FOR IMMEDIATE RELEASE CWV: TSX.V
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# Crown Point Announces Operating and Financial Results for the Three Months Ended March 31, 2022

**TSX-V: CWV: Crown Point Energy Inc. ("Crown Point",** the **"Company"** or "**we")** today announced its operating and financial results for the three months ended March 31, 2022.

Copies of the Company's March 31, 2022 unaudited condensed interim consolidated financial statements and management's discussion and analysis ("**MD&A**") filings 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.** References to "**ARS**" are to Argentina Pesos.

In the following discussion, the three months ended March 31, 2022 may be referred to as "Q1 2022". The comparative three months ended March 31, 2021 may be referred to as "Q1 2021".

## Q1 2022 SUMMARY

During Q1 2022, the Company:

- Reported loss before taxes of $1.7 million and a net loss of $1.6 million as compared to Q1 2021 when the Company reported income before taxes of $7.6 million and net income of $8.1 million due to the $8.2 million gain on acquisition of working interest recognized in Q1 2021;
- Reported net cash used by operating activities of $0.03 million and funds flow from operating activities of $0.05 million as compared to Q1 2021 when the Company reported $1.6 million of net cash from operating activities and $0.5 million of funds flow from operating activities;
- Earned $5.5 million of oil and natural gas sales revenue on total average daily sales volumes of 1,425 BOE per day, up from $3.5 million of oil and natural gas sales revenue earned on total average daily sales volumes of 1,310 BOE per day in Q1 2021 due to the combined effect of oil sales from the Chanares Herrados concession for the entire Q1 2022 period and an increase in commodity prices, which was offset by lower oil sales from the Tierra del Fuego concession caused by the Cruz del Sur Terminal shut-in;
- Received an average of $2.84 per mcf for natural gas and $62.49 per bbl for oil compared to $1.80 per mcf for natural gas and $56.16 per bbl for oil received in Q1 2021;
- Reported an operating netback of $13.39 per BOE [1], up from $13.06 per BOE in Q1 2021;
- Obtained $2.4 million of short-term overdraft and working capital loans and repaid a $0.5 million short-term working capital loan; and
- Reported a working capital deficit [2] of $2.9 million.

## OPERATIONAL UPDATE

### Tierra del Fuego Concession ("TDF")

In anticipation of the Cruz del Sur offshore loading facility (the "CdS Terminal") closure originally planned to occur in July 2022, Crown Point, together with its joint venture partners and YPF, agreed to build a 23 km 4 inch oil pipeline to connect the Cruz del Sur oil storage facility and the San Martin oil field with the Total Austral operated Rio Cullen marine terminal.

[1] Non-IFRS financial ratio. See "Non-IFRS and Other Financial Measures".

[2] Capital management measure. See "Non-IFRS and Other Financial Measures".

In March 2022, YPF, operator of the CdS Terminal, announced the immediate closure of the CdS Terminal due to technical difficulties. The CdS Terminal is now used for storage purposes only.

Although the new pipeline project has been accelerated, in the interim, the UTE has arranged to export oil by truck to the Enap refinery at San Gregorio, Chile and to the Total Austral operated Rio Cullen marine terminal in Tierra del Fuego. The sales price at both San Gregorio and Rio Cullen is indexed to the Brent oil price.

During Q1 2022, San Martin oil production averaged 1,248 (net 429) bbls of oil per day. In March 2022, the UTE drilled a development well (SM a-1004) to evaluate two potential zones in the Tobífera formation and one potential zone in the Springhill formation. SM-1004, located on the western crest of the San Martín high, has been drilled to 2,097 meters and cased as a potential oil well with indicated log pay in fractured Tobífera volcaniclastics and the overlying Springhill sands. Completion and flow testing began on March 22 and is ongoing.

During Q1 2022, natural gas production from the Las Violetas concession averaged 14,487 (net 4,636) mcf per day and oil production averaged 319 (net 110) bbls of oil per day. The Company participated in drilling a horizontal development well in the Las Violetas oil pool in Q1 2022, located in the northeast corner of the concession and targeting the Springhill Formation. The LV-118(h) well, a planned 700 meter lateral horizontal well, was spud in on March 23. Drilling operations were halted on May 3 after an obstruction was encountered in the cased horizontal build section at a depth of 1,720 meters. Further analysis is required to determine the best course for remedial action. Meanwhile, the drilling rig has been released and the well suspended.

