón Ramirez area belonged to the Federal State of Argentina through YPF. As part of the deregulation of the industry and YPF privatization, the Federal State of Argentina tendered the Cañadón Ramirez Concession to private parties through a public bidding process. The Cañadón Ramirez Concession was initially granted to Roch S.A. and Panan Group S.A. by Presidential Decree dated August 15, 1991. Various assignments of the interests of the original parties to the Cañadón Ramirez Concession were approved and authorized over time. In consideration for the award, the original bidders tendered a cash bonus and undertook to produce during the first three years of the concession not less than 80% of the volumes produced by YPF during the year preceding the effective date of the Cañadón Ramirez Concession. On January 5, 2007, the Province of Chubut assumed the eminent domain, authority and administration of the Cañadón Ramirez Concession which was previously vested in the Federal State of Argentina. Unlike the Province of Santa Cruz, the Province of Chubut has not enacted a comprehensive framework for the renegotiation of exploitation concession extensions and renegotiation terms have been handled by the Province of Chubut on a case by case basis but have included, generally, incremental obligations similar to the ones enacted by the Province of Santa Cruz.

CanAmericas earned a 49% participating interest in the Cañadón Ramirez Concession pursuant to a farmout agreement among CanAmericas, Apco Argentina Inc. (Sucursal Argentina) and Roch S.A. dated January 18, 2007. Crown Point Argentina, in turn, acquired a 51% participating interest in the Cañadón Ramirez Concession under a purchase and sale agreement among Crown Point Argentina, CanAmericas, Apco Oil & Gas International Inc. (Sucursal Argentina) (formerly Apco Argentina Inc. (Sucursal Argentina)) and Roch S.A. dated December 22, 2010.

Applications for authorization of the referred assignments to CanAmericas and Crown Point Argentina were submitted before the Subsecretary of Hydrocarbons of the Province of Chubut and are pending in the ordinary course.

The Cañadón Ramirez Concession has a term of 25 years which will expire in August 2016. A 10-year extension to the Cañadón Ramirez Concession may be granted if Crown Point Argentina is able to successfully renegotiate terms with the Province of Chubut.

The Cañadón Ramirez Concession is not subject to any mandatory relinquishments of acreage nor any outstanding work commitments other than the work plans submitted by the Corporation to the Provincial and Federal governments on a yearly basis.

The Corporation has the right to freely market and dispose of the hydrocarbons lifted from the area, after paying the standard monthly 12% production royalties to the Province of Chubut. In addition, the Corporation is required to pay a yearly surface rent per square kilometre on the acreage covered by the Cañadón Ramirez Concession.

Cerro Los Leones

The Corporation has a 49.9% working interest in an approximate 306,646 acre area in the Cerro Los Leones area of the Neuquén basin pursuant to the Cerro Los Leones Permit. The area covered by the Cerro Los Leones Permit is located in the northern portion of the Neuquén Basin in the Province of Mendoza, Argentina.

Originally, the area covered by the Cerro Los Leones Permit belonged to the Federal State of Argentina; however, the Province of Mendoza acquired the eminent domain over open acreage areas lying in its territory, including the Cerro Los Leones area, under laws enacted on January 5, 2007.

The Cerro Los Leones Permit was initially granted through a bidding process to Compañia General de Combustibles S.A., Petrolera Piedra del Águila S.A. and Desarrollos Energeticos S.A. by Provincial Decree dated May 6, 2008. Pursuant to another Provincial Decree dated December 18, 2008, the Province of Mendoza set some additional terms and conditions applicable to the Cerro Los Leones Permit. Subsequent assignments of the interests of the original holders of the Cerro Los Leones Permit were approved and authorized over time. In consideration for the award, the original holders of the Cerro Los Leones Permit agreed to an exploration work program to be completed within a three year term, and also the payment of 16% production royalties upon a commercial discovery in the Cerro Los Leones Permit.

Crown Point Argentina acquired a 39.9% participating interest in the Cerro Los Leones Permit from Petrolera Piedra del Águila S.A. under assignment agreements dated October 12, 2010 and the remaining 10% from Desarrollos Energéticos S.A. under assignment agreements dated October 13, 2010. A 2.5% overriding royalty on the proceeds from the marketing of hydrocarbons obtained from the assigned participating interest was granted by Crown Point Argentina to Petrolera Piedra del Águila S.A. as partial consideration for the assignment of its interest in the Cerro Los Leones Permit.

Applications for authorization of the referred assignments to Crown Point Argentina were submitted before the Subsecretary of Hydrocarbons of the Province of Mendoza and are pending in the ordinary course.

The Cerro Los Leones Permit confers upon its holders the exclusive right to explore for hydrocarbons during three successive exploration periods lasting three, two and one year(s), respectively. Fifty percent of the acreage of the Cerro Los Leones Permit shall be relinquished at the end of each of the first two exploration periods or converted into an exploitation concession or evaluation block. None of the exploration periods have commenced under the terms of the Cerro Los Leones Permit as the first period will not commence until the necessary environmental permits are received. The following provides details of the work commitments required to be completed during each of the exploration periods:

Exploration Period	Term of Exploration Period	Required Work Commitment[1]	Status
Period 1	3 years, commencing upon receiving environmental permits	A minimum of approximately US$13,850,000 in expenditures[2]	Awaiting environmental permits
Period 2	2 years commencing upon expiry of Period 1	A minimum of approximately US$750,000 in expenditures[2], including a minimum of 1 exploration well	-
Period 3	1 year commencing upon expiry of Period 2	1 exploration well	-

Note:

(1) Crown Point only holds a 49.9% working interest in the Cerro Los Leones Permit and is only required to fund its percentage of working interest of the required work commitments reported in the table.

(2) The required work commitments are expressed as work units in the Cerro Los Leones Permit. Each work unit has an approximate dollar value of US$5,000; however, there may be other factors considered when determining whether the required work units have been satisfied.

If a commercial discovery is made by the holders of the Cerro Los Leones Permit, they shall be entitled to obtain an exclusive 25-year exploitation concession to produce hydrocarbons from the relevant discovery and shall also be granted the right to freely market and dispose of the hydrocarbons lifted from the area, after paying the standard monthly 16% production royalties to the Province of Mendoza. The Cerro Los Leones Permit is also subject to the payment of yearly surface rent per square kilometre on the acreage covered by the Cerro Los Leones Permit.

In addition to the general environmental obligations and liabilities set forth in the applicable laws and regulations, under the bidding conditions applicable to the Cerro Los Leones Permit, the original holders of the Cerro Los Leones Permit undertook to carry out on the area an environmental baseline study to identify any environmental liabilities then existing on the exploration permit area and to remediate such liabilities.

Laguna de Piedra

The Corporation has a 50% working interest in an approximate 246,354 acre area in the Laguna de Piedra area of the Neuquén basin pursuant to the Laguna de Piedra Permit. The area covered by the Laguna de Piedra Permit is located in the southeastern section of the Neuquén Basin in the Province of Rio Negro, Argentina.

The Province of Rio Negro tendered the Laguna de Piedra Permit through a public bidding process under a federal legislation framework that entitled provincial governments to tender open acreage areas that were in the process of being conveyed from the Federal State of Argentina to the provinces. The Laguna de Piedra Permit was initially granted through the bidding process to Golden Oil Corporation (Sucursal Argentina) by Provincial Decree of the Province of Rio Negro dated March 7, 2007. Further to that, on March 7, 2007, Golden Oil Corporation (Sucursal Argentina) and the Province of Rio Negro entered into an agreement for the exploration and possible production, development, transportation and marketing of hydrocarbons from the Laguna de Piedra Permit area.

In consideration for the award, Golden Oil Corporation (Sucursal Argentina) tendered an exploration work program to be completed within a three-year term. Each of Crown Point Argentina and CanAmericas acquired a 25% working interest, for a combined 50% working interest, in the Laguna de Piedra Permit severally from Golden Oil Corporation (Sucursal Argentina) under two separate assignment agreements dated March 7, 2007.

Applications for authorization of the referred assignments to Crown Point Argentina and CanAmericas were submitted before the Subsecretary of Hydrocarbons of the Province of Rio Negro and are pending in the ordinary course.

The Laguna de Piedra Permit confers upon its holders the exclusive right to explore for hydrocarbons during three successive exploration periods lasting three, two and one year(s), respectively. Fifty percent of the acreage of the Laguna de Piedra Permit shall be relinquished at the end of each of the first two exploration periods or converted into an exploitation concession or evaluation block. The following provides details of the work commitments required to be completed during each of the exploration periods:

Exploration Period	Term of Exploration Period	Required Work Commitment(1)	Status
Period 1	3 years	A minimum of approximately US$7,595,000 in expenditures(2)	Completed in 2009
Period 2	2 years commencing on receiving the necessary environmental permits	A minimum of approximately US$2,850,000 in expenditures(2), including a minimum of 1 exploration well	Awaiting environmental permits
Period 3	1 year commencing upon expiry of Period 2 and receiving necessary environmental permits	A minimum of approximately US$1,750,000 in expenditures(2), including a minimum of 1 exploration well	-

Note:

(1) Crown Point only holds a 50% working interest in the Laguna de Piedra Permit and is only required to fund its percentage of working interest of the required work commitments reported in the table.

