



Don't Fall For LAIG's Façade

Consider the Facts and Vote the White Proxy
to Protect Your Investment

**Vote WHITE by Friday,
February 20, 2015 at 10AM
Calgary Time**

February 10, 2015

Dear Shareholders,

I am writing to ask for your support and immediate action with respect to our February 24 Shareholder Meeting which is fast approaching.

In this letter I summarize the reasons why you must act to protect your investment and:

- Vote ONLY the white proxy
- FOR a US\$8.5 million second tranche financing ("Second Tranche") with two highly respected Argentine strategic investors (the "Strategic Investors")
- AGAINST the resolutions proposed by dissident shareholder LAIG Oil Investments ("LAIG") to take control of the Board

Crown Point has received the recommendation of Institutional Shareholder Services Inc. ("ISS"), a leading independent international corporate governance analysis and proxy advisory firm, following a review of the issues raised by both Crown Point and LAIG. ISS recommends that shareholders vote in favour of the Second Tranche and against LAIG, concluding: "Given the financing back-up and the strategic relationship with the strategic investors, and the overall positive trend of expected increasing production volumes, it may be reasonable to allow some more time for management to deliver the results on Tierra Del Fuego ("TDF")."¹

You can find further information, including details on how to cast your vote, on our website at www.crownpointenergy.com/proxycontest.

Second Tranche Financing Provides Critical Capital and Cements an Alliance

The Second Tranche financing will provide critical capital so that Crown Point can advance its promising 14-well exploration and development program at TDF and a follow-up five-well program. The 14-well program, which is still underway, has already resulted in significant production growth.

Moreover, Crown Point believes that its alliance with the Strategic Investors, who are providing the Second Tranche financing, will

help grow the Company into a significant player in Argentina. The Strategic Investors have strong reputations in Argentina, extensive experience in Argentina's energy and banking industries, and deep relationships within the local Argentine business community. Crown Point anticipates that the Strategic Investors will enable Crown Point to gain access to new opportunities through, among other things, acquisitions and farm-ins on strategic assets.

You should be aware that Crown Point requires the Second Tranche funds to meet its 2015 obligations and the only bona fide financing available to Crown Point is its US\$8.5 million Second Tranche financing with Crown Point's Strategic Investors.

LAIG's Façade Versus the Facts

LAIG has repeatedly either embellished or omitted significant details in its communications to Crown Point's shareholders. Supplemental and supporting information can be found in our Management Information Circular (the "Circular") and on our website www.crownpointenergy.com/proxycontest.

After reading the Circular, shareholders should consider the following examples and ask: "Is LAIG trustworthy and will it act in the best interests of all shareholders should it gain control of the Board and the Company?"

LAIG asks you to believe in an ability to "leverage" a relationship with Hispania Petroleum ("Hispania") but the relationship is not disclosed and there are questions about whether Hispania still owns and operates an oil producing property in Argentina. LAIG's CEO candidate is unnamed and the candidate's experience (or lack thereof) as a CEO of a Canadian public company is undisclosed. Nor has LAIG named the directors that it would appoint to the Board following the February 24 Shareholder Meeting.

LAIG misleadingly represented itself as Argentine or Argentine-based until Crown Point disclosed otherwise. Crown Point believes that LAIG, a foreign investor in Argentina whose principals reside in England and Mexico, does not have the kind of deep and influential relationships that Crown Point needs in Argentina, and that Crown Point's Strategic Investors provide.

LAIG did not present a balanced picture of itself – As detailed in our Circular, LAIG has presented a grandiose self-description, which we believe is contradicted by court documents that describe

1. Permission to quote from the ISS report was neither requested nor received

Your vote is important. Vote the WHITE proxy FOR the Second Tranche and AGAINST the dissidents.

If you have any questions or require assistance with voting, please contact Crown Point's proxy solicitor Laurel Hill Advisory Group North America Toll Free: 1-877-452-7184 • Collect Calls Outside North America: 416-304-0211 • Email: assistance@laurelhill.com

several attempts by LAIG to acquire Argentine oil and gas assets since 2013 none of which appear to have closed. One such attempt resulted in an ongoing lawsuit with which Crown Point does not want to be associated with, against an Argentine oil and gas company.

LAIG obscured or embellished the biographies of its nominees. As detailed in our Circular, we believe that the biographies presented by LAIG obscure the inexperience of LAIG's dissident nominees as directors of publicly traded companies.

LAIG has refused to disclose to shareholders the unfavourable and highly dilutive terms of its initial financing proposal (the "Inferior Proposal"), or how LAIG attempted to force the Inferior Proposal on Crown Point in November 2014. LAIG told Crown Point the terms it would "require", and bullied Crown Point to acquiesce on exclusivity within one day by threatening a proxy contest if Crown Point refused.

