



ANNUAL INFORMATION FORM

For the year ended December 31, 2016

Dated: December 14, 2017

TABLE OF CONTENTS

ABBREVIATIONS	1
CONVERSION	1
GLOSSARY OF TERMS.....	2
CONVENTIONS.....	4
FORWARD-LOOKING STATEMENTS.....	4
CORPORATE STRUCTURE	7
GENERAL DEVELOPMENT OF THE BUSINESS.....	7
DESCRIPTION OF THE BUSINESS.....	12
STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION.....	14
SHARE CAPITAL	14
DIVIDEND POLICY	15
MARKET FOR SECURITIES	15
ESCROWED SECURITIES.....	15
DIRECTORS AND OFFICERS.....	16
LEGAL PROCEEDINGS AND REGULATORY ACTIONS	18
INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS	18
REGISTRAR AND TRANSFER AGENT.....	19
MATERIAL CONTRACTS.....	19
INTERESTS OF EXPERTS.....	19
INDUSTRY CONDITIONS.....	20
RISK FACTORS	27
ADDITIONAL INFORMATION.....	45

ABBREVIATIONS

Crude Oil and Natural Gas Liquids		Natural Gas	
Bbls	barrels	Mcf	thousand cubic feet
Bbls/d	barrels per day	Bcf	billion cubic feet
BOE	barrels of oil equivalent of natural gas, on the basis of 1 BOE for 6 Mcf of natural gas	Tcf	Trillion cubic feet
NGLs	natural gas liquids	Bcf/d	billion cubic feet per day
Other			
\$000s or \$M	thousands of dollars		
API	American Petroleum Institute		
km	kilometer		
km ²	square kilometer		
m ³	cubic meters		
mm	millimeters		
psi	pounds per square inch		
Q1	three month period ended March 31		
Q2	three month period ended June 30		
Q3	three month period ended September 30		
Q4	three month period ended December 31		

CONVERSION

The following table sets forth certain standard conversions from Standard Imperial units to the International System of Units (or metric units).

To Convert From	To	Multiply By
Mcf	thousand cubic meters	0.0282
thousand cubic meters	Mcf	35.494
Bbls	m ³	0.159
m ³	Bbls	6.290
feet	meters	0.305
meters	feet	3.281
miles	kilometers	1.609
kilometers	miles	0.621
acres	hectares	0.405
hectares	acres	2.471

GLOSSARY OF TERMS

Unless the context otherwise requires, the following terms shall have the respective meanings set out below when used in this annual information form:

"**3-D**" means three dimensional;

"**ABCA**" means the *Business Corporations Act* (Alberta), including the regulations promulgated thereunder, as amended from time to time;

"**AIF**" means this annual information form, including the documents incorporated by reference herein;

"**BCBCA**" means the *Business Corporations Act* (British Columbia), including the regulations promulgated thereunder, as amended from time to time;

"**Board**" means the board of directors of the Corporation;

"**BONAR 2020 bonds**" has the meaning ascribed to such term under the heading "*Industry Conditions – Commodity Pricing – Government of Argentina Incentive Program – Petróleo Plus Program*";

"**Cerro de Los Leones Permit**" means Crown Point's exploration permit in the Cerro de Los Leones area of the Neuquén basin of Argentina;

"**Cerro de Los Leones Concession**" or "**CLL**" means Crown Point's exploitation concession in the Cerro de Los Leones area of the Neuquén basin of Argentina;

"**Common Shares**" means the common shares in the capital of Crown Point;

"**Corporation**", "**Crown Point**" or "**Company**" means Crown Point Energy Inc., and where the context permits or requires, includes Crown Point's wholly-owned subsidiaries, Crown Point Energía S.A. and CanAmericas (Argentina) Energy Ltd., and/or their predecessors;

"**Gas Plus**" has the meaning ascribed to such term under the heading "*Industry Conditions – Commodity Pricing – Government of Argentina Incentive Program – Natural Gas Plus Program*";