**Chañares Herrados ("CH") Concession**

During Q1 2022, the UTE carried out workovers on four shut-in oil wells and performed one extractive system enhancement. Oil production for Q1 2022 averaged 1,160 (net 580) bbls of oil per day.

**Cerro de Los Leones ("CLL") Exploration Permit**

In February 2022, the Vega del Sol a-3 well was re-entered to test the northern up dip extension of the oil bearing sill productive in Vega del Sol 1. The Company drilled a directional well, CPE.MdN.VS.xp-3(d), fulfilling its remaining commitment for the Period 3 exploration period on the CLL Permit. The well was drilled to a total measured depth of 2,200 meters and cased after encountering 8 volcanic sills with oil shows and increased mud gas in the Mendoza Group, and log indicated gas bearing zones in the overlying Neuquén Group sandstones. Subsequent acid stimulation and swabbing of the volcanic sills recovered uneconomic amounts of oil with water. The well has been suspended pending testing of the gas bearing sandstone layers in the Neuquén Group in Q2 or Q3 2022.

## OUTLOOK

The Company's capital spending on developed and producing assets for fiscal 2022 is budgeted at approximately $7.2 million comprised of $5.1 million in TDF and $2.1 million in CH based on expenditures for the following proposed activities:

- $1.8 million to drill one horizontal well in the Las Violetas Concession;
- $1.6 million to drill one vertical well in the San Martin structure;
- $0.5 million to complete the construction of an oil field pipeline to a new delivery point at the Cullen terminal operated by Total Austral, located in the north of TDF;
- $1.2 million in other improvements to facilities in TDF; and
- $2.1 million for well workovers, facilities improvements and optimization in CH.

The Company's capital spending on exploration and evaluation assets for fiscal 2022 is budgeted at approximately $2.7 million to drill and complete one exploration well in CLL.

## ARGENTINA – INTERNATIONAL MONETARY FUND

In March 2022, the International Monetary Fund ("IMF") approved a new 30-month arrangement under an Extended Fund Facility ("EFF") for Argentina in an amount of $44 billion. The EFF arrangement provides Argentina with balance of payments and budget support backed by measures designed to strengthen debt sustainability, tackle high inflation, boost reserves, address the country's social and infrastructure gaps and promote growth. In addition, the Argentine National Congress approved the IMF arrangement.

## SUMMARY OF FINANCIAL INFORMATION [1]

| (expressed in $, except shares outstanding) | March 31 2022 | December 31 2021 | December 31 2020 |
|---|---|---|---|
| Current assets | 7,479,441 | 10,261,684 | 6,141,993 |
| Current liabilities | (10,417,841) | (7,335,026) | (3,120,403) |
| Working capital [2] | (2,938,400) | 2,926,658 | 3,021,590 |
| Exploration and evaluation assets | 14,665,533 | 12,210,949 | 11,182,557 |
| Property and equipment | 36,542,836 | 35,536,342 | 16,358,182 |
| Total assets | 58,984,311 | 58,308,535 | 33,687,340 |
| Non-current financial liabilities [2] | 3,042,751 | 3,803,031 | 972,765 |
| Share capital | 56,456,328 | 56,456,328 | 56,456,328 |
| Total common shares outstanding | 72,903,038 | 72,903,038 | 72,903,038 |

| (expressed in $, except shares outstanding) | Three months ended March 31 | |
|---|---|---|
| | 2022 | 2021 |
| Oil and natural gas sales revenue | 5,487,831 | 3,528,369 |
| Gain on acquisition of working interest | – | 8,182,410 |
| (Loss) income before taxes | (1,734,952) | 7,583,879 |
| Net (loss) income | (1,642,099) | 8,096,106 |
| Net (loss) income per share [3] | (0.02) | 0.11 |
| Net cash (used by) from operating activities | (32,234) | 1,555,521 |
| Net cash per share – operating activities [2][3] | (0.00) | 0.02 |
| Funds flow from operating activities | 46,685 | 519,933 |
| Funds flow per share – operating activities [2][3] | 0.00 | 0.01 |
| Weighted average number of shares – basic and diluted | 72,903,038 | 72,903,038 |