LAIG's flawed new proposal (the "Last-Minute Proposal") is not a bona fide financing offer. Crown Point's Special Committee has determined, with the advice of counsel, that LAIG's Last-Minute Proposal is not binding, despite LAIG's claim that it is. You should be aware of the following:

- LAIG has not presented Crown Point with a definitive agreement or third-party verification that LAIG has the funds available.
- LAIG has not disclosed that the Last-Minute Proposal would make LAIG a "control person" under TSX Venture Exchange ("TSXV") rules.
- LAIG has not disclosed that it requires , but has not applied for or obtained TSXV approval of the Last-Minute Proposal or the related "control-person" transaction.
- There is no vote at the special meeting on the Last-Minute Proposal. LAIG incorrectly claims this is because the Board is not "doing the right thing." In fact the real reason, which LAIG has not disclosed, is because (among other things) there is nothing to vote on: LAIG is soliciting votes to approve a control person financing that does not exist and that has not been approved (and might never be approved) by the TSXV, even though such approval is required. Unlike LAIG, Crown Point takes its legal and regulatory obligations seriously and has obtained the required TSXV approval for the Second Tranche.

LAIG isn't bringing anything new to the table in Crown Point's view other than litigious, risky and ill-conceived ideas. The first four components of LAIG's plan are identical to Crown Point's current plan. The remaining components are fraught with risk, primarily the



risk that Crown Point, under LAIG, will be unable to properly function as a Canadian publicly traded company after LAIG closes the Calgary office and eliminates Crown Point's directors and officers with Canadian public company experience.

LAIG's is trying to mislead shareholders with unfounded criticisms of management – Crown Point wishes to set the record straight for shareholders pertaining to LAIG's hypocritical and false attacks. Crown Point's management and Board have been acting in the best interests of the Company and its shareholders. Among other things:

- LAIG's criticism on dilution is hypocritical: LAIG hypocritically attacks the Second Tranche as a "highly dilutive 'sweetheart' financing", notwithstanding that LAIG's Inferior Proposal (which was delivered to Crown Point before the Second Tranche was agreed to) was far more dilutive. It appears that because LAIG was to be the beneficiary, LAIG had no concern about trying to impose a more dilutive financing on Crown Point and its shareholders.

- Our El Valle reassessment was prudent: Contrary to LAIG's assertions, in light of disappointing drilling and operating results that were damaging Crown Point's financial performance, Crown Point acted reasonably in narrowing its strategic focus to more prospective concessions. As part of the sale, the purchasers assumed Crown Point's US\$13 million of net future capital commitments in respect of El Valle, money that Crown Point had determined was better invested elsewhere.
- Our G&A expenses are declining: Crown Point is committed to efficiently managing its G&A expenses and reduced its G&A expenses by 17%, including a 22% decrease in salaries, during the nine month period ended September 30, 2014, compared with a year earlier. Moreover contrary to LAIG's assertions, Crown Point does not have two CFOs and two COOs. Our management structure is typical and appropriate for a company with international operations that needs to oversee operations abroad and adhere to regulatory requirements in Canada.
- LAIG's G&A analysis is flawed and misleading: It has selected four companies as "selected comparables" for the purpose of comparing G&A to gross profit. But for the purpose of applying this ratio, all of these comparables are flawed because the ratio is strongly affected by scale. At Crown Point's size, small changes in production can have a significantly greater favourable or unfavourable impact on this ratio compared with the impact when this ratio is applied to larger operators. By market capitalization, LAIG's purported ratio comparables are significantly larger than Crown Point. For example, Geopark is 15 times larger, Petrobras Argentina is 25 times larger and APCO Oil and Gas is 30 times larger. Even the smallest, Americas Petrogas, is more than twice the size of Crown Point.
- No misrepresentation of cash by Crown Point: There was no misrepresentation of Crown Point's cash position by the CEO in June 2014 or by the CFO in October 2014, as LAIG alleges. When asked, the CEO and the CFO quite appropriately referenced the most recent public disclosure. To provide LAIG with more current information would have been selective disclosure, which is prohibited under securities laws prevailing in Canada and most other jurisdictions. LAIG should have been aware that it was not entitled to information about the Company's cash position other than what was already disclosed in the public domain. Perhaps this is indicative of LAIG's unfamiliarity with the legal and regulatory regime that Crown Point must comply with.
- Legitimate timing of financing completion: LAIG unfairly criticizes Crown Point for waiting to complete the financing when the Company's stock price was well below the price at the outset of negotiations. Certainly the Company would have preferred to close the transaction earlier, and especially before

LAIG demanded that the Board acquiesce to LAIG's Inferior Proposal but the complex nature of the financing negotiations and the extensive due diligence conducted by both parties took significant amounts of time. In any event, the strategic financing was concluded in a timely fashion at a significant premium to the market price of Crown Point's shares and allowed Crown Point to avoid submitting to LAIG's Inferior Proposal.

