

FOR IMMEDIATE RELEASE
March 13, 2023

CWV: TSX.V

Crown Point Announces Operating and Financial Results for the Three Months and Year Ended December 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 and year ended December 31, 2022.

Copies of the Company's December 31, 2022 audited 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 and the year ended December 31, 2022 may be referred to as "Q4 2022" and "2022", respectively. The comparative three months and year ended December 31, 2021 may be referred to as "Q4 2021" and "2021", respectively.

Q4 2022 SUMMARY

During Q4 2022, the Company:

- Reported net cash provided by operating activities of \$0.2 million and funds flow provided by operating activities of \$0.1 million as compared to Q4 2021 when the Company reported \$2.1 million of net cash provided by operating activities and \$2.6 million of funds flow provided by operating activities;
- Earned \$8.6 million of oil and natural gas sales revenue on total average daily sales volumes of 1,737 BOE per day, down from \$10.2 million of oil and natural gas sales revenue earned on total average daily sales volumes of 2,150 BOE per day in Q4 2021 due to lower oil sales in Q4 2022.
- Received an average of \$4.23 per mcf for natural gas and \$67.11 per bbl for oil compared to \$2.91 per mcf for natural gas and \$64.99 per bbl for oil received in Q4 2021;
- Reported an operating netback of \$10.29 per BOE ¹, down from \$19.78 per BOE in Q4 2021;
- Received \$0.7 million of royalty and turnover tax credits under the Mendoza Activa Hydrocarbons Programs;
- Obtained \$5.4 million of working capital, export financing and overdraft loans and repaid \$3.9 million of working capital, export financing and overdraft loans;
- Reported a loss before taxes of \$3.9 million and a net loss of \$2.7 million as compared to Q4 2021 when the Company reported income before taxes of \$0.2 million and net income of \$0.7 million;
- Reported a working capital deficit² of \$1.3 million.

SUBSEQUENT EVENTS

Subsequent to December 31, the Company:

- Obtained \$0.9 million of working capital and overdraft loans and repaid a \$0.1 million working capital loan.

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

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

OPERATIONAL UPDATE

Tierra del Fuego Concession ("TDF" or "TDF Concessions")

During 2022, the joint venture completed 85% of the oil pipeline from the Cruz del Sur oil storage facility to the Rio Cullen marine terminal operated by Total Austral.

During Q4 2022, San Martin oil production averaged 606 (net 208) bbls of oil per day compared to Q3 2022 San Martin oil production that averaged 1,200 (net 413) bbls of oil per day. During July and August 2022, the water production in SM a-1004 and SM a-1002 increased significantly, impacting oil production volumes. Field production was also affected by extensive workover operations at SM-1004 which was shut in for additional testing and installation of an electro-submersible pump designed to increase gross production from the well.

During Q4 2022, natural gas production from the Las Violetas concession averaged 11,038 (net 3,794) mcf per day and oil production averaged 246 (net 84) bbls of oil per day. During Q4 2022, three zones were tested in the LFE-1004 well, which had been drilled during the 2015 drilling campaign discovering gas in the Tobífera formation and condensate in the overlying Los Flamencos formation. The test program recovered gas with minor amounts of oil.

Mendoza Concessions ("Mendoza Concessions")

During Q4 2022, the UTE carried out reactivations on three oil wells and performed a workover on a water injector well in the Chañares Herrados concession (the "**CH Concession**"). Oil production from the CH Concession for Q4 2022 averaged 1,156 (net 578) bbls of oil per day.

During Q4 2022, the UTE carried out a workover on a water injector well in the Puesto Pozo Cercado Oriental concession (the "**PPCO Concession**"). Oil production from the PPCO Concession for Q4 2022 averaged 230 (net 115) bbls of oil per day.

Cerro de Los Leones Evaluation Permit ("CLL" or "CLL Permit")

In February 2023, the Province of Mendoza issued Resolution N°208 which granted the CLL Permit over all of the CLL area for a term of 18 months commencing on February 23, 2022, until October 23, 2023.

OUTLOOK

The Company's capital spending on developed and producing assets for fiscal 2023 is budgeted at \$14.5 million based on expenditures for the following proposed activities:

- \$0.9 million for workovers in the TDF Concessions;
- \$1.5 million for improvements to facilities in the TDF Concessions;
- \$3.2 million for well workovers in the Mendoza Concessions;
- \$7.8 million to drill three vertical wells in the Mendoza Concessions; and
- \$1.1 million for facilities improvements and optimization in the Mendoza Concessions.

The Company plans to spend \$0.8 million on the testing of the gas bearing sandstone layers of the Neuquén Group at CLL in the first half of 2023.

