



FOR IMMEDIATE RELEASE  
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CWV: TSX.V

## **Crown Point Announces Results for the Three Months and Year Ended December 31, 2014**

**TSX-V: CWV: Crown Point Energy Inc. (“Crown Point” or the “Company”)** today announced its operating and financial results for the three months and year ended December 31, 2014.

“2014 was a transformative year for Crown Point, highlighted by the expertise and additional resources gained as a result of the recently completed strategic financing,” said Murray McCartney, CEO of Crown Point. “In addition to new funds that will enable continued development of our assets in both Tierra del Fuego and Cerro de Los Leones in 2015, Crown Point will benefit from the diverse and extensive experience our two new directors bring to the Board.”

Copies of the Company’s audited consolidated financial statements, Management’s Discussion and Analysis (“**MD&A**”), and National Instrument 51-101 Standards of Disclosure for Oil and Gas Activities (“**NI 51-101**”) disclosures for the year ended December 31, 2014 are being filed with Canadian securities regulatory authorities and will be made available under the Company’s profile at [www.sedar.com](http://www.sedar.com) and on the Company’s website at [www.crownpointenergy.com](http://www.crownpointenergy.com). All dollar figures are expressed in United States dollars unless otherwise stated, and M\$ means thousands of U.S. dollars.

Since January 1, 2014, the Company:

- Completed both financing tranches pursuant to the Investment Agreement the Company entered into pursuant to which two strategic investors (the “**Strategic Investors**”) subscribed for and purchased an aggregate of 60,000,000 common shares of the Company at an issue price of \$0.25 per share for aggregate gross proceeds of \$15 million (the “**Strategic Financing**”).
- Increased proved and proved plus probable reserves by 39% to 4,771 MBOE and 5% to 6,036 MBOE, respectively, at December 31, 2014 compared to at December 31, 2013, notwithstanding the sale of the Company’s interests in the El Valle area in 2014.
- Completed a 10 well drilling program consisting of eight development wells and two exploration wells.
- Initiated a further three well drilling program in the first quarter of 2015.

### **Operational Summary**

#### *Tierra del Fuego (“TDF”)*

Crown Point has placed four of the eight development wells and one of the two exploration wells on production from the ten well drilling program. Fracture stimulation operations on the remaining drilled wells are scheduled to start in May 2015. The Company also completed its 4-well recompletion program in TDF and placed into production two of four well recompletions following fracking to stimulate output.

The Company drilled two exploration wells, the San Luis SLx-1003 and the Puesto Quince PQ.x-1001. The San Luis well has been placed on production, while log and sample analysis indicate that the Puesto Quince well is a new pool discovery.

The Company commenced a program to drill three additional wells on the Las Violetas Concession in the first quarter of 2015. A table summarizing the program is presented below:

TDF 3-Well Follow-up Program

#	Well Name	Actual / Anticipated Spud Date
1	LFE-1001	March 2015
2	LV-112	April 2015
3	SLx-1004	May 2015

In April 2015, the Company commenced the acquisition of new 3-D seismic in TDF comprised of:

- Approximately 50 km<sup>2</sup> on the Rio Cullen concession in northern TDF;
- Approximately 52 km<sup>2</sup> on the Angostura Concession located between the Rio Cullen and Las Violetas Concession to the south; and
- Approximately 120 km<sup>2</sup> on the eastern extension of the Los Flamencos gas pool in the Las Violetas Concession.

Crown Point received formal notification of its inclusion in a New Gas Incentive Program, under which Argentina provides an incentive for producers to earn higher natural gas prices for production above a base level. The New Gas Incentive Program will remain in effect until the end of 2017 and is expected to apply to new production resulting from the TDF development drilling program. Additional details of the New Gas Incentive Program are disclosed in the Company's most recently filed Annual Information Form.

*Cerro de Los Leones*

In the Spring of 2014, Crown Point completed drilling and evaluation of the LH x-1 well on the La Hoyada feature which was suspended pending further evaluation and results from the next phase of exploration activities.

Integrating the information obtained from the drilling of LH x-1, the Company reprocessed its previously shot 3-D and 2-D seismic with a focus on the La Hoyada and Vega del Sol areas. The re-processed seismic is being integrated into an ongoing reinterpretation to fully evaluate the potential in the Vega del Sol structure which is located to the west of LH x-1.