- Second Tranche financing structure beyond reproach: LAIG unfairly criticizes Crown Point's financing with the Strategic Investors on the grounds that it was structured in two tranches, with only the Second Tranche being subject to shareholder approval. This structure was formally approved by the TSXV, the only regulatory body that requires Crown Point to obtain shareholder approval for a financing. In contrast, LAIG is seeking a shareholder vote for its Last-Minute Proposal without having obtained TSXV approval, even though such approval is required prior to a shareholder vote being held. It is possible that the Last-Minute Proposal might never be approved by the TSXV.

We urge you to follow the voting recommendations of Crown Point and ISS, a leading independent international corporate governance analysis and proxy advisory firm.

Protect Your Investment and Vote the WHITE Proxy FOR the Second Tranche and AGAINST the Dissidents.

To learn more about the reasons for Crown Point's voting recommendations, which have been supported by ISS, shareholders should read Crown Point's proxy materials, including a Letter to Shareholders and Circular, both dated January 22, 2015. The Circular and other materials have been mailed to shareholders and are available on Crown Point's website at www.crownpointenergy.com/proxycontest and on SEDAR at www.sedar.com.

ACT NOW – Vote before 10:00 am Calgary time on February 20, 2015. Vote for growth, investment and experience for Crown Point. Vote to halt LAIG's opportunism.

Yours sincerely,

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Vote WHITE by Friday, February 20, 2015 at 10AM Calgary Time

To ensure your vote is received in a timely manner, please vote at least 24 hours prior to the deadline.

If you have already voted using the WHITE proxy or voting instruction from (combined as, "**WHITE Proxy**"), you do not need to do anything further and we thank you for your support.

If you have yet to vote or want to change your vote, we ask that you do so as soon as possible using the enclosed WHITE Proxy. As there is limited time left, we encourage you to vote using the internet or by telephone by following the instructions found on the enclosed WHITE Proxy.

Please disregard any other coloured proxies you receive. If you have already submitted a proxy solicited by the Dissident, you may still change your vote and support Management by voting your WHITE Proxy.



If you have any questions or require assistance with voting, please contact Crown Point's proxy solicitor Laurel Hill Advisory Group

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FORWARD LOOKING INFORMATION

ADVISORY

This letter contains forward-looking information. This information relates to future events and the Company'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", "aim", or the negative of these terms or other comparable terminology are generally intended to identify forward-looking information. Such information represents the Company'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. 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 letter contains forward-looking information concerning, among other things, the following: the Company's assessment of LAIG's motivations, capabilities and the intended outcomes of its actions; Crown Point's belief that its alliance with its strategic investors, who are providing the Second Tranche financing, will help grow the Company into a significant player in Argentina; Crown Point's belief that the strategic investors will enable Crown Point to gain access to new opportunities through, among other things, acquisitions and farm-ins on strategic assets; Crown Point's assessment of the potential risks associated with LAIG's purported business plan for Crown Point; and matters with respect to the date and time for the meeting and anticipated proxy cut-offs for the same.

A number of risks and other factors could cause actual results to differ materially from those expressed in the forward-looking information contained in this letter including, but not limited to, an incorrect assessment by the Company of the matters and opinions expressed herein; the risk that the remaining portion of the financing with the strategic investors is not completed in a timely manner (or at all) or on the terms presently proposed; the risk that the Company is unable to realize the anticipated benefits of the financing with the strategic investors; the risk that the meeting date and time may be delayed, adjourned or otherwise; the risks and other factors described under "Risk Factors" in the Company's Annual Information Form, which is available for viewing on SEDAR at www.sedar.com.

With respect to forward-looking information contained in this letter, Crown Point has made assumptions regarding, among other things: the general stability of the economic and political environment in which the Company operates; the timely receipt of any required regulatory approvals; the ability of the Company to fully complete the remaining portion of the proposed financing with the strategic investors in a timely manner (or at all) or on the terms it presently contemplates; and the ability of the Company to continue as a going concern without the loss or forfeiture of any assets; the time and date of the Meeting (and related voting cut-offs). Management of Crown Point has included the above summary of assumptions and risks related to forward-looking information included in this letter in order to provide investors with a more complete perspective on the Company'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 letter are expressly qualified by this cautionary statement.

The forward-looking information contained herein is made as of the date of this letter and the Company 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.