"**GCA**" means Gaffney, Cline & Associates Inc.;

"**GIC**" means guaranteed investment certificate;

"**GORC**" means GORC S.A.;

"**Initial Closing**" has the meaning ascribed to such term under the heading "*General Development of the Business – Three Year History – Equity Financings – Investment Agreement*";

"**Investment**" has the meaning ascribed to such term under the heading "*General Development of the Business – Three Year History – Equity Financings – Investment Agreement*";

"**Investment Agreement**" has the meaning ascribed to such term under the heading "*General Development of the Business – Three Year History – Equity Financings – Investment Agreement*";

"**Investors**" means collectively, GORC and Liminar;

"**La Angostura Concession**" means Crown Point's exploitation concession in the La Angostura area of the Tierra del Fuego region of the Argentine Austral basin in southern Argentina;

"**Laguna de Piedra Permit**" means Crown Point's exploration permit in the Laguna de Piedra area of the Neuquén basin of Argentina;

"**Las Violetas Concession**" means Crown Point's exploitation concession in the La Violetas area of the Tierra del Fuego region of the Argentine Austral basin in southern Argentina;

"**Liminar**" means Liminar Energía S.A., Crown Point's controlling shareholder;

"**New Gas Incentive Program**" has the meaning ascribed to such term under the heading "*Industry Conditions – Pricing – Background*";

"**NI 51-101**" means National Instrument 51-101 *Standards of Disclosure for Oil and Gas Activities*;

"**Petróleo Plus Credits**" has the meaning ascribed to such term under the heading "*Industry Conditions – Commodity Pricing – Government of Argentina Incentive Program – Petróleo Plus Program*";

"**Petróleo Plus Program**" has the meaning ascribed to such term under the heading "*Industry Conditions – Commodity Pricing – Government of Argentina Incentive Program – Petróleo Plus Program*";

"**Preferred Shares**" means the Class "A" preferred shares in the capital of Crown Point;

"**Pricing Agreement**" has the meaning ascribed to such term under the heading "*Industry Conditions – Commodity Pricing – Crude Oil*";

"**Rights**" means the 164,515,222 rights to purchase Common Shares issued to Crown Point's shareholders of record at the close of business on September 25, 2017 pursuant to Crown Point's rights offering circular dated September 18, 2017;

"**Rights Offering**" has the meaning ascribed to such term under the heading "*General Development of the Business – Three Year History – Equity Financings – Rights Offering*";

"**Rio Cullen Concession**" means Crown Point's exploitation concession in the Rio Cullen area of the Tierra del Fuego region of the Argentine Austral basin in southern Argentina;

"**Second Closing**" has the meaning ascribed to such term under the heading "*General Development of the Business – Three Year History – Equity Financings – Investment Agreement*";

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval of the Canadian Securities Administrators;

"**Standby Agreement**" has the meaning ascribed to such term under the heading "*Interest of Management and Others in Material Transactions*";

"**Tierra del Fuego Concessions**" or "**TDF**" means, collectively, the Rio Cullen Concession, La Angostura Concession and Las Violetas Concession;

"**TSXV**" means the TSX Venture Exchange; and

"**YPF**" means YPF S.A.

Certain other terms used herein but not defined herein are defined in NI 51-101 and, unless the context otherwise requires, shall have the same meanings herein as in NI 51-101.

CONVENTIONS

In this AIF, references to "CDN\$" are to Canadian dollars, references to "US\$" are to United States dollars and references to "ARS\$" are to Argentina pesos.

Disclosure provided herein in respect of BOEs may be misleading, particularly if used in isolation. A BOE conversion ratio of 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 of 6 Mcf: 1 Bbl, utilizing a conversion on a 6 Mcf: 1 Bbl basis may be misleading as an indication of value.

Unless otherwise specified, information in this AIF is presented as at December 31, 2016, being the end of the Corporation's most recently completed financial year.