(2) The required work commitments are expressed as work units in the Laguna de Piedra Permit. Each work unit has an approximate dollar value of US$5,000; however, there may be other factors considered when determining whether the required work units have been satisfied.

If a commercial discovery is made by the holders of the Laguna de Piedra Permit, they shall be entitled to obtain an exclusive 25-year exploitation concession to produce hydrocarbons from the relevant discovery and shall also be granted the right to freely market and dispose of the hydrocarbons from the relevant discovery, after paying the standard monthly 12% production royalties to the State of Rio Negro. The Laguna de Piedra Permit is also subject to the payment of yearly surface rent per square kilometre on the acreage covered by the Laguna de Piedra Permit.

Specialized Skill and Knowledge

Operations in the oil and natural gas industry require professionals with skills and knowledge in diverse fields of expertise. In the course of its exploration, development and production activities, the Corporation requires the expertise of drilling engineers, exploration geophysicists and geologists and petroleum engineers. The Corporation has not to date experienced any difficulties in hiring and retaining the professionals and experts it requires for its operations.

Competitive Conditions

The oil and natural gas industry is inherently competitive. The Corporation faces competition in the areas of finance, technical facilities and acquisition of assets. While the Corporation has been successful in its ability to acquire properties from other organizations in the industry, there is no assurance that it will continue to do so. Nonetheless, the management of the Corporation believes that it will be able to compete successfully with local and foreign competitors in Argentina. See "*Risk Factors - Competition*".

Seasonality

The level of activity in the oil and gas industry in certain areas of Argentina may be influenced by seasonal weather patterns; however, in general, most areas can be accessed year round. Certain localized areas may have restricted access during parts of the year for drilling and completion activity resulting from winter conditions and the presence of high winds. Seasonal factors and unexpected weather patterns may lead to delays in the Corporation's exploration, development and production plans.

Employees

As of the date of this AIF, the Corporation had 2 full-time employees and 2 consultants at its head office in Calgary, Alberta, Canada and 8 full-time employees and 1 consultant at its operating offices in Buenos Aires, Argentina.

Foreign Operations

All of the Corporation's operations are located in Argentina. All of the Corporation's material exploration properties are located in Argentina.

Environmental Protection

The oil and natural gas industry is subject to environmental laws and regulations under varied governmental legislation. Compliance with such obligations and requirements can mean significant expenditures and may constrain the Corporation's operations in the country. Breach of environmental obligations could lead to suspension or revocation of requisite environmental licenses and permits, civil liability for damages caused and possible fines and penalties, all of which may significantly and negatively impact the Corporation's position and competitiveness. See "*Industry Conditions*" and "*Risk Factors*".

Social or Environmental Policies

The Corporation has established guidelines and management systems to comply with the laws and regulations of the jurisdictions in which it conducts its business. The Corporation has dedicated employees responsible for all matters affecting the environment and local municipalities. While the Corporation endeavours to meet all of its environmental obligations, it cannot guarantee that it has and will be in compliance at all times. Nonetheless, management believes that operations are in substantial compliance with all material environmental laws and regulations. See "Risk Factors".

RESERVES DATA AND OTHER OIL AND GAS INFORMATION

GCA has prepared a report dated December 19, 2011 (the "**GCA Report**"), in which it has audited as at August 31, 2011, the oil and natural gas reserves attributable to all of the properties of the Corporation. As at August 31, 2011 the Corporation only had oil and gas properties in Argentina and the only property of the Corporation which had any reserves attributed to it was the El Valle Area. The Corporation does not have any heavy oil, natural gas, natural gas liquids or non-conventional reserves. The GCA Report also presents the estimated net present value of future net revenue of Crown Point's properties before and after taxes, at various discount rates.

The Corporation's Statement of Reserves Data and Other Oil and Gas Information on Form 51-101F1 effective on August 31, 2011 has been filed under the Corporation's profile on SEDAR at www.sedar.com and is incorporated by reference in this AIF. The preparation date of the Statement of Reserves Data and Other Oil and Gas Information of Crown Point was December 19, 2011. The "preparation date", in respect of written disclosure, means the most recent date to which information relating to the period ending on August 31, 2011 was considered in the preparation of the disclosure contained therein. In addition, the Report on Reserves Data by Independent Qualified Reserves Auditor on Form 51-101F2 and the Report of Management and Directors on Oil and Gas Disclosure on Form 51-101F3 as at August 31, 2011, have also been filed under the Corporation's profile on SEDAR at www.sedar.com and are incorporated by reference in this AIF.

SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares with a par value of $1.00 per Preferred Share. As at the date hereof there are 68,617,432 Common Shares and no Preferred Shares issued and outstanding.

In addition, the Corporation presently has outstanding 1,862,087 Series A Warrants and 1,019,594 Series B Warrants. There are also 3,515,000 Common Shares issuable on the exercise of outstanding options granted under the Corporation's stock option plan. The following is a general description of the terms and conditions of the Common Shares, Preferred Shares, Series A Warrants and Series B Warrants. A description of the Corporation's stock option plan can be found in the Corporation's management information circular dated April 14, 2011 relating to the annual general meeting of shareholders of the Corporation held on May 19, 2011, which is available on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares. The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of shareholders of the Corporation. Subject to the prior right of holders of any outstanding Preferred Shares, holders of Common Shares have the right to receive any dividends declared by the Board of Directors on the Common Shares. Subject to the prior right of holders of any outstanding Preferred Shares, holders of Common Shares have the right to receive pro rata the remaining assets of the Corporation in the event of the liquidation, dissolution or winding up of the Corporation.

Preferred Shares

The Corporation is authorized to issue an unlimited number of Preferred Shares with a par value of $1.00 per Preferred Share.

The Board of Directors may issue Preferred Shares in one or more series. The Board of Directors may also fix the number of shares in and to determine the designation of the shares of each such series. The Board of Directors may also create, define and attach special rights and restrictions to the shares of each such series, subject to the special rights and restrictions otherwise attached to the Preferred Shares.

The holders of Preferred Shares are entitled to one vote per share at any meeting of the shareholders of the Corporation in the same manner and to the same extent as holders of Common Shares. The holders of Preferred Shares are also entitled to dividends upon such conditions as agreed to by the Board of Directors at the time of issuance of each such Preferred Share. The holders of Preferred Shares may also be entitled to exchange such Preferred Shares for Common Shares, provided that when the Board of Directors agree to the issuance of any Preferred Share it shall be entitled to specify the terms, conditions and rates during which and upon which the holders of Preferred Shares shall be entitled to exercise such conversion privileges.

The Preferred Shares shall rank, both as regards dividends and return of capital, in priority to all other shares of the Corporation, but shall not be entitled to any further right to participate in the profits or assets of the Corporation.

In the event of any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holders of Preferred Shares shall be entitled to receive, before any distribution of any part of the property and assets of the Corporation among the holders of any other shares, an amount equal to 100% of the amount paid thereon and any dividends declared thereon and unpaid, and no more.

Series A Warrants

Each Series A Warrant is exercisable for one Common Share and one Series B Warrant at an exercise price of $1.00 per Series A Warrant until two years from the date of issue. All currently outstanding Series A Warrants are set to expire in May and June 2012.

In the event the closing price of the Common Shares on the TSXV is $1.50 or greater for a period of 20 consecutive trading days, the Corporation may give notice of an earlier expiry of the Series A Warrants, in which case they would expire 30 calendar days from the giving of such notice.

Series B Warrants

Each Series B Warrant is exercisable for one Common Share at an exercise price of $1.50 per Common Share and expires three years from the date of issuance of the Units (subject to acceleration in certain circumstances as described below). All currently outstanding Series B Warrants (or Series B Warrants issuable on the exercise of Series A Warrants) are set to expire in May and June 2013.