(1) We adhere to International Financial Reporting Standards ("IFRS"), however the Company also employs certain non-IFRS measures to analyze financial performance, financial position, and cash flow, including "operating netback". Additionally, other financial measures are also used to analyze performance. These non-IFRS and other financial measures do not have any

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A South American Energy Company

standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures provided by other issuers. The non-IFRS and other financial measures should not be considered to be more meaningful than financial measures which are determined in accordance with IFRS, such as net income (loss), oil and natural gas sales revenue and net cash provided by (used in) operating activities, as indicators of our performance.

(2) "Working capital" is a capital management measure. "Non-current financial liabilities" is a supplemental financial measure. "Net cash per share – operating activities" is a supplemental financial measure. "Funds flow per share – operating activities" is a supplemental financial measure. See "Non-IFRS and Other Financial Measures".

(3) All per share figures are the same for the basic and diluted 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.

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**Sales Volumes**

| | Three months ended March 31 | |
|---|---|---|
| | 2022 | 2021 |
| Total sales volumes (BOE) | 128,280 | 117,880 |
| Light oil bbls per day | 804 | 551 |
| NGL bbls per day | 6 | 2 |
| Natural gas mcf per day | 3,693 | 4,537 |
| Total BOE per day | 1,425 | 1,310 |

**Operating Netback** (1)

| | Three months ended March 31 | | | |
|---|---|---|---|---|
| | 2022 | | 2021 | |
| | | Per BOE | | Per BOE |
| Oil and natural gas revenue ($) | 5,487,831 | 42.78 | 3,528,369 | 29.93 |
| Export tax ($) | (135,975) | (1.06) | (117,062) | (0.99) |
| Royalties and turnover tax ($) | (850,199) | (6.63) | (554,644) | (4.71) |
| Operating costs ($) | (2,783,790) | (21.70) | (1,315,787) | (11.16) |
| Operating netback (1) ($) | 1,717,867 | 13.39 | 1,540,876 | 13.06 |

(1) "Operating netback" is a non-IFRS measure. "Operating netback per BOE" is a non-IFRS ratio. See "Non-IFRS and Other Financial Measures".

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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 Argentina. Crown Point's exploration and development activities are focused in three producing basins in Argentina, the Austral basin in the province of Tierra del Fuego, and the Neuquén and Cuyo basins 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 and Other Financial Measures: Throughout this press release and in other materials disclosed by the Company, we employ certain* *measures to analyze financial performance, financial position, and cash flow. These non-IFRS and other financial measures do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures provided by other issuers. The non-IFRS and other financial measures should not be considered to be more meaningful than financial measures which are determined in accordance with IFRS, such as net income (loss), oil and natural gas sales revenue and net cash provided by (used in) operating activities as indicators of our performance.*

*"Funds flow per share – operating activities" is a supplemental financial measure. Funds flow per share – operating activities is comprised of funds flow provided by (used in) operating activities divided by the basic and diluted weighted average number of common shares outstanding for the period. See "Summary of Financial Information".*

*"Net cash per share – operating activities" is a supplemental financial measure. Net cash per share – operating activities is comprised of net cash provided by (used in) operating activities divided by the basic and diluted weighted average number of common shares outstanding for the period. See "Summary of Financial Information".*

*"Non-current financial liabilities" is a supplemental financial measure. Non-current financial liabilities is comprised of the non-current portions of trade and other payables, taxes payable, notes payable and lease liabilities as presented in the Company's consolidated statements of financial position. See "Summary of Financial Information".*

*"Operating Netback" is a non-IFRS measure. Operating netback is comprised of oil and natural gas sales less export tax, royalties and turnover tax and operating costs. Management believes this measure is a useful supplemental measure of the Company's profitability relative to commodity prices. See "Operating Netback" for a reconciliation of operating netback to oil and natural gas sales revenue, being our nearest measure prescribed by IFRS.*