FORWARD-LOOKING STATEMENTS

This AIF and the documents incorporated by reference herein contain forward-looking information. This information relates to future events or the Corporation'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", or the negative of these terms or other comparable terminology are generally intended to identify forward-looking information. Such information represents the Corporation'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 AIF and the documents incorporated by reference herein 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 AIF contains forward-looking information pertaining to, among other things: Crown Point's business strategy; intentions with respect to specific work programs and expenditures; Crown Point's expectations that it is well positioned to benefit from potential increasing natural gas prices in Argentina; the expectation that the Corporation can increase reserves and production through its ongoing program at TDF; the expectation of implementing a low risk development plan on the Tierra del Fuego Concessions and developing exploitation and exploration upside in the Neuquén basin; the anticipated benefits of the proposed Acquisition; the anticipated timing for closing the Acquisition; the intent of the Corporation to continue with its focus to develop and grow core business units in the Tierra del Fuego region and Neuquén basin of Argentina; Crown Point's intentions with respect to placing on production certain wells and the timing with respect to the same; the belief of management that the Corporation will be able to compete successfully with local and foreign competitors in Argentina; the ability to qualify for and the expected effects of incentive programs in Argentina; the ability of the Corporation to improve production rates on the Cerro de Los Leones Concession; the timing for completion and testing in Las Violetas Concession; the ability of the Corporation to acquire additional 3-D seismic data on the Cerro de Los Leones Concession during 2018; the ability of the Corporation to find a partner in the Cerro de Los Leones Concession; the required investment commitments and cash payments in the Rio Cullen Concession and the La Angostura Concession and the timing to receive formal approval of the concessions extensions; the ability of the Corporation to sell its oil production in the local market with competitive prices in comparison to the export market; the effects of lifting the currency controls on the Argentinean peso; the effects of the Presidential election on the Argentine economy and the oil and gas industry in Argentina; and certain regulatory changes in Argentina and the potential effects on the Corporation and its business. The reader is cautioned that such information, although considered reasonable by the Corporation, may prove to be incorrect. Actual results achieved during the forecast period will vary from the information provided in this AIF and in the documents incorporated by reference herein as a result of numerous known and unknown risks and uncertainties and other factors which are discussed in this AIF.

Some of the risks and other factors which could cause actual results to differ materially from those expressed in the forward-looking information contained in this AIF and in certain documents incorporated by reference herein include, but are not limited to:

- the risks of the oil and gas industry generally, including the risks associated with the exploration, development and production of oil and gas;
- lack of diversification of the Corporation's assets;
- the impact of work disruption and labour unrest;
- risks associated with substantial capital requirements;
- risks associated with additional funding requirements;
- risks of Argentinean and foreign operations including changes in energy policies or personnel administering them, nationalization of Argentine oil and gas assets, high levels of inflation, currency exchange rate fluctuations, exchange and export controls and royalty and tax rates;
- risks associated with Argentina sovereign debt issues;
- risks associated with economic and political developments in Argentina, including export controls;
- the impact that negative cash flow from operating activities may have on future operations;
- risks associated with acquisitions;
- incorrect assessments of the value of acquisitions;
- the failure to realize anticipated benefits of acquisitions and dispositions;
- risks associated with prices, markets and marketing of oil and natural gas;
- risks associated with global financial conditions;
- third party credit risk;
- risks associated with alternatives to and changing demand for petroleum products;
- the ability to replace reserves;
- risks associated with reserve estimates;
- risks associated with foreign subsidiaries, including the ability to distribute cash flow from such entities to the Corporation;
- risks associated with licensing and title of the Corporation's oil and gas assets;
- the ability to satisfy minimum work commitments on concessions;
- transportation costs and the effects on the Corporation's netbacks;
- the availability of drilling equipment and access;
- the impact of delays in business operations;
- competition for oil and gas assets;
- risks associated with conflicting interests with partners;
- the impact of changes in legislation;
- the enforcement of civil liabilities in Argentina;
- the reliance on industry partners and operational independence;
- risks associated with reliance on key personnel;
- the ability to complete issuances of debt and borrow funds when and if necessary and the effects thereof on the Corporation;
- risks associated with any potential hedging conducted or financial instruments entered into by the Corporation;
- income tax reassessments and other risks associated with any taxes payable by the Corporation;
- sufficiency of the Corporation's insurance coverage;
- the ability of the Corporation to satisfy all regulatory requirements;
- environmental risks including risks of spills, emissions and releases and the compliance with environmental regulations;
- risks associated with developing climate change regulations;
- potential conflicts of interest of the directors and officers of the Corporation;
- volatility of the market price of Common Shares;
- the potential dilution associated with future equity financings;
- the ability of management to manage growth;
- the intent of the Corporation not to pay dividends;