In the event the closing price of the Common Shares on the TSXV is $2.00 or greater for a period of 20 consecutive trading days, the Corporation may give notice of an earlier expiry of the Series B Warrants, in which case they would expire 30 calendar days from the giving of such notice.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed for trading on the TSXV under the symbol "CWV". The following chart shows trading information for the Common Shares during the financial year ended August 31, 2011 as well as for the periods indicated in the current financial year:

Common Shares

	Price Range ($)		Trading
	High	**Low**	**Volume**
Financial 2011			
September	1.62	1.30	1,260,211
October	2.50	1.37	1,458,970
November	1.75	1.60	1,543,230
December	1.72	1.55	787,187
January	2.05	1.62	3,382,655
February	2.40	1.85	3,003,299
March	2.22	1.67	2,911,415
April	2.38	1.96	2,508,499
May	2.20	1.70	1,762,265
June	2.10	1.71	1,641,864
July	1.95	1.56	1,128,681
August	1.75	1.30	1,514,630
Fiscal 2012			
September	1.64	1.11	898,911
October	1.49	1.00	2,837,027
November	1.20	0.93	8,183,787
December	1.00	0.73	5,184,620
January	1.46	0.95	7,992,429
February (1-26)	1.35	1.07	6,891,353

ESCROWED SECURITIES

There are no securities of the Corporation currently held in escrow.

DIRECTORS AND OFFICERS

The names, province or state and country of residence, positions with the Corporation and the principal occupations of the directors and executive officers of the Corporation are set out below. The Board of Directors presently consists of seven directors. Each Director is elected annually to hold office until the next annual general meeting of shareholders or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the provisions of the BCBCA or the Corporation's constating documents.

Name and Residence	Director Since	Position Held	Principal Occupation for Past Five Years
Murray D. McCartney Alberta, Canada	May 2009	President, Chief Executive Officer and Director	President and Chief Executive Officer of Crown Point since May 2009. Prior thereto President and Chief Executive Officer of Adamant Energy Inc. (a private oil and gas company) from 2004 to 2008.
Gordon Kettleson[(1)] British Columbia, Canada	December 2001	Non-Executive Chairman and Director	Chief Executive Officer of Interwest Enterprises Ltd. since 2001. President and Chief Executive Officer of the Corporation from March 2007 to May 2009.
Arthur J. G. Madden Alberta, Canada	N/A	Vice-President, Finance and Chief Financial Officer	Vice President, Finance and Chief Financial Officer of Crown Point since October 2009. Prior thereto Vice-President Finance, Chief Financial Officer, and Director of Adamant Energy Inc. (a private oil and gas company) from 2004 to 2008. In addition, President of 554492 Alberta Ltd. (a private company providing consulting services to the energy sector) since 1993.
John J. Chulick[(2)] Puerto Montt, Chile	May 2010	Director	Independent Businessman since 2009. Previously Vice President, Exploration of Aquiline Resources Inc. from March 2007 to December 2009. Prior thereto a professional geologist in South America, primarily Chile, Peru and Argentina.
John Clark[(1)] Ontario, Canada	May 2010	Director	President of Investments and Technical Management Corp. since 1999.
Martin Walter[(2)] Ontario, Canada	December 2006	Director	President and Chief Executive Officer of Treasury Metals Inc. since 2010. Independent Businessman from 2009 to 2010. Previously Executive Vice-President and Director of Aquiline Resources Inc. from 2003 to 2009.
Denny Deren[(1)(2)] Alberta, Canada	July 2008	Director	President of Excaliber Foxx Ltd. since 1987
Mateo Turic Buenos Aires, Argentina	May 2010	Director	President and Chief Executive Officer of Crown Point Argentina since 2006. Prior thereto Senior Exploration and Development Advisor to Pioneer Oil Co. from 2002 to 2006.
Carlos Olivieri Buenos Aires, Argentina	October 2011	Director	Professor of finance in the MBA program at Di Tella, Austral and Cema Universities in Argentina since 2007. Prior thereto Chief Financial Officer of YPF from October 2002 to October 2007.

Name and Residence	Director Since	Position Held	Principal Occupation for Past Five Years
Glenn R. Yeadon British Columbia, Canada	N/A	Secretary	Barrister and Solicitor; associated in the practice of law (through a professional law corporation) with Tupper Jonsson & Yeadon, Barristers and Solicitors.

Notes:

(1) Audit committee member (the Audit Committee also has responsibilities relating to the corporate governance and reserves of the Corporation).

(2) Compensation committee member.

Ownership of Shares

As at the date hereof, the directors and executive officers of the Corporation, as a group, owned or controlled, directly or indirectly, in aggregate 2,799,231 Common Shares or approximately 4.08% of the issued and outstanding Common Shares.

Cease Trade Orders

Other than as disclosed below, to the knowledge of management of Crown Point, no director or executive officer of Crown Point is, as of the date hereof, or was, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including Crown Point) that was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, and that was issued (i) while that person was acting in such capacity, or (ii) after that person was acting in such capacity and which resulted from an event that occurred while that person was acting in such capacity.

Mr. Martin J. Walter was a senior officer and director of Sierra Minerals Inc. ("**Sierra**") when a management cease trade order was issued on April 4, 2007 by the Ontario Securities Commission ("**OSC**") and on April 15, 2007 by the British Columbia Securities Commission ("**BCSC**") as a result of the failure of Sierra to file and deliver to shareholders its annual financial statements for the year ended December 31, 2006 and its first quarter interim financial statements for the period ended March 31, 2007. These management cease trade orders were subsequently revoked on June 28, 2007 by the OSC and on June 29, 2007 by the BCSC following the filing of the financial statements as required.

Mr. John Clark was a director of Marketvision Direct Inc. ("**Marketvision**"), when a cease trade order was issued on December 5, 2001 by the OSC and on December 7, 2009 by the BCSC as a result of the failure of Marketvision to file and deliver to its shareholders its annual financial statements for the year ended June 30, 2001 and the first quarter interim financial statement for the period ended September 30, 2001. These cease trade orders were subsequently revoked on March 11, 2002 by the OSC and February 1, 2002 by the BCSC when the financial statements were filed as required.

Bankruptcies

To the knowledge of management of Crown Point, no director or executive officer of Crown Point, or shareholder holding a sufficient number of securities to affect materially the control of Crown Point is, as of the date hereof, or has been, within 10 years before the date hereof, a director or executive officer of any company (including Crown Point) that, while that person was acting in such capacity, or within a year of that person ceasing to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the knowledge of management of Crown Point, no director or executive officer of Crown Point, or shareholder holding a sufficient number of securities to affect materially the control of Crown Point has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

To the knowledge of management of Crown Point, no director or executive officer of Crown Point, or shareholder holding a sufficient number of securities to affect materially the control of Crown Point, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Conflicts, if any, will be subject to the procedures and remedies available under the BCBCA. The BCBCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the BCBCA.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Management of Crown Point is not aware of any existing or contemplated legal proceedings material to Crown Point, to which Crown Point is, or during the financial year ended August 31, 2011 was, a party, or of which any of its property is, or during the financing year ended August 31, 2011 was, subject.

Management of Crown Point is not aware of any penalties or sanctions imposed against Crown Point by a court relating to securities legislation or by a securities regulatory authority during the financial year ended August 31, 2011, or any other penalties or sanctions imposed by a court or regulatory body against Crown Point that would likely be considered important to a reasonable investor in making an investment decision, or any settlement agreements entered into by Crown Point before a court relating to securities legislation or with a securities regulatory authority during the financial year ended August 31, 2011.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or executive officer of the Corporation, or shareholder that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of any class or series of voting securities of the Corporation, or associate or affiliate of any of the foregoing persons has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Corporation.

REGISTRAR AND TRANSFER AGENT

Computershare Investor Services Inc., at its principal office in Vancouver, British Columbia is the registrar and transfer agent for the Common Shares.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, Crown Point has not entered into any material contracts during its most recently completed financial year, or before its most recently completed financial year that are still in effect.

INTERESTS OF EXPERTS

The auditors of the Corporation are KPMG LLP. KPMG LLP is independent in accordance with the auditor's Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

GCA is the Corporation's independent qualified reserves auditor. None of the principals of GCA has received, or is to receive, any registered or beneficial interests, direct or indirect, in any securities or other property of the Corporation or of any associates or affiliates of the Corporation either at the time of such report or since that time.

No director, officer or employee of any of the experts referred to herein is or is expected to be elected, appointed or employed as a director, officer or employee of Crown Point or of any associate or affiliate of Crown Point.

INDUSTRY CONDITIONS

The following is a summary of commercial affairs, market and industry conditions and trends, which have or could have a material impact on the Corporation's business, financial condition and results of operations.

Argentina

Pricing – Background

Industry-wide, government-mandated wellhead price controls in Argentina were abandoned in 1989 when the oil and natural gas industry, dominated by YPF, was privatised. Currently YPF is controlled by Repsol S.A. of Spain. Price controls were eliminated in 1991 and prices remained unregulated until the economic crisis in late 2001. At that time, contracts for natural gas sales were converted from U.S. dollars to Argentina pesos, concurrent with the devaluation of the Argentina peso to US$0.33. Since that time, natural gas prices for sales to consumers through local distribution companies have remained fixed and commercial sales prices are set by the market. Controlled pricing of oil and natural gas has been in place since 2007. In May 2004, a 5 percent export tax was imposed on gasoline and diesel, the export tax on oil was increased to 25 percent, and a 20 percent tax became effective on the export of natural gas, LNG and other gas products. The export duty on natural gas was increased to 100 percent in 2008.