The Company has entered into an agreement with the Province of Mendoza (the "**Agreement**") to transfer unused work units from Period 1 to Period 2 and thus extend the concession to May 2017 with an option to extend Period 2, at the Company's request, for one additional year to May 2018. As part of this Agreement, the Company will on May 22, 2015 relinquish certain acreage which has been either sterilized because of environmental considerations or restricted/prohibited access due to the presence of the European Space Agency's Deep Space 3 antenna on the Permit or deemed non-prospective by the Company. The relinquishments will reduce the acreage of the Permit to approximately 100,907 acres and the remaining work units to approximately 780, thereby reducing the remaining Period 1 expenditure commitment to \$3.9 million which would then be transferred to Period 2. Pursuant to the Agreement, total Period 2 commitments increase from \$750,000 to \$4.6 million plus one exploration well.

## Outlook

The Company anticipates the following activities to occur during the remainder of 2015:

- Complete remedial work at LF-1028 during the second quarter of 2015 to evaluate the Springhill interval, followed by completion and testing of the well
- Commence a TDF fracture stimulation program during the second quarter of 2015, which includes LFE-1003, PQ x-1001 and, if necessary, LF-1029, LFE-1004, LF-1028 and LFE-1001
- In the fourth quarter of 2015, Crown Point plans to re-enter and retest two older wells drilled by YPF. Vega del Sol x-1, drilled in 1995, was successfully completed and flowed oil from the Chachao formation which produced oil at rates between 250 and 350 bbls of oil per day. Vega del Sol x-3, drilled in 2002, was completed and flow tested gas from the shallow Neuquén Group sandstones. Well logs and sample descriptions for both wells also indicate the potential for bypassed oil pay in the Neuquén Group.
- Evaluate the viability of drilling a well on either Rio Cullen or Angostura or on both of the concessions in the fourth quarter of 2015 based on the interpretation of the 3-D seismic programs. The seismic survey at Los Flamencos is intended to identify additional step out locations on the eastern extension of this pool for drilling later in 2015 and 2016.

## Capital Expenditures

Crown Point estimates a total of \$11.5 million of capital expenditures for 2015, comprised of \$9 million on the TDF concessions and \$2.5 million on the Cerro de Los Leones concession. Crown Point expects to meet these obligations, along with its other anticipated expenses, from funds flow from continuing operations, working capital (which totaled approximately \$2.6 million at the end of Q4 2014) and \$8.5 million of proceeds received subsequent to Q4 2014 from the completion of the second tranche of the Strategic Financing.

Management is taking a prudent approach to discretionary spending and will continue to review the Company's cost structure to reduce expenses and improve efficiencies where possible.

## Board Changes

The Company announces that Mr. Carlos Olivieri has retired from the Company's board of directors. The Company thanks Mr. Olivieri for his many years of wise counsel. Dr. Brian Moss has also stepped down from the board of directors to ensure that the board continues to have a majority of directors who are independent of management and the Strategic Investors. Dr. Moss continues to serve as the Company's Executive Vice President and Chief Operating Officer.

## **SUMMARY FINANCIAL INFORMATION**

(expressed in \$, except shares outstanding)	<b>December 31, 2014</b>	<b>December 31, 2013</b>
Working capital	2,575,201	15,049,226
Exploration and evaluation assets	14,828,994	10,350,417
Property and equipment	29,063,224	32,029,851
Total assets	57,569,312	64,868,464

Non-current financial liabilities <sup>(1)</sup>	1,451,658	3,942,392
Share capital	107,575,856	101,334,798
Total common shares outstanding	130,480,926	104,515,222

(expressed in \$, except shares outstanding)	Three months ended December 31,		Year ended December 31,	
	2014	2013	2014	2013
Oil and gas revenue	3,099,203	4,260,729	13,793,035	15,686,650
Petroleo Plus Credits	–	–	363,539	–
Net loss from continuing operations	(3,318,889)	(2,011,465)	(6,989,342)	(6,324,403)
Net loss per share – continuing operations <sup>(2)</sup>	(0.03)	(0.02)	(0.07)	(0.06)
Net loss from discontinued operations	–	(1,631,485)	(8,446,525)	(8,666,858)
Net loss per share from discontinued operations <sup>(2)</sup>	–	(0.02)	(0.08)	(0.08)
Net loss	(3,318,889)	(3,642,950)	(15,435,600)	(14,991,261)
Net loss per share <sup>(2)</sup>	(0.03)	(0.03)	(0.15)	(0.14)
Funds flow from (used by) continuing	(1,024,457)	(1,078,900)	841,565	(212,155)
Funds flow per share – continuing operations <sup>(2)</sup>	(0.01)	(0.01)	0.01	(0.00)
Weighted average number of shares	107,902,053	104,515,222	105,368,889	104,515,222