- risks associated with Liminar holding a large block of Common Shares;
- information technology and/or systems risks, including potential breakdown, invasion, virus, cyber-attack, cyber-fraud, security breach, and destruction or interruption of our information technology systems by third parties or insiders; and
- the other factors considered under "*Risk Factors*" in this AIF.

With respect to forward-looking information contained or incorporated by reference in this AIF, the Corporation has made assumptions regarding: the impact of increasing competition; the general stability of the economic and political environment in which the Corporation operates; the timely receipt of any required regulatory approvals; the ability of the Corporation 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 Corporation's capital expenditure program; the ability of the operator of the projects which the Corporation has an interest in to operate the field in a safe, efficient and effective manner; the ability of the Corporation to finance its capital spending plans; the ability of the Corporation to obtain financing on acceptable terms when and if needed; the Corporation's continued ownership of its oil and gas assets; 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 Corporation to secure adequate product transportation; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which the Corporation operates; and the ability of the Corporation 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 AIF and the documents incorporated by reference herein in order to provide readers with a more complete perspective on the Corporation'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 AIF, and the documents incorporated by reference herein, are expressly qualified by this cautionary statement.

This forward-looking information is made as of the date of this AIF, or in the case of documents incorporated by reference herein, as of the dates of such documents, and the Corporation 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.

Well-Flow Test Results and Initial Production Rates

Any references in this AIF 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 Corporation. 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 AIF, 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.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Corporation was continued under the ABCA from the BCBCA on July 27, 2012. Pursuant to the continuation of the Corporation under the ABCA from the BCBCA, the name of the Corporation was changed from "Crown Point Ventures Ltd." to "Crown Point Energy Inc." The Corporation was originally incorporated under the BCBCA on March 16, 1966.

The registered office of the Corporation is located at 2400, 525-8th Avenue S.W., Calgary, Alberta, T2P 1G1 and its head office is located at PO Box 1562, Station M, Calgary, Alberta, T2P 3B9.

Intercorporate Relationships

The following table provides the name, the percentage of votes attaching to all voting securities of Crown Point's subsidiaries beneficially owned, or controlled or directed, directly or indirectly by Crown Point, and the jurisdiction of incorporation, continuation, formation or organization of Crown Point's subsidiaries as at the date hereof:

	<u>Percentage of securities held (directly or indirectly)</u>	<u>Jurisdiction of Formation</u>
Crown Point Energía S.A. (formerly Antrim Argentina S.A.)	100%	Argentina
CanAmericas (Argentina) Energy Ltd.	100%	Alberta, Canada

GENERAL DEVELOPMENT OF THE BUSINESS

Three Year History

The following provides an overview of how the Company's business has developed during the fiscal years ended December 31, 2014, 2015 and 2016 and during the fiscal year ended December 31, 2017 to the date of this AIF, with particular emphasis on events or conditions that have influenced the general development of the business.

Operations - Las Violetas Concession

During 2014 and 2015, Crown Point and its partners drilled 13 new wells on the Las Violetas Concession, of which eight wells are on production, three wells have been suspended pending further study, one well was reentered for a remedial completion workover, and one well was cased and is slated for completion and testing in late 2017.