In August 2004, a progressive increase in export tax was instituted in Argentina on oil with reference to the price of WTI per barrel as quoted on the New York Mercantile Exchange ("**NYMEX**"). At WTI prices greater than US$32 per barrel, a tax was applied ranging from 25 percent up to 45 percent depending on the price of WTI. Domestic crude is priced through the application of a related adjustment called the export parity factor. This parity factor, negotiated within the industry, has previously had the effect of equalizing oil price realizations between the domestic and export markets. The export tax and export parity factor have had the effect of limiting the actual realized price for sales of oil in Argentina.

On November 16, 2007 the government of Argentina published Resolution 394/2007 of the Federal Secretary of Energy, which set out changes to the computation of export taxes on oil. Given the fiscal regime changes announced in the resolution, the Argentina federal government indicated that it would forthwith retain all of the increase in oil prices over an international reference price of US$60.90 per Bbl. Further, pursuant to this resolution, it is unclear what the fiscal regime is when world oil prices fall below US$42 per Bbl.

Pricing – Recent Changes

On November 25, 2008, the government of Argentina issued Decree No. 2014/2008 which introduced the Petroleo Plus Program (the "**Petroleo Plus Program**"). The stated policy intent of the Petroleo Plus Program is to increase oil reserves and grow oil production in the country. Under the Petroleo Plus Program, oil producers are able to earn fiscal credits that can be applied against export taxes on oil and other petroleum products. There are two components to the Petroleo Plus Program, each calculated and awarded separately on different performance-based criteria: (1) production growth and (2) replacement of total proved reserves. In the government's presentation of the Petroleo Plus Program, it was specified that qualifying producers could use the credits directly against export taxes or trade them to third party exporters, such as refiners, at face value. The fiscal credits are to be fully taxable but not subject to provincial royalties.

In addition, at the same time that the Petroleo Plus Program was established, a Natural Gas Plus Program was created by Resolutions 24/2008 and 1031/2008 of the Federal Secretary of Energy which allows for the price of "new" natural gas (natural gas from new discoveries or from unconventional gas deposits) to be freely marketed by producers at freely negotiated prices, resulting in practice, in natural gas prices that are over and above the natural gas prices subject to state intervention and controls.

On February 3, 2012, the Ministry of Federal Planning, Public Investment and Services of the government of Argentina announced that it has decided to suspend the Petroleo Plus Program for large companies. Given the size of the Corporation, it is not expected that the suspension of the Petroleo Plus Program will affect Crown Point; however, as full details of the suspension have not been provided by the government of Argentina it is uncertain exactly which companies will be affected.

Marketing Arrangements

The Corporation's oil sales are being sold and priced on a month-to-month basis with pricing in the fiscal year ended August 31, 2011 averaging approximately US$52.10 per Bbl.

Relationships with Unions

Oil and natural gas activity in Argentina is largely unionized and Crown Point's operating, drilling, completions and workover operations are conducted by drilling operators employing unionized personnel. The Corporation is thus exposed to union activity including strikes, shut-downs, labour negotiations and other actions outside of the Corporation's direct control, which may have a material adverse effect on the operations of the Corporation. Crown Point employs staff experienced in the area of union relations in order to mitigate these potential risks. During fiscal 2011, the Corporation lost approximately 79 days of available operating time due to adverse union activity.

Royalties, Turnover Taxes & Value Added Tax

Royalty determinations in Argentina are paid monthly to provincial authorities and must be submitted by field and concession. Production used by the concession holder for exploration or production operations is not subject to royalty. Royalties are deductible for income tax purposes. The standard royalty rate on production is 12 percent of the wellhead price for both oil and natural gas less deductions for transportation, treatment and commercialization costs between the wellhead and point of sale. This may be reduced on a case-by-case basis to a minimum of 5 percent taking into account productivity (marginal fields), condition and location of the producing wells as well as enhanced oil recovery projects. A rate of 15 percent applies to pre-commercial production from an exploration permit until such time as it is converted to an exploitation concession. A rate of 12 percent applies to production from an exploitation concession. In recent provincial bid rounds, companies have been given the option of bidding a higher royalty than prescribed by the national and provincial laws, but this is a voluntary decision which is applicable to the concession under bid only.

The Corporation's royalty rate for the El Valle Area in the exploitation phase is 12 percent.

Additionally, the provincial governments in Argentina levy a turnover tax varying between one and two percent of gross revenue less certain deductions. A value added tax ("**VAT**") at a rate of 21 percent is added on to domestic sales and is payable by the buyers of production. The VAT tax collected by the Corporation on sales is used to recover VAT paid on incurred costs. Stamp taxes are levied on transactions by way of contract at 1 percent to 4 percent depending on the jurisdiction in which the transaction takes place.

Income Taxes

A tax treaty exists between Argentina and Canada. Oil companies are subject to a generally applicable corporate tax regime. All successful exploration and field development costs, including intangible costs may be depreciated on a unit-of-production basis. Tax payers pay either income tax at a rate of 35 percent on corporate net profits or a minimum tax, based on net assets, whichever is the greater. Minimum tax was reinstated effective January 1999 and is levied on cumulative capital less accumulated depreciation plus an inflation adjustment at a rate of one percent.

In April 1992, the tax base for locally incorporated companies was changed from Argentina source income to worldwide income.

Crown Point's operations in Argentina are conducted through Crown Point Argentina. There is generally no withholding tax on dividends, with some exceptions which do not affect Crown Point at this time.

Oil and Natural Gas Industry Regulations

The oil and natural gas industries in Argentina are subject to extensive regulation governing operations, including land tenure, exploration, development, production, refining, transportation and marketing, imposed by legislation enacted by various levels of government and with respect to pricing and taxation of oil and natural gas by agreements among the federal and provincial governments, all of which are subject to change and could have a material impact on the Corporation's business, financial condition and results of operations. The federal government of Argentina has implemented controls for domestic fuel prices and has placed a tax on oil and natural gas exports. As a result of these constraints, it is believed that energy reinvestment has been limited and overall hydrocarbon production has declined. Any change to these government imposed restrictions could have a material impact on Crown Point's business, financial condition and results of operations.

The Hydrocarbons Law 17.319, enacted in June 1967, established the basic legal framework for the current regulation of exploration and production of hydrocarbons in Argentina. The Hydrocarbons Law empowers the National Executive to establish a national policy for development of Argentina's hydrocarbon reserves, with the main purpose of satisfying domestic demand. However, on January 5, 2007, Hydrocarbon Law 26.197 was passed by the government of Argentina. This new legal framework replaces Article 1 of the Hydrocarbons Law 17.319 and provides for the provinces to assume complete ownership, authority and administration of the oil and natural gas reserves located within their territories, including offshore areas up to 12 marine miles from the coast line. This includes all exploration, exploitation and transportation concessions. This has led to the posting of large tracts of exploration acreage in "bidding rounds" through which the lands will be granted to successful bidding companies. The change of hydrocarbons administration will require producing companies to deal more extensively with the provincial governments who are now more directly involved in the day to day affairs of operations within their jurisdictions. Crown Point intends to be an active participant in future bidding rounds in areas that it deems to be prospective.

In 2004, as a consequence of the crisis the country was going through, the Argentinean government started to grant subsidies to users of a number of public services and utilities, including, among others, oil, natural gas and other by-products. Those subsidies were paid to providers of such services and utilities, who, at the same time were prohibited from increasing prices to reflect international market prices. The Argentinean government has now discontinued such subsidies and the users of such services and utilities must bear the costs directly; however, it remains to be seen if producers and suppliers of hydrocarbons and their by-products will be permitted to follow market price trends in the sale of their products and/or services, or if the prohibition on prices increases will be maintained.

As part of the industry deregulation and YPF privatization, which commenced in 1989, producers of crude oil and its derivatives, natural and liquefied gases, were granted the right to freely dispose of up to 70% of the foreign currency proceeds from their exports of such products. Pursuant to Decree 1722/2011, enacted on October 25, 2011, the Argentinean government abrogated the said privilege and established that all proceeds resulting from exports of hydrocarbons and their by-products must be exchanged on the local exchange market.

Land Tenure

Exploration permits in Argentina grant exclusive rights to the concession holder to perform all types of exploration work and obtain an exploitation concession and a transportation concession after the declaration of a commercial discovery. The period under an exploration permit is divided into several phases.