<sup>(1)</sup> Non-current financial liabilities are comprised of bank debt. The total amount outstanding at December 31, 2014 is \$4,748,908 of which \$3,297,250 is classified as current and \$1,451,658 is long-term (2013 – \$4,113,800; \$171,408 current and \$3,942,392 long-term).

<sup>(2)</sup> All per share figures are based on the basic weighted average number of shares outstanding in the period. The effect of options is anti-dilutive in loss periods. Per share amounts may not add due to rounding.

### TDF Pricing

As shown in the table below, although the Company received higher unit prices for oil, NGL and natural gas in Q4 2014, total revenue per BOE declined by 15% from the 2013 comparative quarter due primarily to a decrease in oil sales volumes.

	Three months ended December 31		
	2014	2013	Change
Light oil revenue per bbl (\$)	77.30	74.88	+3%
NGL revenue per bbl (\$)	24.39	20.88	+17%
Natural gas revenue per Mcf (\$)	3.54	3.38	+5%
Revenue per BOE (\$)	26.00	30.45	-15%

### TDF Sales and Production Volumes

During Q4 2014, average daily sales volumes were 1,296 BOE per day, down 3% from 1,336 BOE per day in Q3 2014 and down 15% from 1,521 BOE per day in Q4 2013 due to natural decline rates from existing wells.

TDF average daily production volumes for Q4 2014 averaged 1,393 BOE per day, up 9% from 1,281 BOE per day in Q3 2014 due to three new wells brought on production in the fourth quarter and down 6% from Q4 2013 due to natural declines from existing wells.

General and Administrative (“G&A”) Expenses

G&A expenses increased by 16% from Q3 2014 due to fees related to year-end regulatory filing requirements, but decreased 28% from Q4 2013 due to lower salaries, benefits and travel costs.

**RESERVES**

Gaffney Cline & Associates Inc. (“**Gaffney Cline**”), an independent qualified reserves evaluator, evaluated the oil and natural gas reserves attributable to all of Crown Point’s properties as at December 31, 2014 based on forecast prices and costs and in accordance with NI 51-101 and the Canadian Oil and Gas Evaluation Handbook. Gaffney Cline’s evaluation also presents the estimated net present value of future net revenue of Crown Point. Gaffney Cline’s report on Crown Point’s oil and gas reserves and net present values as at December 31, 2014 is summarized below:

**SUMMARY OF RESERVES  
as of December 31, 2014 compared to December 31, 2013  
(Forecast Prices & Costs)**

Reserves Category	Company Gross Oil and Liquids (Mbbbls)			Company Gross Natural Gas (Mmcf)		
	2014	2013	Change	2014	2013	Change
Proved developed producing	451	364	24%	13,115	7,646	72%
Proved developed non-producing	68	202	-66%	167	319	-48%
Proved undeveloped	225	265	-15%	10,882	7,651	42%
Total proved	744	830	-10%	24,164	15,616	55%
Total probable	281	783	-64%	5,903	9,184	-36%
Total proved plus probable	1,025	1,613	-37%	30,067	24,800	21%
Total possible	0	924	-100%	303	5,200	-94%
Total proved plus probable plus possible	1,025	2,537	-60%	30,370	30,000	1%

Reserves Category	Company Gross Total Reserves MBOE		
	2014	2013	Change
Proved developed producing	1,772	1,638	8%
Proved developed non-producing	108	255	-58%
Proved undeveloped	1,641	1,540	7%
Total proved	4,771	3,433	39%
Total probable	1,265	2,313	-45%
Total proved plus probable	6,036	5,746	5%
Total possible	0	1,791	-100%
Total proved plus probable plus possible	6,036	7,537	-20%