In July 2015, the Corporation completed its acquisition of new 3-D seismic at TDF comprised of: approximately 58 km² on the Rio Cullen Concession; approximately 49 km² on the La Angostura Concession; and approximately 103 km² on the eastern extension of the Los Flamencos gas pool in the Las Violetas Concession.

During 2016, the Company identified a number of older producing and non-producing wells on the Las Violetas Concession as candidates for fracture stimulation and carried out fracture stimulations on four older wells of which two wells were successfully fracture stimulated and placed back on production, one well was chemically treated in Q1 2017 to remove wellbore emulsion buildup and improve inflow and one well is suspended.

The Company has identified an additional number of older producing and non-producing gas wells on the Las Violetas Concession as candidates for intervention and possible fracture stimulation to restore and/or improve production.

Prospect identification and evaluation to develop additional exploitation, step-out and appraisal locations for inclusion in the 2018 capital program on the Las Violetas Concession is ongoing.

Operations – Rio Cullen and La Angostura Concessions

The Corporation had contingent plans to drill one exploration well on each of the Rio Cullen Concession and La Angostura Concession based on the interpretation of 3-D seismic acquired in 2015. However, a detailed interpretation of both surveys failed to identify any drillable locations on acreage covered by the acquired seismic.

In January 2016, the Company received confirmation from the government of the Province of Tierra del Fuego of a one-year extension of the commitment dates for the drilling of the exploration wells to December 31, 2016.

Further studies on both concessions were completed in late July 2016. The Rio Cullen Concession study identified nine gas prospects. The La Angostura Concession study identified seven oil prospects. The Company high-graded the prospects on both concessions and selected one drilling location on each.

In Q4 2016, the Company requested a two year extension of the December 31, 2016 commitment dates for drilling one exploration well on each of the concessions. Approval of the extension was received from both the Secretary of Energy and Governor of the Province, however, the approval was not ratified prior to the Christmas recess of the Provincial Legislature on December 15, 2016. Accordingly, the Company and its partners commenced preparation of the two drilling sites in late December 2016. Between January and April 2017, the Corporation drilled and cased one exploratory well on each of the concessions and satisfied its remaining work commitments on both blocks.

RC x-1002 on the Rio Cullen Concession was drilled to a final depth of 1,740 metres during March and April 2017 and cased as a potential Springhill formation gas well. Completion operations on RC x-1002 were conducted during May and June 2017 and the well was subsequently tied into company-owned Rio Cullen gas gathering facilities and placed on production on July 19, 2017.

SM x-1001 on the La Angostura Concession was drilled to a final depth of 2,126 metres and cased as a potential Tobífera and Springhill formation oil well. Preliminary completion operations were conducted during late September 2017. The lower Tobífera formation was perforated, acid stimulated, and swab tested. This zone was subsequently isolated with a downhole plug, and the upper Tobífera formation was perforated over a three-meter interval. The well was placed on production test on September 22, 2017 and subsequently shut-in on October 3, 2017 to install recorders and surface facilities and place the upper Tobífera reservoir on a long-term production test. Testing commenced on October 16, 2017 with flow restricted through choke sizes ranging between 6 mm and 14 mm. Total reported gross production from September 22 to October 31, 2017 was 6,284 m³ (net 1,620 m³) or 39,589 bbls (net 10,206 bbls) of oil. During the 30-day period that the well was on production, it produced at an average rate of 210 m³ (1,323 bbls) of oil per day (gross). No water was reported produced during this test period. The average production rate on October 31, 2017 was 143 m³ (900 bbls) of 34 API oil per day (gross) plus 8,043 m³ (284 Mcf) of associated natural gas per day through an 8 mm choke at a flowing wellhead pressure of 806 psi. Crown Point continues to perform monitored testing to fully determine the significance of the Upper Tobífera reservoir. Oil produced during the long-term production test is being trucked to company-owned storage facilities for processing and subsequent sale.