*"Operating netback per BOE" is a non-IFRS ratio. Operating netback per BOE is comprised of operating netback divided by total BOE sales volumes in the period. Management believes this measure is a useful supplemental measure of the Company's profitability relative to commodity prices. In addition, management believes that operating netback per BOE is a key industry performance measure of operational efficiency and provide investors with information that is also commonly presented by other crude oil and natural gas producers. Operating netback is a non-IFRS measure. See "Operating Netback" for the calculation of operating netback per BOE.*

*"Working capital" is a capital management measure. Working capital is comprised of current assets less current liabilities. Management believes that working capital is a useful measure to assess the Company's capital position and its ability to execute its existing exploration commitments and its share of any development programs. See "Summary of Financial Information" for a reconciliation of working capital to current assets and current liabilities, being our nearest measures prescribed by IFRS.*

*<u>Abbreviations and BOE Presentation</u>: "API" means American Petroleum Institute gravity, being an indication of the specific gravity of crude oil measured on the API gravity scale; "bbl" means barrel; "bbls" means barrels; "BOE" means barrels of oil equivalent; "km" means kilometers; "km2" means square kilometers; "m" means meters; ""mm" means millimeters; "mcf" means thousand cubic feet, "mmcf" means million cubic feet, "NGL" means natural gas liquids; "psi" means pounds per square inch; "UTE" means Union Transitoria de Empresas, which is a registered joint venture contract established under the laws of Argentina; "WI" means working interest; and "YPF" means Yacimientos Petrolíferos Fiscales S.A. 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 price of crude oil as compared to natural gas in Argentina from time to time may be different from the energy equivalency conversion ratio of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.*

*<u>Forward-looking Information</u>: 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. 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", that the construction of the oil pipeline to connect the Cruz del Sur oil storage facility and the San Martin oil field with the Total Austral operated Rio Cullen marine terminal will be accelerated, that Crown Point will export oil by truck to the Enap refinery at San Gregorio, Chile and to the Total Austral operated Rio Cullen marine terminal in Tierra del Fuego, that the sales price at both San Gregorio and Rio Cullen will be indexed to the Brent oil price, and the operations that we intend to conduct on the TDF and CH Concessions and the CLL Exploration Permit during fiscal 2022 and the timing thereof; under "Outlook", our estimated capital spending for fiscal 2022, in total and in each area and the operational activities at TDF, CH and CLL that we expect to complete during fiscal 2022; under "About Crown Point", all elements of the Company's business strategy and focus. 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: that the Company experiences delays building the pipeline to the Rio Cullen marine terminal or is unable to build the pipeline at all; that the Company is unable to truck oil to the Enap refinery and/or the Rio Cullen marine terminal and/or that the cost to do so rises and/or becomes uneconomic; the price received by the Company for its oil is at a substantial discount to the Brent oil price; the risks and other factors described under "Business Risks and Uncertainties" in our MD&A for the three months ended March 31, 2022 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 cost to build the aforementioned pipeline and the timing thereof; trucking costs; the impact (and the duration thereof) that the COVID-19 (coronavirus) pandemic will have on (i) the demand for crude oil, NGLs and natural gas, (ii) our supply chain, including our ability to obtain the equipment and services we require, (iii) our ability to produce, transport and/or sell our crude oil, NGLs and natural gas, and (iv) the ability of our customers, joint venture partners and other contractual counterparties to comply with their contractual obligations to us; the ability and willingness of OPEC+ nations and other major producers of crude oil to balance crude oil production levels and thereby sustain higher global crude oil prices; that Roch S.A.'s voluntary reorganization filing will not have an adverse impact on its ability to operate the TDF concessions, and therefore will not have an adverse impact on the TDF UTE, the TDF concessions and/or the Company; matters relating to the acquisition of our 50% interest in the CH Concession, including the amount and timing of capital expenditures thereon, production rates therefrom, revenues to be derived therefrom and the ability of the joint venture to reduce operating costs; 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 and government price controls 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 operators of the projects which the Company has an interest in to operate the fields in a safe, efficient and effective manner; that the Company will not pay dividends for the foreseeable future; 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 Argentina; and the ability of the Company 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 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.*

***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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