**SUMMARY OF NET PRESENT VALUE OF FUTURE NET REVENUE**  
as of December 31, 2014  
(Forecast Prices & Costs)

Reserves Category	Net Present Value of Future Net Revenue Before Income Taxes				
	Discounted at (% / year)				
	0% M\$	5% M\$	10% M\$	15% M\$	20% M\$
Proved developed producing	32,460	27,626	23,992	21,190	16,980
Proved developed non-producing	4,007	3,240	2,692	2,288	1,981
Proved undeveloped	55,442	40,359	29,982	22,635	17,301
<b>Total proved</b>	<b>91,910</b>	<b>71,225</b>	<b>56,666</b>	<b>46,113</b>	<b>38,262</b>
<b>Total probable</b>	<b>46,441</b>	<b>31,149</b>	<b>21,303</b>	<b>14,777</b>	<b>10,374</b>
<b>Total proved plus probable</b>	<b>138,351</b>	<b>102,374</b>	<b>77,969</b>	<b>60,890</b>	<b>48,636</b>
<b>Total possible</b>	<b>1,849</b>	<b>1,279</b>	<b>897</b>	<b>658</b>	<b>486</b>
<b>Total proved plus probable plus possible</b>	<b>140,200</b>	<b>103,653</b>	<b>78,866</b>	<b>61,548</b>	<b>49,122</b>

- (1) "Possible reserves" are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of proved plus probable plus possible reserves.
- (2) The estimated net present values of future net revenues disclosed do not represent fair market value.
- (3) 2013 reserves figures are derived from the reserves report dated March 7, 2014 evaluating the oil and natural gas reserves of the Corporation as at December 31, 2013 as prepared by McDaniel & Associates Consultants Ltd.

Sales of oil and natural gas during the year ended December 31, 2014 were 515,333 BOE, comprised of 105,000 bbls of oil and liquids and 2.462 Bcf of natural gas.

Reserve volumes and net present values of Crown Point's reserves were impacted by several factors including the sale of its 50% interest in the El Valle Exploitation Concession ("El Valle"): Crown Point's independent reserves report dated effective December 31, 2013 assigned El Valle gross proved developed producing reserves of 90.2 MBOE; total gross proved reserves of 289.8 MBOE; and total gross proved plus probable reserves of 777.2 MBOE. Extensions and improved recovery, positive technical revisions and discoveries more than offset production, resulting in a 39% increase in total gross proved reserves at December 31, 2014 compared to as at December 31, 2013. Overall, total proved and probable reserves increased 290 MBOE, or 5%, at December 31, 2014 compared to as at December 31, 2013. Net present values were impacted by increased pricing and inflation rate assumptions for all product types.

Further details of the evaluation of the Company's reserves as at December 31, 2014 will be contained in the Company's NI 51-101 filings for the year ended December 31, 2014 which will be filed with Canadian securities regulatory authorities and will be made available under the Company's profile at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.crownpointenergy.com](http://www.crownpointenergy.com)

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### **About Crown Point**

Crown Point Energy Inc. is an international oil and gas exploration and development company headquartered in Calgary, Canada, incorporated in Canada, trading on the TSX Venture Exchange and operating in South America. Crown Point's exploration and development activities are focused in the Golfo San Jorge, Neuquén and Austral basins in Argentina. Crown Point has a strategy that focuses on establishing a portfolio of producing properties, plus production enhancement and exploration opportunities to provide a basis for future growth.

### **Advisory**

*Certain Oil and Gas Disclosures: Barrels of oil equivalent (BOE) may be misleading, particularly if used in isolation. A boe conversion ratio of six thousand cubic feet (6 Mcf) to one barrel (1 bbl) is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, given that the value ratio based on the current price of crude oil in Argentina as compared to the current price of natural gas in Argentina is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value. "MBOE" means thousands of barrels of oil equivalent. "BOEPD" means barrels of oil equivalent per day. "Mcf" means thousand cubic feet. "Mmcf" means million cubic feet. "Bcf" means billion cubic feet. "Mbbls" means thousands of barrels.*

*Non-IFRS Measures: This press release discloses "funds flow from operations" which does not have standardized meanings under International Financial Reporting Standards ("IFRS") and as such may not be comparable with the calculation of similar measures used by other entities. Funds flow from operations should not be considered an alternative to or more meaningful than, cash flow from operating activities as determined in accordance with IFRS as an indicator of the Company's performance. Management uses funds flow from operations to analyze operating performance and considers funds flow from operations to be a key measure as it demonstrates the Company's ability to generate cash necessary to fund future capital investment. A reconciliation of funds flow from operations to cash flow from operating activities is presented in the MD&A under "Non-IFRS Measures".*

