



Crown Point Announces Operating and Financial Results for the Three and Six Months Ended June 30, 2019

CALGARY, Alberta, Aug. 16, 2019 -- **Crown Point Energy Inc.** (TSX.V: CWV) (“**Crown Point**”, the “**Company**” or “**we**”) today announced its operating and financial results for the three and six months ended June 30, 2019.

Copies of the Company’s unaudited condensed interim consolidated financial statements and management’s discussion and analysis (“**MD&A**”) filings for the three and six months ended June 30, 2019 are being filed with Canadian securities regulatory authorities and will be made available under the Company’s profile at www.sedar.com and on the Company’s website at www.crownpointenergy.com. **All dollar figures are expressed in United States dollars (“USD”) unless otherwise stated.**

In the following discussion, the three and six month periods ended June 30, 2019 may be referred to as “Q2 2019” and “the June 2019 period”, respectively, and the comparative three and six month periods ended June 30, 2018 may be referred to as “Q2 2018” and “the June 2018 period”, respectively.

HIGHLIGHTS

During Q2 2019, the Company:

- Reported net cash from operating activities of \$3.6 million;
- Earned \$13.7 million of oil and natural gas sales revenue, up 92% from \$7.2 million earned in Q2 2018;
- Reported average daily sales volumes of 3,261 BOE per day, up 77% from 1,846 BOE per day in Q2 2018;
- Reported average daily production volumes of 3,068 BOE per day, up 51% from 2,032 BOE per day in Q2 2018;
- Reported an operating netback of \$24.46 per BOE, down 1% from \$24.73 per BOE in Q2 2018;
- Declared a quarterly cash dividend on its common shares of \$0.01 per share (\$729,030) for Q2 2019 which was paid on July 15, 2019.

ROFR Sale

On April 26, 2019, St. Patrick Oil & Gas Ltd. (“**STP**”) completed the previously disclosed right of first refusal sale (“**ROFR Sale**”) of a 16.83% participating interest (representing 65.27% of STP’s participating interest) in the Tierra del Fuego exploitation concessions (“**TDF Concessions**”) to its partners for \$17.5 million of cash consideration. The partners will also make future payments to STP equal to their proportionate share of contingent royalty payments due to the vendor of STP that accrue following closing of the ROFR Sale, which contingent consideration has an estimated fair value of \$3.8 million. As a result of the disposition, the Company’s collective participating interest in the TDF Concessions decreased from 51.56% to 34.73%.

OPERATIONAL UPDATE

Tierra del Fuego (“TDF”)

La Angostura Concession

During Q2 2019, the San Martin field located on the La Angostura concession produced a total of 389,385 bbls of 35 API gravity oil (gross) (135,252 bbls net) and 139 mmcf of associated natural gas (48 mmcf net). Daily oil production averaged 4,278 bbls per day (net 1,486 bbls per day). Associated natural gas production averaged 1.53 mmcf of gas per day (net 531 mcf per day).

Las Violetas Concession

During Q2 2019, the LFE-1001 well was fractured in the Tobifera formation and placed on production on July 26 at an initial production rate of 535 mcf per day of gas plus 3 bbls per day of liquids. See “Well-Flow Test Results and Initial Production Rates”. Two other wells, LF-1029 and AS.x-1001, are waiting for a workover rig to become available in order to finish repairs and complete flow tests.

Cerro de Los Leones Exploration Permit (“CLL”)

The Company acquired 214 km² of 3-D seismic in Q3 2018 which has been used to finalize two drilling locations in the northern CLL area. The two exploration wells are planned for Q3 2019 at an aggregate budgeted cost of \$4.5 million. Both wells will target lower Tertiary and upper Cretaceous sandstones which are oil productive immediately north of the CLL Permit. The requests for environmental approval have been submitted to the provincial authorities.

OUTLOOK

The Company’s capital expenditure budget for 2019 is \$13.8 million comprised of \$9.3 million in TDF and \$4.5 million in CLL

based on expenditures for the following proposed activities:

- Perform re-fracture stimulations on SM a-1003 and LR x-1001;
- Four well workovers; one in the La Angostura concession, one in the Rio Cullen concession and two in the Las Violetas concession;
- Install oil treatment and water handling facilities at San Martin to improve production capacity and reduce trucking costs;
- Other improvements to facilities in TDF; and
- Drill and complete two exploration wells in CLL.