SUMMARY OF FINANCIAL INFORMATION ⁽¹⁾

(expressed in \$, except shares outstanding)	December 31 2022	December 31 2021
Current assets	9,852,182	10,261,684
Current liabilities	(11,125,229)	(7,335,026)
Working capital ⁽²⁾	(1,273,047)	2,926,658
Exploration and evaluation assets	14,115,555	12,210,949
Property and equipment	43,963,610	35,536,342
Total assets	68,183,547	58,308,535
Non-current financial liabilities ⁽²⁾	16,055,005	3,803,031
Share capital	56,456,328	56,456,328
Total common shares outstanding	72,903,038	72,903,038

(expressed in \$, except shares outstanding)	Three months ended December 31		Year ended December 31	
	2022	2021	2022	2021
Oil and natural gas sales revenue	8,586,742	10,168,669	33,040,620	28,493,336
(Gain) loss on acquisition of working interest	1,046,626	–	–	(9,529,551)
Impairment of property and equipment	2,047,000	–	2,047,000	–
Income (loss) before taxes	(3,908,877)	167,423	(6,513,789)	9,481,353
Net income (loss)	(2,712,553)	742,431	(5,906,799)	9,774,753
Net income (loss) per share ⁽³⁾	(0.04)	0.01	(0.08)	0.13
Net cash provided (used) by operating activities	170,378	2,080,962	1,334,815	6,872,164
Net cash per share – operating activities ⁽²⁾⁽³⁾	0.00	0.03	0.02	0.09
Funds flow provided (used) by operating activities	146,773	2,642,299	3,022,382	7,374,555
Funds flow per share – operating activities ⁽²⁾⁽³⁾	0.00	0.04	0.04	0.10
Weighted average number of shares - basic	72,903,038	72,903,038	72,903,038	72,903,038
Weighted average number of shares - diluted	72,903,038	73,020,868	72,903,038	73,014,895

- ⁽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 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.

Sales Volumes

	Three months ended		Year ended	
	December 31		December 31	
	2022	2021	2022	2021
Total sales volumes (BOE)	159,777	197,774	593,540	648,758
Light oil bbls per day	1,181	1,528	1,045	1,090
NGL bbls per day	16	11	12	10
Natural gas mcf per day	3,238	3,664	3,418	4,066
Total BOE per day	1,737	2,150	1,627	1,777

Operating Netback ⁽¹⁾

	Three months ended				Year ended			
	December 31				December 31			
	2022		2021		2022		2021	
	Per BOE	Per BOE	Per BOE	Per BOE	Per BOE	Per BOE	Per BOE	
Oil and natural gas sales revenue (\$)	8,586,742	53.74	10,168,669	51.42	33,040,620	55.67	28,493,336	43.92
Export tax (\$)	(179,346)	(1.85)	(481,210)	(3.29)	(1,071,563)	(2.89)	(1,161,573)	(2.31)
Royalties and turnover tax (\$)	(1,470,529)	(9.20)	(1,663,913)	(8.41)	(5,677,638)	(9.57)	(4,682,612)	(7.22)
Operating costs (\$)	(5,176,715)	(32.40)	(3,943,032)	(19.94)	(16,650,447)	(28.05)	(11,400,721)	(17.57)
Operating netback ⁽¹⁾ (\$)	1,760,152	10.29	4,080,514	19.78	9,640,972	15.16	11,248,430	16.82

⁽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 (or Cuyana) 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 (used) by 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 (used) by 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 revenue 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.

Abbreviations and BOE Presentation: "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.

Initial Production Rates: Any references herein to initial production rates are useful in confirming the presence of hydrocarbons, however, such rates are not determinative of the rates at which such wells will continue production and decline thereafter. Additionally, such rates may also include recovered "load oil" fluids used in well completion stimulation. While encouraging, readers are cautioned not to place reliance on such rates in calculating the aggregate production for the Company. Initial production rates may be estimated based on third party estimates or limited data available at the time. In all cases herein, initial production rates are not necessarily indicative of long-term performance of the relevant well or fields or of ultimate recovery of hydrocarbons.

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. 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", the Company's plans for future operations on its TDF Concessions, Mendoza Concessions and CLL Permit and the anticipated benefits to be derived therefrom and timing thereof; under "Outlook", our estimated capital expenditure budget for fiscal 2023, and the capital expenditures that we intend to make in our TDF Concessions, Mendoza Concessions and CLL Permit; under "About Crown Point", all elements of the Company's business strategy and focus. 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. 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 complete the pipeline; 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; that 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 and year ended December 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. 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; that the COVID-19 (coronavirus) pandemic will not have a material impact on the Company and our operations going forward, including 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 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 interests in the Mendoza Concessions, 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.