Having fulfilled its expenditure commitments, the Corporation exercised its option to extend the term of each of the Rio Cullen Concession and La Angostura Concession to August 2026 by making the minimum cash payment to the Province of TDF. For each concession, the cash payment is a minimum of US\$32,500 to a maximum of US\$1.29 million (net to the Company's interest) and the investment commitment is a minimum of US\$0.46 million to a maximum of US\$9.28 million (net to the Company's interest). The investment commitment for exploration and development work will be determined on a sliding scale based on a proved plus probable reserves range discovered during the initial exploration period between zero and greater than 18 million BOE. The total cash payment and investment commitment have not yet been determined by the Province of TDF and the Corporation has not yet received formal approval of the concession extensions.

Operations – Cerro de Los Leones Concession

In the first half of 2014, Crown Point drilled and tested an exploration well (La Hoyada x-1) in the southern portion of its Cerro de Los Leones Permit. In June 2014, Crown Point suspended completion and evaluation operations on the well as commercial quantities of hydrocarbons were not discovered.

Effective April 27, 2015, the Corporation entered into an agreement with the Province of Mendoza in Argentina to relinquish, effective May 22, 2015, approximately 67% of the acreage represented by the Cerro de Los Leones Permit (representing approximately 205,739 acres) and carry over all outstanding Period 1 work commitments (approximately US\$3.9 million) and the drilling of one additional exploration well to Period 2, which period commenced in May 2015. The relinquished acreage included acreage that is protected for environmental considerations as well as lands designated as restricted/prohibited due to the presence of the European Space Agency's Deep Space 3 antenna on the Cerro de Los Leones Permit as well as lands located in the southeast and north west sectors of the concession which the Corporation had deemed to be non-prospective.

During 2015, the Company undertook an evaluation of the potential of two older wells, Vega del Sol x-1 (VdS x-1) and Vega del Sol x-3 (Vds x-3), previously drilled in the Vega del Sol structure which had been abandoned by YPF when it relinquished the acreage. The wells were re-entered and tested during the latter part of 2015 and much of 2016. VdS x-3 was suspended as a potential oil and gas producer. A decision as to whether the Company will place this well on long-term test by pipelining the production through the VdS x-1 facilities has been delayed until production testing of the VdS x-1 well has been completed. VdS x-1 was shut in on October 27, 2016. Crown Point has designed a fracture stimulation program to improve production rates at VdS x-1.

In the fourth quarter of 2016, Crown Point applied for an extension to the Period 2 exploration period which was to expire on May 21, 2017. The extension was requested to allow the Company time to acquire 234 km² of 3-D seismic and drill one exploration well. In March 2017, the Mendoza provincial government formally agreed to extend the deadline to acquire seismic until January 22, 2018 and informally agreed to extend the commitment to drill one exploration well for an unspecified period following the acquisition of seismic.

In October 2017, the Corporation requested a further extension to the deadline to acquire seismic until April 2018 and defer drilling of the commitment exploration well until the second half of 2018. The Company has not yet received formal approval for the extension and deferral.

The Corporation is actively seeking a partner in the Cerro de Los Leones Concession to share future capital costs and provide capital cost recovery opportunities on existing and previous capital projects.

Acquisitions and Divestitures

Effective June 30, 2014, the Corporation completed the sale of its 50% interest in the exploitation concession in the El Valle area of the Golfo San Jorge basin in Argentina for consideration of approximately US\$525,000 (plus certain disposition adjustments) to its former joint interest partners. As part of the sale, the purchasers assumed Crown Point's US\$13 million of net future capital commitments in respect of the El Valle exploitation concession.