Work commitments are negotiated and specified separately for each individual phase of the exploration period. For the first exploration phase, commitments are expressed in work units with each activity equating to a different number of units. For the second and third exploration phases, commitments must comprise at least one well for each phase. At the end of each exploration phase, 50 percent of the remaining area must be relinquished or converted into an exploitation concession or evaluation concession. An evaluation concession allows a short term extension for a company to further evaluate the commercial potential of its exploration activities.

Exploitation concessions grant exclusive rights to the concession holder to produce hydrocarbons. The period for development and production is 25 years, although an extension of up to 10 years may be granted under terms and conditions to be established at the time of the extension. If a discovery is declared commercial before the end of the exploration period, the remaining portion of the exploration period is added on to the exploitation concession period.

Crown Point has exploration obligations remaining with respect to the Laguna de Piedra Permit and the Cerro Los Leones Permit. Companies are permitted to hold a maximum of five exploration permits and five exploitation concessions in Argentina.

Environmental Regulations

Argentina has environmental standards for the industry, including surface maintenance and restoration, air quality and emission standards, operational safety standards and regular environmental audits. The implementation of environmental procedures is effected increasingly at the provincial level. A number of provinces have issued regulations relating to environmental impact assessments of activities within their boundaries.

Crown Point conducts a thorough baseline environmental study prior to commencing operations on any new concessions or blocks. Environmental reviews are completed and environmental permits are obtained from the provincial authorities prior to undertaking any operations. The Corporation also conducts annual environmental audits of its operational areas which are tabled or available to federal and provincial regulators.

Crown Point's activity is principally on uninhabited regions in desert-like conditions.

Legal and Political

Argentina is governed by a tripartite system of government made up of an Executive Power, a Legislative Power, and a Judicial Power established by a written Constitution passed in 1853. The Head of Government and Chief of State is a President elected by popular vote for a term of four years. The Argentina Republic comprises 23 provinces and the City of Buenos Aires. Each province has its own constitution which must state its administration of justice and autonomy, and the scope and content of its institutional, political, administrative and financial orders.

Competitive Conditions

Prior to December 31, 1990 when it was transformed into a private company, YPF operated as the national oil company in Argentina. In mid-2000, the Spanish oil company Repsol S.A. merged with YPF to form Repsol-YPF. Oil exploration and production activities in Argentina are dominated by Repsol-YPF. In 2002, Petroleo Brasileiro S.A., the state owned oil corporation of Brazil, expanded its holdings in Argentina through the purchase of Perez Companc and Petrolera Santa Fe, subsequently merging the entities in 2005 into Petrobras Energia S.A.

In 2004, the government created a new partially state-owned energy firm, ENARSA, to increase the government's influence over the oil and natural gas market by promoting oil exploration and production capacity, rebuilding reserves and expanding natural gas and power infrastructure in the country, as well as assuming responsibility for the management of natural gas imports from Bolivia. All unallocated offshore exploration blocks were transferred to ENARSA and ENARSA was authorized to seek partnerships with foreign companies.

Market Conditions

Overview

The oil and natural gas industry in Argentina is mature, having been established more than 100 years ago on December 13, 1907 when oil was discovered in Comodoro Rivadavia. Argentina is a significant South American energy producer and consumer and a net energy importer, primarily importing petroleum from Bolivia and importing liquefied natural gas from the Middle-East and Trinidad and Tobago. As of January 2010, proved oil reserves were estimated by the Argentina Secretary of Energy at approximately 2.524 billion Bbls, and Argentina remains a significant oil producer with 2010 production of approximately 572,000 Bbls/d. Argentina's oil production has declined from a level of 847,000 Bbls/d in 1998, as oil producers have not brought enough new capacity online to replace declining production from mature fields.

The federal government of Argentina has implemented controls for domestic fuel prices and has placed a tax on oil and natural gas exports. As a result of market uncertainty, energy reinvestment has been limited and overall hydrocarbon production has declined.

Exploration & Production

Two onshore basins represent the vast majority of Argentina's oil production: the Neuquén Basin, located in western-central Argentina, and the Golfo San Jorge basin, in the southeast part of the country. Outside the established onshore basins, there has been some limited interest in exploring offshore oil resources. The Neuquén, Salta, Tierra del Fuego, and Santa Cruz regions contain most of Argentina's natural gas production, with the Neuquén region accounting for over half of the country's total production. As is the case in the oil sector, Argentina has begun to look towards its offshore basins as its traditional production centers have matured.

Pipelines

Argentina's three major oil pipelines originate at Puerto Hernández, in the Neuquén Basin. Two pipelines are domestic, transporting oil north via the Repsol-YPF operated 50,000 Bbls/d pipeline to the Lujan de Cuyo refinery near Mendoza and east via the Oldelval pipeline system moving crude over 1,200 kilometres to Puerto Rosales on the Atlantic. The 430 kilometre, 115,000 Bbls/d Transandino pipeline is Argentina's only international oil pipeline, climbing over the Andes to a refinery in Chile. This pipeline discontinued transportation of oil in 2006 but is capable of being recommissioned.

Downstream

Repsol-YPF accounts for approximately half of the country's 624,575 Bbls/d total refining capacity. Other companies with significant refining capacity include Shell CAPSA Limited (110,000 Bbls/d) and Esso Petrolera Argentina S.R.L. (84,500 Bbls/d).

RISK FACTORS

Crown Point's securities should be considered highly speculative due to the nature of Crown Point's business. An investor should consider carefully the risk factors set out below. In addition, investors should carefully review and consider all other information contained in this AIF before making an investment decision. An investment in securities of Crown Point should only be made by persons who can afford a significant or total loss of their investment.

Exploration, Development and Production Risks

Oil and gas operations involve many risks that even a combination of experience and knowledge and careful evaluation may not be able to overcome. The long-term commercial success of Crown Point depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, any existing reserves Crown Point may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. A future increase in Crown Point's reserves will depend not only on its ability to explore and develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that Crown Point will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, Crown Point may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. There is no assurance that further commercial quantities of oil and natural gas will be discovered or acquired by Crown Point.

Future oil and gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient net revenues to return a profit after drilling, operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs. In addition, drilling hazards or environmental damage could greatly increase the cost of operations, and various field operating conditions may adversely affect the production from successful wells. These conditions include delays in obtaining governmental approvals or consents, shut-ins of connected wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including hazards such as fire, explosion, blowouts, cratering, sour gas releases and spills, each of which could result in substantial damage to oil and natural gas wells, production facilities, other property and the environment or in personal injury. In accordance with industry practice, Crown Point will not be fully insured against all of these risks, nor are all such risks insurable. Although Crown Point will maintain liability insurance in an amount that it considers consistent with industry practice, the nature of these risks is such that liabilities could exceed policy limits, in which event Crown Point could incur significant costs that could have a material adverse effect upon its financial condition. Oil and natural gas production operations are also subject to all the risks typically associated with such operations, including encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks could have a materially adverse effect on future results of operations, liquidity and financial condition.

Lack of Diversification

All of Crown Point's production currently comes from the El Valle Area in Argentina. As a result, the Corporation lacks diversification, in terms of both the nature and geographic scope of its business. Accordingly, factors affecting the oil and gas industry or the particular region in Argentina where the Corporation operates will likely impact the Corporation more acutely than if the Corporation's business was more diversified.

The entire Argentina domestic refining market is small and export opportunities are limited by available infrastructure. As a result, Crown Point's sales in Argentina will depend on a relatively small group of customers, and currently, on just one customer. The lack of competition in this market could result in unfavourable sales terms which, in turn, could adversely affect the Corporation's financial results. The Corporation's production in the financial year ended August 31, 2011 was constrained due to the late arrival of oil tankers and contractual limitations on sales volumes. Future constraints on production and sales from the El Valle Area could cause a material adverse effect on the Corporation's results.

Work Disruption and Labour Unrest

Crown Point's drilling, completions and workover operations in Argentina are conducted by drilling operators employing unionized personnel. The Corporation is thus exposed to union activity including strikes, shut-downs, labour negotiations and other actions outside of the Corporation's direct control, which may have a material adverse effect on the operations of the Corporation. Crown Point employs staff experienced in the area of union relations in order to mitigate these potential risks.

Ongoing labour strikes had a negative impact on Crown Point's financial results in the financial year ended August 31, 2011. The work stoppages in Santa Cruz in the months leading up to the Argentina federal election were more frequent and of longer than usual duration. Much of the labour activity was attributed to internal union strife relating to different factions within the unions. The strikes had an impact on the Corporation's production and drilling program by causing delays and periods of suspended activity. As a result of the labour activity the Corporation did not have any production for a period of 79 days and drilling operations were impacted with 57 days of downtime, which resulted in decreased production and revenue. As the Corporation only currently has production from one area, any disruption in production as a result of labour activity in that area may have a significant effect on the Corporation's revenues.