SUMMARY OF FINANCIAL INFORMATION

(expressed in \$, except shares outstanding)	June 30 2019	December 31 2018
Working capital (deficit)	18,120,190	(1,562,992)
Exploration and evaluation assets	9,068,380	9,032,994
Property and equipment	31,680,733	54,750,958
Non-current contingent consideration receivable	2,378,955	–
Total assets	77,233,200	85,128,625
Non-current financial liabilities	4,463,077	4,744,616
Share capital	56,755,215	131,745,215
Total common shares outstanding	72,903,038	72,903,038

(expressed in \$, except shares outstanding)	Three months ended June 30		Six months ended June 30	
	2019	2018	2019	2018
	Oil and natural gas sales revenue	13,749,812	7,158,826	25,761,997
Income before taxes	2,108,578	1,613,393 ⁽¹⁾	5,425,631	2,522,537 ⁽¹⁾
Net loss	(3,187,847)	(948,682) ⁽¹⁾	(209,672)	(675,903) ⁽¹⁾
Net loss per share ⁽²⁾	(0.04)	(0.02) ⁽¹⁾	(0.00)	(0.02) ⁽¹⁾
Cash flow from operations	3,629,514	7,366,472	9,679,887	9,405,715
Cash flow per share – operations ⁽²⁾	0.05	0.15	0.13	0.23
Adjusted funds flow from operations ⁽³⁾	2,357,989	1,789,603	6,093,069	3,514,238
Adjusted funds flow per share – operations ⁽²⁾⁽³⁾	0.03	0.04	0.08	0.09
Weighted average number of shares	72,903,038	49,606,335	72,903,038	41,300,828

⁽¹⁾ Restated. See "Restatement of Comparative Figures" in the Company's June 30, 2019 MD&A for details of the restatement.

⁽²⁾ 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. Per share amounts may not add due to rounding.

⁽³⁾ "Adjusted funds flow from operations" and "Adjusted funds flow per share - operations" are non-IFRS measures. See "Non-IFRS Measures" in the "Advisory" section of this press release and in the Company's June 30, 2019 MD&A for a reconciliation of these measures to the nearest comparable IFRS measures.

TDF Sales Volumes

	Three months ended June 30		Six months ended June 30	
	2019	2018	2019	2018
	Light oil bbls per day	2,163	669	1,889
NGL bbls per day	10	14	14	14
Natural gas mcf per day	6,530	6,981	8,771	6,115
BOE per day	3,261	1,846	3,365	1,692

TDF Operating Netback

The Company's operating netback was lower in Q2 2019 and the June 2019 period as compared to Q2 2018 and the June 2018 period due to the effect of export taxes which were implemented by the federal government of Argentina in September 2018.

Per BOE	Three months ended June 30		Six months ended June 30	
	2019	2018	2019	2018
Oil and gas revenue (\$)	46.33	42.61	42.30	41.47
Royalties (\$)	(7.15)	(6.90)	(6.38)	(6.63)
Export taxes (\$)	(3.55)	–	(3.10)	–
Operating costs (\$)	(11.17)	(10.98)	(10.25)	(11.29)
Operating netback ⁽¹⁾ (\$)	24.46	24.73	22.57	23.55

⁽¹⁾ "Operating netback" is a non-IFRS measure. See "Non-IFRS Measures".

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 two of the largest producing basins in Argentina, the Austral basin in the province of Tierra del Fuego and the Neuquén basin in the province of Mendoza. 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

Non-IFRS Measures: Non-IFRS measures do not have any standardized meanings prescribed by IFRS and may not be comparable with the calculation of similar measures used by other entities. Non-IFRS measures should not be considered alternatives to, or more meaningful than, measures determined in accordance with IFRS as indicators of the Company's performance. This press release contains the terms "adjusted funds flow from operations" and "adjusted funds flow per share – operations" which should not be considered alternatives to, or more meaningful than, cash flow from operations and cash flow per share – operations as determined in accordance with IFRS as an indicator of the Company's performance. Management uses adjusted funds flow from operations to analyze operating performance and considers adjusted 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. Adjusted funds flow per share – operations is calculated using the basic and diluted weighted average number of shares for the period consistent with the calculations of earnings per share. For a reconciliation of adjusted funds flow from operations to cash flow from operations, which is the most directly comparable measure calculated in accordance with IFRS, see the Company's MD&A. This press release also contains other industry benchmarks and terms, including "operating netbacks" (calculated on a per unit basis as oil, natural gas and NGL revenues less export tax, royalties and operating costs), which is a non-IFRS measure. See "TDF Operating Netback" for the calculation of operating netback. Management believes this measure is a useful supplemental measure of the Company's profitability relative to commodity prices. Readers are cautioned, however, that operating netbacks should not be construed as an alternative to other terms such as net income as determined in accordance with IFRS as measures of performance. Crown Point's method of calculating this measure may differ from other companies, and accordingly, may not be comparable to similar measures used by other companies.