On November 22, 2017, Crown Point announced that it had entered into agreements (the "**Acquisition Agreements**") with Apco Oil and Gas International Inc. and Apco Argentina S.A. (collectively, the "**Sellers**"), to acquire all of the issued and outstanding shares of Apco Austral S.A. ("**Apco Austral**") from the Sellers (the "**Acquisition**"). Apco Austral holds a 25.7796% participating interest in the Tierra del Fuego Concessions. The Acquisition would increase Crown Point's working interest in the Tierra del Fuego Concessions to 51.56% and would double its hydrocarbon reserves and production. The purchase price payable by Crown Point to the Sellers is US\$28,363,144 cash, subject to closing adjustments and to certain additional contingent consideration, US\$27 million of which corresponds to Apco Austral's working interest in the Tierra del Fuego Concessions and US\$1,363,144 of which corresponds to Apco Austral's working capital surplus as at April 1, 2017, which is the effective date of the Acquisition. Crown Point has also agreed to make certain contingent royalty payments during the ten year period commencing January 1, 2018. The quarterly royalty payments would be equal to 10% of the amount by which the net revenues received by Apco Austral from its interest in the Tierra del Fuego Concessions for the quarter exceeds certain net base revenue thresholds for such quarter. The royalty payments are capped at a maximum payment of US\$9 million. Completion of the

Acquisition is subject to, among other things, the receipt of all necessary regulatory and stock exchange approvals, the waiver or expiration of applicable rights of first refusal ("**ROFR**"), and other customary closing conditions. Closing is currently expected to occur in the first quarter of 2018. Crown Point has paid a deposit of US\$6.75 million to the Sellers (the "**Deposit**"), which was funded using Crown Point's existing working capital. Crown Point has agreed that the Deposit will be non-refundable if the Acquisition Agreements are terminated in certain events. Crown Point's partners in the Tierra del Fuego Concessions each have a ROFR to participate in the Acquisition for their existing working interest. Liminar has agreed to guarantee all of Crown Point's payment obligations under the Acquisition Agreements.

Equity Financings

Investment Agreement

On November 16, 2014, Crown Point entered into an investment agreement with the Investors, which was subsequently amended and restated on December 19, 2014 (the "**Investment Agreement**"), pursuant to which the parties agreed that the Investors would subscribe for and purchase an aggregate of 60,000,000 Common Shares at a price of US\$0.25 per Common share for aggregate gross proceeds of US\$15 million (the "**Investment**"). The Investors and the Corporation agreed to complete the Investment in two tranches at a first closing (the "**Initial Closing**") and a second closing (the "**Second Closing**"). The completion of the Second Closing was conditional upon (among other things) receipt of disinterested shareholder approval for the creation of a new "control person" of the Corporation in accordance with the rules of the TSXV as the Investors would, as a result of the Second Closing, collectively own and control greater than 20% of the issued and outstanding Common Shares. The Investment Agreement provided the Investors with the right to have two representatives serve on the Board as long as the Investors collectively own or control 10% or more of the issued and outstanding Common Shares.

The Initial Closing under the Investment Agreement was completed on December 19, 2014, pursuant to which Liminar acquired 25,965,704 Common Shares for gross proceeds of US\$6,491,426. The purchase price for the Common Shares subscribed for pursuant to the Initial Closing was paid as follows: (i) US\$2,000,000 in US dollars; and (ii) US\$4,491,426 through the payment of ARS\$38,446,607 (based on a prevailing US\$ – ARS\$ exchange rate). Additionally, Pablo Peralta, President of Liminar, and Gabriel Obrador, President of GORC, were appointed to the Board at the Initial Closing in accordance with the Investment Agreement.

Crown Point held a special meeting of shareholders on February 24, 2015. At the special meeting, shareholders approved the private placement to the Investors and the resulting creation of a new "control person" of the Corporation. On February 27, 2015, Liminar completed the first portion of the Second Closing and acquired 3,210,640 Common Shares at an issue price of US\$0.25 per share through the payment of ARS\$6,999,998 (US\$802,660) (based on a prevailing US\$ – ARS\$ exchange rate). On March 19, 2015, Liminar and GORC completed the second portion of the Second Closing, pursuant to which Liminar acquired 1,500,000 Common Shares and GORC acquired 6,000,000 Common Shares, each at an issue price of US\$0.25 per share, through the aggregate payment of ARS\$16,483,125 (US\$1,875,000) (based on a prevailing US\$ – ARS\$ exchange rate). On April 10, 2015, Liminar completed the final portion of the Second Closing and acquired 23,323,656 Common Shares at an issue price of US\$0.25 per share through the payment of ARS\$51,574,434 (US\$5,830,914) (based on a prevailing US\$ – ARS\$ exchange rate).