Negative Cash Flow from Operating Activities

The Corporation had negative cash flow from operating activities for the financial year ended August 31, 2011. If the Corporation has negative cash flow from operating activities in future periods, it may need to seek debt financing or additional equity financing in order to complete its capital expenditure program as currently planned; in the alternative, if the Corporation cannot obtain debt or equity financing on terms acceptable to it or at all, the Corporation may be forced to reduce its capital expenditure program. There can be no assurance that debt or equity financing will be available to the Corporation or, if available, will be on terms acceptable to Crown Point. In addition, to the extent that the Corporation has negative cash flow from operating activities in future periods, it may be required to deploy a portion of its existing working capital to fund such negative cash flow from operating activities.

Substantial Capital Requirements

Crown Point anticipates making substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. If Crown Point's revenues or reserves decline, it may have limited ability to expend the capital necessary to undertake or complete future drilling programs. There can be no assurance that debt or equity financing, or cash generated by operations will be available or sufficient to meet these requirements or for other corporate purposes or, if debt or equity financing is available, that it will be on terms acceptable to Crown Point. Moreover, future activities may require Crown Point to alter its capitalization significantly. The inability of Crown Point to access sufficient capital for its operations could have a material adverse effect on Crown Point's financial condition, results of operations or prospects.

Additional Funding Requirements

Crown Point's cash flow from its oil and gas production and its current working capital, may not be sufficient to fund its planned capital expenditures to the extent that cash flow is lower than expected or that the costs associated with such capital expenditures are greater than expected. In addition, if the Corporation does decide to proceed with an acquisition, the Corporation may require additional funding to proceed with planned capital expenditures on its current properties and on any properties acquired pursuant to such acquisition. Failure to obtain such financing on a timely basis could cause Crown Point to forfeit its interest in certain properties, be unable to capitalize on certain acquisition opportunities and reduce or terminate its operations. If Crown Point's revenues from its oil and gas production decrease as a result of lower oil and natural gas prices or otherwise, it will affect Crown Point's ability to expend the necessary capital to replace its reserves or to maintain its production. If Crown Point's cash flow from operations and its current working capital are not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on terms acceptable to Crown Point.

Risks of Argentinean and Foreign Operations

As the Corporation's oil and gas properties and operations are located in Argentina, the Corporation is subject to political, economic, and other uncertainties, including, but not limited to, changes in energy policies or the personnel administering them, nationalization, currency fluctuations, exchange controls, and royalty and tax increases. The Corporation's business, financial condition, results of operations, and the value of the Common Shares could also be materially adversely affected by social instability in Argentina and other factors which are not within the control of the Corporation including, among other things, the risks of terrorism, civil strikes, abduction, renegotiation or nullification of existing concessions and contracts, economic sanctions, the imposition of specific drilling obligations, and the development and abandonment of fields. The Corporation's operations may also be adversely affected by laws and policies of Canada affecting foreign trade, taxation and investment. In the event of a dispute arising in connection with the Corporation's operations in Argentina, the Corporation may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. The Corporation may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Corporation's exploration, development and production activities in Argentina could be substantially affected by factors beyond the Corporation's control, any of which could have a material adverse effect on the Corporation's business, financial condition, results of operations, and the value of the Common Shares.

Acquiring interests and conducting exploration and development operations in foreign jurisdictions often require compliance with numerous and extensive procedures and formalities. These procedures and formalities may result in unexpected or lengthy delays in commencing important business activities. In some cases, failure to follow such formalities or obtain relevant evidence may call into question the validity of the entity or the actions taken. Management is unable to predict the effect of additional corporate and regulatory formalities which may be adopted in the future including whether any such laws or regulations would materially increase the Corporation's cost of doing business or affect its operations in any area.

The Corporation may in the future acquire oil and natural gas properties and operations outside of Argentina, which expansion may present challenges and risks that Crown Point has not faced in the past, any of which could adversely affect the results of operations and/or financial condition of the Corporation.

Economic and Political Developments in Argentina, Including Export Controls

In the past few decades, the Argentina economy has experienced some periods of extreme volatility including periods of low or negative growth and variable levels of inflation. Inflation peaked in the late 1980's — 90's and in late-2001 there was a severe fiscal crisis, which resulted in restrictions on banking, the imposition of exchange controls, the suspension of payment of Argentina's public debt and the Argentinean Peso ceased to be tied to the U.S. dollar on a one-to-one basis. This further resulted in a year-long period of contractions in economic growth, elevated inflation and a volatile exchange rate. Shortly thereafter, Argentina experienced a period of GDP growth, normalized inflation, and strengthened public finances.

There is no guarantee of economic stability, which was shown when the Argentinean economy struggled again in 2008. As is the case in many other nations, recently, inflation has been rising and government popularity has decreased, due to the economic situation and the unpopularity of some of the programs the government tried to implement to deal with the global economic crisis.

The Government of Argentina recently announced changes to its oil and gas regulatory regime requiring oil, gas and mining exporters to repatriate all of their export revenue. Although management of Crown Point believes that these changes will not have a significant impact on Crown Point as the Corporation does not have existing arrangements or plans to export production, any future changes to the oil and gas regime in Argentina could have a material adverse effect on the Corporation.

Oil and Gas Industry in Argentina

The crude oil and natural gas industry in Argentina is subject to extensive regulation relating to, among other things, land tenure, exploration, development, production, refining, transportation, and marketing, imposed by legislation enacted by various levels of government and with respect to pricing and taxation of crude oil and natural gas by agreements among the federal and provincial governments, all of which are subject to change and could have a material impact on the Corporation's business in Argentina. The Federal Government of Argentina has implemented controls for domestic fuel prices and has placed a tax on crude oil and natural gas exports. Any future regulations that limit the amount of oil and gas that the Corporation could sell or any regulations that limit price increases in Argentina and elsewhere could severely limit the amount of the Corporation's revenue and affect its results of operations. In addition, oil and natural gas prices in Argentina are effectively regulated and as a result are substantially lower than those received in North America.

Acquisition Risks

Crown Point evaluates potential acquisitions of petroleum, natural gas and other energy-related assets and/or companies as part of its ongoing acquisition program. Although at the present time the Corporation has not entered into any definitive agreements with respect to any such acquisitions, if the Corporation does decide to proceed with an acquisition, and to the extent such acquisition is completed, the Corporation may have to revise its capital expenditure program as the funds spent on the acquisition will not be available for capital expenditures and the Corporation may re-deploy a portion of its capital towards making expenditures on assets acquired pursuant to such acquisition. As a result of proceeding with any acquisition, the Corporation may require additional financing to proceed with planned capital expenditures on its current properties and on any properties acquired pursuant to such acquisitions.

Although the Corporation expects that it would perform an industry standard review of any properties proposed to be acquired, such reviews are inherently incomplete. It is generally not feasible to review in depth every individual property involved in each acquisition. Generally, the Corporation will focus its due diligence efforts on higher value properties and will sample the remainder. However, even an in-depth review of all properties and records may not necessarily reveal existing or potential problems, nor will it permit a buyer to become sufficiently familiar with the properties to assess fully their deficiencies and capabilities. The Corporation may be required to assume pre-closing liabilities, including environmental liabilities, and may acquire interests in properties on an "as is" basis.

Assessments of Value of Acquisitions

Acquisitions of oil and gas companies and oil and gas assets are typically based on engineering and economic assessments made by independent engineers and the acquirer's own assessments. These assessments will include a series of assumptions regarding such factors as recoverability and marketability of oil and gas, future prices of oil and gas and operating costs, future capital expenditures and royalties and other government levies which will be imposed over the producing life of the reserves. Many of these factors are subject to change and are beyond Crown Point's control. In particular, the prices of and markets for oil and natural gas products may change from those anticipated at the time of making such assessment. In addition, all such assessments involve a measure of geologic and engineering uncertainty which could result in lower production and reserves than anticipated. Initial assessments of acquisitions may be based on reports by a firm of independent engineers that are not the same as the firm Crown Point uses for its year end reserve evaluations. Because each of these firms may have different evaluation methods and approaches, these initial assessments may differ significantly from the assessments of the firm used by Crown Point. As a result, to the extent that Crown Point decides to proceed with an acquisition, there can be no assurance that any such acquisition will have a positive impact on the value of the Common Shares.