Abbreviations and BOE Presentation: "3-D" means three dimensional, "API" means American Petroleum Institute gravity, being an indication of the specific gravity of crude oil measured on the API gravity scale, "bbls" means barrels, "BOE" means barrels of oil equivalent, "km²" means square kilometres, "mcf" means thousand cubic feet, "mmcf" means millions cubic feet, "NGL" means natural gas liquids. All BOE conversions in this press release are derived by converting natural gas to oil in the ratio of six mcf of gas to one bbl of oil. BOE may be misleading, particularly if used in isolation. A BOE conversion ratio of six mcf of gas to one bbl of oil (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. Given that the value ratio based on the current price of crude oil as compared to natural gas in Argentina is significantly different from the energy equivalency conversion ratio of 6:1, utilizing a conversion on a 6:1 basis is misleading as an indication of value.

Forward-looking Information: This document 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", "budget" 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. In addition, this document 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 press release contains forward-looking information concerning, among other things, the following: under "Operational Update – Cerro de Los Leones Exploration Permit ("CLL")", the expected timing and budget for two exploration wells and the anticipated play targets for the exploration wells and the associated anticipated benefits; under "Outlook", our estimated capital expenditures for fiscal 2019, the allocation of such capital expenditures between our TDF and CLL concessions, the anticipated elements of this capital program; under "About Crown Point", all elements of the Company's

business strategy. The reader is cautioned that such information, although considered reasonable by the Company, may prove to be incorrect. Actual results achieved during the forecast period will vary from the information provided in this document as a result of numerous known and unknown risks and uncertainties and other factors. 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 document including, but not limited to, the following: the risks and other factors described under "Business Risks and Uncertainties" in our MD&A for the three and six month periods ended June 30, 2019 and under "Risk Factors" in the Company's most recently filed Annual Information Form, which is available for viewing on SEDAR at www.sedar.com. In addition, note that information relating to reserves and resources is deemed to be forward-looking information, as it involves the implied assessment, based on certain estimates and assumptions that the reserves and resources described can be economically produced in the future. With respect to forward-looking information contained in this document, the Company has made assumptions regarding, among other things: the impact of inflation rates in Argentina and the devaluation of the Argentine peso against the USD on the Company; the impact of increasing competition; the general stability of the economic and political environment in which the Company operates, including operating under a consistent regulatory and legal framework in Argentina; future oil, natural gas and NGL prices (including the effects of governmental incentive programs thereon); the timely receipt of any required regulatory approvals; 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; the ability of the Company to service its debt repayments when required; 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; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Company operates; and the ability of the Company to successfully market its oil and natural gas products. In addition to the foregoing, the Company has made assumptions regarding various matters relating to its quarterly dividend program, and as a result the amount of future cash dividends declared and paid by the Company, if any, will be subject to the discretion of the board of directors and may vary depending on a variety of factors and conditions existing from time to time, including fluctuations in commodity prices, production levels, capital expenditure requirements, debt service requirements, operating costs, royalty burdens, foreign exchange rates, interest rates, compliance with any restrictions on the declaration and payment of dividends contained in any agreements to which the Company or any of its subsidiaries is a party from time to time (including, without limitation, the agreements governing the credit facilities and other debt instruments of the Company and its subsidiaries), and the satisfaction of liquidity and solvency tests imposed by the Business Corporations Act (Alberta) for the declaration and payment of dividends. Management of Crown Point has included the above summary of assumptions and risks related to forward-looking information included in this document 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 document are expressly qualified by this cautionary statement. The forward-looking information contained herein is made as of the date of this document 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.

Analogous Information: Certain information contained herein may be considered "analogous information" as defined in National Instrument 51-101. In particular, this document discloses that the lower Tertiary and upper Cretaceous sandstones are oil productive immediately north of CLL. Such analogous information has not been prepared in accordance with National Instrument 51-101 and the Canadian Oil and Gas Evaluation Handbook and Crown Point is unable to confirm whether such information has been prepared by a qualified reserves evaluator. Such information is not intended to be a projection of future results. 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. 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.

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

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.

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