*Forward looking information: Certain information set forth in this document, including: timing and details with respect to the Company's ongoing 8 well drilling program at TDF; timing for additional work on its LF-1028 well; preliminary assessments of the results of certain of the Company's drilling operations; matters with respect to the extension of the Cerro de Los Leones Permit, the terms of the Agreement with the province of Mendoza and the expected timing for receipt of ministerial approval of the same; expectations with respect to the new gas incentive program; various statements under the heading "Outlook", including anticipated work at the Company's LF-1028 well, fracture operations at TDF, possible future operations and work at its Rio Cullen or Angostura concessions and possible re-entry operations of certain wells at Cerro de Leones concession; the Company's anticipated capital expenditures for 2015, including the source of funds to finance such expenditures; and the acreage to be relinquished at Cerro de Los Leones and the other terms relating to the extension of such permit to become effective on May 22, 2015 is considered forward-looking information, and necessarily involve risks and uncertainties, certain of which are beyond Crown Point's control. In addition, 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. Such risks include but are not limited to: risks associated with oil and gas exploration, development, exploitation, production, marketing and transportation; risks associated with ministerial approval of the Agreement (including with respect to the timing of such approval and the terms thereof); risks associated with operating in Argentina, including risks of changing government regulations (including the adoption of,*

amendments to, or the cancellation of government incentive programs or other laws and regulations relating to commodity prices, taxation, currency controls and export restrictions, in each case that may adversely impact Crown Point), expropriation/nationalization of assets, price controls on commodity prices, inability to enforce contracts in certain circumstances, the potential for a sovereign debt default or a hyperinflationary economic environment, and other economic and political risks; loss of markets and other economic and industry conditions; volatility of commodity prices; currency fluctuations; imprecision of reserve estimates; environmental risks; competition from other producers; inability to retain drilling services; incorrect assessment of value of acquisitions and failure to realize the benefits therefrom; delays resulting from or inability to obtain required regulatory approvals; the lack of availability of qualified personnel or management; stock market volatility and ability to access sufficient capital from internal and external sources; and economic or industry condition changes. Actual results, performance or achievements could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that Crown Point will derive therefrom. In addition, the information relating to reserves is deemed to be forward-looking information, as such information involves the implied assessment, based on certain estimates and assumptions that the reserves described can be economically produced in the future. With respect to forward-looking information contained herein, the Company has made assumptions regarding: the impact of increasing competition; the general stability of the economic and political environment in Argentina; the timely receipt of any required regulatory approvals (including with respect to the Agreement and the timing thereof); the ability of the Company to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the costs of obtaining equipment and personnel to complete the Company's capital expenditure program; the ability of the operator of the projects which the Company has an interest in to operate the field in a safe, efficient and effective manner; the ability of the Company to obtain financing on acceptable terms when and if needed; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration activities; the timing and costs of pipeline, storage and facility construction and expansion and the ability of the Company to secure adequate product transportation; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, commodity price controls, import/export matters, taxes and environmental matters in Argentina; and the ability of the Company to successfully market its oil and natural gas products. Additional information on these and other factors that could affect Crown Point are included in reports on file with Canadian securities regulatory authorities, including under the heading "Risk Factors" in the Company's annual information form, and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)). Furthermore, the forward-looking information contained in this document are made as of the date of this document, and Crown Point does not undertake any obligation to update publicly or to revise any of the included forward looking information, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable securities law.

*Analogous Information:* Certain information contained herein is considered "analogous information" as defined in National Instrument 51-101 - Standards of Disclosure for Oil and Gas Activities ("**NI 51-101**"). Such analogous information has not been prepared in accordance with NI 51-101 and the Canadian Oil and Gas Evaluation Handbook and Crown Point is unable to confirm whether such estimates have been prepared by a qualified reserves evaluator. In particular, this news release describes the prospective Cerro de Los Leones concession as being surrounded by several large conventional oil pools. Such information is not intended to represent projections of future results. Such information has been presented to show the presence of oil and gas resources in areas analogous to Crown Point's areas of interest. Such information is based on independent public data and public information received from other producers and Crown Point has no way of verifying the accuracy of such information and cannot determine whether the source of the information is independent. Such information has been presented to help demonstrate the basis for Crown Point's business plans and strategies. There is no certainty that such results will be achieved by Crown Point and such information should not be construed as an estimate of future reserves or resources or future production levels.

**Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this news release.**