Failure to Realize Anticipated Benefits of Acquisitions and Dispositions

The Corporation makes acquisitions and dispositions of businesses and assets in the ordinary course of business. Achieving benefits from such acquisitions depends on, among other things, successfully consolidating functions and integrating operations and procedures in a timely and efficient manner as well as the Corporation's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with those of the Corporation. The integration of acquired businesses may require substantial management effort, time and resources and may divert management's focus from other strategic opportunities and operational matters, and may also result in the loss of key employees, the disruption of on-going business, supplier, customer and employee relationships and deficiencies in internal controls or information technology controls. Management continually assesses Crown Point's suite of assets. In this regard, non-core assets are periodically disposed of, so that the Corporation can focus its efforts and resources more efficiently. Depending on the state of the market for such non-core assets, certain non-core assets of the Corporation, if disposed of, could be expected to realize less than their carrying value on the financial statements of the Corporation.

Prices, Markets and Marketing

The marketability and price of oil and natural gas that may be acquired or discovered by Crown Point will be affected by numerous factors beyond its control. Crown Point's ability to market its natural gas may depend upon its ability to acquire space on pipelines that deliver natural gas to commercial markets. Crown Point may also be affected by deliverability uncertainties related to the proximity of its reserves to pipelines and processing facilities and related to operational problems with such pipelines and facilities and extensive government regulation relating to price, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business.

Both oil and natural gas prices are unstable and are subject to fluctuation. Any material decline in prices could result in a reduction of Crown Point's net production revenue. The economics of producing from some wells may change as a result of lower prices, which could result in a reduction in the volumes of Crown Point's reserves. Crown Point might also elect not to produce from certain wells at lower prices. All of these factors could result in a material decrease in Crown Point's net production revenue causing a reduction in its oil and gas acquisition, development and exploration activities.

Global Financial Conditions

Recent market events and conditions, including American and European sovereign debt levels, have caused significant volatility to commodity prices and stock prices and currency exchange rates. These conditions have caused a loss of confidence in the global credit and financial markets creating a climate of greater volatility, less liquidity, widening of credit spreads, a lack of price transparency, increased credit costs and tighter credit conditions. Notwithstanding various actions by governments, concerns about the general economic health of certain European countries and the United States may cause further deterioration and volatility in commodity and stock prices.

These factors may impact the Corporation's ability to obtain equity, debt or bank financing on terms commercially reasonable to the Corporation, or at all. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. If these increased levels of volatility and market turmoil continue, the Corporation's operations could be adversely impacted and the trading price of the Corporation's securities could continue to be adversely affected.

Third Party Credit Risk

Crown Point is or may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In the event such entities fail to meet their contractual obligations to Crown Point such failures could have a material adverse effect on Crown Point and its cash flow from operations.

Alternatives to and Changing Demand for Petroleum Products

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for crude oil and other liquid hydrocarbons. Crown Point cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on Crown Point's business, financial condition, results of operations and cash flows.

Reserves Replacement

Crown Point's future oil and natural gas reserves, production, and cash flows to be derived therefrom are highly dependent on Crown Point successfully acquiring or discovering new reserves. Without the continual addition of new reserves, any existing reserves Crown Point may have at any particular time and the production therefrom will decline over time as such existing reserves are exploited. A future increase in Crown Point's reserves will depend not only on Crown Point's ability to develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. There can be no assurance that Crown Point's future exploration and development efforts will result in the discovery and development of additional commercial accumulations of oil and natural gas.

Reserve Estimates

There are numerous uncertainties inherent in estimating quantities of reserves and cash flows to be derived therefrom, including many factors that are beyond the control of Crown Point. The reserve and cash flow information set forth in the documents incorporated by reference herein represent estimates only. These evaluations include a number of assumptions relating to factors such as initial production rates, production decline rates, ultimate recovery of reserves, timing and amount of capital expenditures, marketability of production, future prices of oil and natural gas, operating costs and royalties and other government levies that may be imposed over the producing life of the reserves. These assumptions were based on price forecasts in use at the date the relevant evaluations were prepared and many of these assumptions are subject to change and are beyond the control of Crown Point. Actual production and cash flows derived therefrom will vary from these evaluations, and such variations could be material. The foregoing evaluations are based in part on the assumed success of activities Crown Point intends to undertake in future years. The reserves and estimated cash flows to be derived therefrom contained in such evaluations will be reduced to the extent that such activities do not achieve the level of success assumed in the evaluations.

Foreign Subsidiaries

The Corporation currently conducts all of its Argentina operations through its subsidiary. Therefore, to the extent of these holdings, the Corporation will be dependent on the cash flows of this subsidiary to meet its obligations. The ability of its subsidiary to make payments to the Corporation may be constrained by among other things: the level of taxation, particularly corporate profits and withholding taxes, in the jurisdiction in which it operates; and the introduction of foreign exchange and/or currency controls or repatriation restrictions or the availability of hard currency to be repatriated.

Licensing and Title Risks

Crown Point's properties are generally held in the form of licences, concessions, permits and regulatory consents ("**Concessions**"). Crown Point's activities are dependent upon the grant and maintenance of appropriate Concessions, which may not be granted; may be made subject to limitations which, if not met, will result in the termination or withdrawal of the Concession; or may be otherwise withdrawn. Also, in some instances, the Corporation is a joint interest-holder with another third party over which it has no control. A Concession may be revoked by the relevant regulatory authority as a result of actions or inactions of the other interest holder. There can be no assurance that any of the obligations required maintaining each Concession will be met. Although the Corporation believes that the Concessions will be renewed following expiry or granted (as the case may be), there can be no assurance that such Concessions will be renewed or granted or as to the terms of such renewals or grants. The termination or expiration of the Corporation's Concessions may have a material adverse effect on the Corporation's results of operations and business.

In addition, the areas covered by the Concessions are or may be subject to agreements with the proprietors of the land. If such agreements are terminated, found void or otherwise challenged, the Corporation may suffer significant damage through the loss of opportunity to identify and extract oil or gas.

Title to oil and natural gas interests is often not determinable without incurring substantial expense. In accordance with industry practice, Crown Point will conduct such title reviews in connection with its principal properties as it believes are commensurate with the value of such properties. The actual interest of Crown Point in certain properties may vary from its records.

Minimum Work Commitments on Concessions

In some cases, the Corporation must fulfill minimum work commitments on certain Concessions held in Argentina. The Corporation may also depend on its industry partners to fulfill the applicable minimum work commitments on certain Concessions operated by such industry partners in Argentina. There are no assurances that all of these commitments will be fulfilled within the time frames allowed. As such, the Corporation may lose certain exploration or exploitation rights on the Concessions affected and may be subject to certain financial penalties that would be levied by the respective government agencies, as applicable.

Fluctuations in Currency Exchange Rates

All of the Corporation's current operations are located in Argentina. Oil sales in Argentina are denominated in U.S. dollars and operating and capital costs are generally denominated in U.S. dollars and/or Argentina pesos. Fluctuations in the U.S. dollar and Argentina peso exchange rates may have a negative impact on the Corporation's financial results, including on revenue and costs, and could have a material adverse impact on the Corporation's operations.

Transportation Costs

Disruption in or increased costs of transportation services could make oil and natural gas a less competitive source of energy or could make the Corporation's oil and natural gas less competitive than other sources. The industry depends on rail, trucking, ocean-going vessel, pipeline facilities, and barge transportation to deliver shipments, and transportation costs are a significant component of the total cost of supplying oil and natural gas. Disruptions of these transportation services because of weather-related problems, strikes, lockouts, delays or other events could temporarily impair the ability to supply oil and natural gas to customers and may result in lost sales. In addition, increases in transportation costs, or changes in transportation costs for oil and natural gas produced by competitors, could adversely affect profitability.

To the extent such increases are sustained, the Corporation could experience losses and may decide to discontinue certain operations forcing the Corporation to incur closure and/or care and maintenance costs, as the case may be. Additionally, lack of access to transportation may hinder the expansion of production at some of the Corporation's properties and the Corporation may be required to use more expensive transportation alternatives.

Availability of Drilling Equipment and Access

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment in the particular areas where such activities will be conducted. Demand for such limited equipment or access restrictions may affect the availability of such equipment to Crown Point and may delay exploration and development activities. To the extent Crown Point is not the operator of its oil and gas properties, Crown Point will be dependent on such operators for the timing of activities related to such properties and will be largely unable to direct or control the activities of the operators.

Delays in Business Operations

In addition to the usual delays in payments by purchasers of oil and natural gas to Crown Point or to the operator, and the delays by operators in remitting payment to Crown Point, payments between these parties may be delayed due to restrictions imposed by lenders, accounting delays, delays in the sale or delivery of products, delays in the connections of wells to a gathering system, adjustment for prior periods, or recovery by the operator of expenses incurred in the operation of the properties. Any of these delays could reduce the amount of cash flow available for the business of Crown Point in a given period and expose Crown Point to additional third party credit risks.

Competition

The petroleum industry is competitive in all its phases. Crown Point competes with numerous other participants in the search for the acquisition of oil and natural gas properties. Crown Point's competitors include oil and gas companies that have substantially greater financial resources, staff and facilities than those of Crown Point. Crown Point's ability to increase reserves in the future will depend not only on its ability to explore and develop its present properties, but also on its ability to select and acquire suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of oil and natural gas include price and methods and reliability of delivery.

Conflicting Interests with Partners

Joint venture, acquisition, financing and other agreements and arrangements must be negotiated with independent third parties and, in some cases, must be approved by governmental agencies. These third parties generally have objectives and interests that may not coincide with and may conflict with Crown Point's interests. Unless the parties are able to resolve these conflicting objectives and interests in a mutually acceptable manner, agreements and arrangements with these third parties will not be consummated or maintained.

In certain circumstances, the concurrence of co-venturers may be required for various actions. Other parties influencing the timing of events may have priorities that differ from Crown Point's, even if they generally share Crown Point's objectives. Demands by or expectations of governments, co-venturers, customers and others may affect Crown Point's strategy regarding the various projects. Failure to meet such demands or expectations could adversely affect Crown Point's participation in such projects or its ability to obtain or maintain necessary licences and other approvals.

Changes in Legislation

The oil and natural gas industry in Argentina is subject to extensive controls and regulations imposed by various levels of government. All current legislation is a matter of public record and the Corporation is unable to predict what additional legislation or amendments may be enacted. Amendments to current laws, regulations and permits governing operations and activities of oil and natural gas companies, including environmental laws and regulations which are evolving in Argentina, or more stringent implementation thereof, could have a material adverse impact on the Corporation and cause increases in expenditures and costs, affect the Corporation's ability to expand or transfer existing operations or require the Corporation to abandon or delay the development of new oil and natural gas properties.

Enforcement of Civil Liabilities

Substantially all of the assets of the Corporation are located outside of Canada and certain of the directors and officers of the Corporation may be resident outside of Canada. As a result, it may be difficult or impossible to enforce judgments granted by a court in Canada against the assets of the Corporation or the directors and officers of the Corporation residing outside of Canada.

Reliance on Industry Partners and Operational Independence

The Corporation relies on industry partners with respect to the evaluation, acquisition and development of, and future production from, its properties and a failure or inability to perform by such partners could materially affect the prospects of the Corporation. In addition, other companies may operate certain of the assets in which the Corporation currently has or may in the future have interests. As a result, the Corporation has limited ability to exercise influence over the operation of those assets or their associated costs, which could adversely affect the Corporation's financial performance. The Corporation's return on assets operated by others therefore depends upon a number of factors that may be outside of the Corporation's control, including the timing and amount of capital expenditures, the operator's expertise and financial resources, the approval of other participants, the selection of technology and risk management practices.

Reliance on Key Personnel

Crown Point's success will depend in large measure on certain key personnel. The loss of the services of such key personnel could have a material adverse affect on Crown Point. Crown Point does not have key person insurance in effect for management. The contributions of these individuals to the immediate operations of Crown Point are likely to be of central importance. In addition, the competition for qualified personnel in the oil and natural gas industry is intense and there can be no assurance that Crown Point will be able to continue to attract and retain all personnel necessary for the development and operation of its business. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of Crown Point.

Issuance of Debt and Borrowing

From time to time Crown Point may enter into transactions to acquire assets or the shares of other corporations. These transactions may be financed partially or wholly with debt, which may increase Crown Point's debt levels above industry standards. Depending on future exploration and development plans, Crown Point may require additional equity and/or debt financing that may not be available or, if available, may not be available on favourable terms. Neither Crown Point's articles nor its by-laws limit the amount of indebtedness that Crown Point may incur. The level of Crown Point's indebtedness from time to time could impair Crown Point's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

Hedging and Financial Instruments

Crown Point may from time to time enter into agreements to receive fixed prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline. If, however, commodity prices increase beyond the levels set in such agreements, Crown Point would not benefit from such increases. Similarly, from time to time Crown Point may enter into agreements to fix the exchange rate between Canadian dollars, United States dollars and/or Argentinean pesos in order to offset the risk of revenue losses due to fluctuating exchange rates; however, such agreements may also prevent Crown Point from receiving the benefit of favourable fluctuations in exchange rates.

Income Taxes

Crown Point will file all required income tax returns and believes that it will be in full compliance with the provisions of all applicable tax legislation in the jurisdictions in which it operates. However, such returns are subject to reassessment by the applicable taxation authority. In the event of a successful reassessment of Crown Point, such reassessment may have an impact on current and future taxes payable.

Insurance

Crown Point's involvement in the exploration for and development of oil and gas properties may result in Crown Point becoming subject to liability for pollution, blow outs, property damage, personal injury or other hazards. Although prior to drilling Crown Point will obtain insurance in accordance with industry standards to address such risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, such risks may not in all circumstances be insurable or, in certain circumstances, Crown Point may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to Crown Point. The occurrence of a significant event that Crown Point is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on Crown Point's financial position, results of operations or prospects.

Regulatory

Oil and natural gas operations (exploration, production, pricing, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government, which may be amended from time to time. See "*Industry Conditions*". Governments may regulate or intervene with respect to price, taxes, royalties and the exportation of oil and natural gas. Such regulations may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the oil and natural gas industry could reduce demand for natural gas and crude oil and increase the Corporation's costs, any of which may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects. In order to conduct oil and gas operations, the Corporation will require licenses from various governmental authorities. There can be no assurance that the Corporation will be able to obtain all of the licenses and permits that may be required to conduct operations that it may wish to undertake.

Environmental

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and gas operations. The legislation also requires that wells and facility sites be operated, maintained, abandoned and reclaimed to the satisfaction of applicable regulatory authorities. Compliance with such legislation can require significant expenditures and a breach may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require Crown Point to incur costs to remedy such discharge. Although Crown Point believes that it will be in material compliance with current applicable environmental regulations no assurance can be given that environmental laws will not result in a curtailment of production or a material increase in the costs of production, development or exploration activities or otherwise adversely affect Crown Point's financial condition, results of operations or prospects.

Climate Change

Argentina ratified the Kyoto Protocol ("**Kyoto Protocol**"), which requires a reduction in greenhouse gas ("**GHG**") emissions by signatory countries between 2008 and 2012. The Kyoto Protocol officially came into force on February 16, 2005 and commits Argentina to reduce its GHG emissions levels to 6% below 1990 "business as usual" levels by 2012.

The United Nations Framework Convention on Climate Change is working towards establishing a successor to the Kyoto Protocol. From December 7 to 18, 2009, a meeting between government leaders and representatives from approximately 170 countries in Copenhagen, Denmark (the "**Copenhagen Conference**") resulted in the Copenhagen Accord, which reinforces the commitment to reducing GHG emissions contained in the Kyoto Protocol and promises funding to help developing countries mitigate and adapt to climate change. From November 29 to December 10, 2010, a meeting between representatives from approximately 190 countries in Cancun, Mexico resulted in the Cancun Agreements, in which developed countries committed to additional measures to help developing countries deal with climate change. Unlike the Kyoto Protocol, however, neither the Copenhagen Accord nor the Cancun Agreements establish binding GHG emissions reduction targets.

Conflicts of Interest

Certain directors and officers of Crown Point are also directors and/or officers of other oil and gas companies and as such may, in certain circumstances, have a conflict of interest requiring them to abstain from certain decisions. Conflicts, if any, will be subject to the procedures and remedies of the BCBCA. See "Conflicts of Interest".

Volatility of Market Price of Common Shares

The market price of the Common Shares may be volatile. The volatility may affect the ability of holders to sell the Common Shares at an advantageous price. Market price fluctuations in the Common Shares may be due to the Corporation's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Corporation or its competitors, along with a variety of additional factors. In addition, the market price for securities on stock markets, including the TSXV, is subject to significant price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities that often has been unrelated or disproportionate to changes in operating performance. These broad market fluctuations may adversely affect the market price of the Common Shares.

Dilution

Crown Point may make future property or corporate acquisitions or enter into financing or other transactions involving the issuance of securities of Crown Point which may be dilutive.

Management of Growth

The Corporation may be subject to risks related to growth including capacity constraints and pressure on its internal systems and controls. The ability of the Corporation to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Corporation to deal with this growth may have a material adverse effect on the Corporation's business.

Dividends

Crown Point has not paid any cash dividends to date on the Common Shares and there are no plans for such dividend payments in the foreseeable future. Payment of dividends in the future will be dependent on, among other things, the cash flow, results of operations and financial condition of the Corporation, the need for funds to finance ongoing operations and other considerations as the board of directors of the Corporation considers relevant.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, is included in the Corporation's information circular. Additional financial information is contained in the Corporation's financial statements for the year ended August 31, 2011 and the Corporation's management's discussion and analysis for such financial year. Additional information relating to Crown Point may be found on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.