After giving effect to the Investment, Liminar owned and controlled an aggregate of 54,000,000 Common Shares, representing approximately 32.8% of the then issued and outstanding Common Shares, and together with the Common Shares owned by GORC, the Investors had collective ownership and control of 60,000,000 Common Shares, representing approximately 36.5% of the then issued and outstanding Common Shares. In August 2017, Liminar announced that it had acquired the 6,000,000 Common Shares held by GORC.

Rights Offering

On October 23, 2017, Crown Point completed a rights offering (the "**Rights Offering**"), pursuant to which it issued 164,515,222 Common Shares at a price of US\$0.025 per Common Share for gross proceeds of US\$4,112,880.55. Following the closing of the Rights Offering, Crown Point had 329,030,444 Common Shares issued and outstanding. Liminar acquired an aggregate of 107,178,151 Common Shares in connection with the Rights Offering pursuant to its

stand-by commitment. Following closing of the Rights Offering, Liminar owned an aggregate of 167,178,151 Common Shares, which represented approximately 50.8% of the then issued and outstanding Common Shares.

Debt Financings

In November 2014, Crown Point obtained and drew down in full a loan facility of ARS\$14.5 million from HSBC Bank Argentina S.A. This facility was repaid in full in April 2015 and the related US\$1.7 million GIC provided as security was released to the Corporation in May 2015.

On June 30, 2015, the Corporation obtained an ARS\$50 million loan facility with HSBC Bank Argentina S.A. Amounts advanced under the facility bear interest at 19%, calculated and paid monthly commencing on the date of each draw. On July 17, 2015, the Corporation drew ARS\$9,500,000 of proceeds under this loan facility. The loan principal is repayable in 24 monthly installments commencing August 17, 2016. On October 23, 2015, the Corporation drew an additional ARS\$9,500,000 of proceeds. The loan principal is repayable in 24 monthly installments commencing November 23, 2016. The final ARS\$31,000,000 available under this facility was not drawn by the Corporation. The loan facility is secured by a US\$345,000 GIC on deposit with a major Canadian financial institution.

On February 2, 2016, the Corporation obtained and drew down in full a loan facility of ARS\$10,000,000 from HSBC Bank of Argentina S.A. Amounts advanced under the facility bore interest at 34% calculated and paid monthly commencing on February 2, 2016. On May 2, 2016, the Corporation renewed the loan facility with an interest rate of 38.75% calculated and paid monthly. On July 4, 2016, the Corporation concurrently repaid ARS\$3,000,000 of the loan facility and renewed the loan facility for ARS\$7,000,000, which bore interest at 36%, calculated and paid monthly commencing on July 4, 2016. On September 6, 2016, the Corporation renewed the loan facility at an interest rate of 31% per annum, calculated and paid monthly commencing on September 6, 2016. On October 7, 2016, the Corporation renewed the loan facility at an interest rate of 29.25% per annum, calculated and paid monthly commencing on October 7, 2016. On December 5, 2016, the Corporation renewed the loan facility at an interest rate of 25.5% per annum, calculated and paid monthly commencing on December 5, 2016. On March 6, 2017, the Corporation renewed the loan facility at an interest rate of 25% per annum, calculated and paid monthly commencing on March 6, 2017. The facility was repaid in full in July 2017 and the related letter of credit held as loan security was released and paid to the Company in August 2017.

On October 28, 2016, the Corporation obtained an ARS\$14,908,000 unsecured loan facility at an annual interest rate of 38.5% and repayable in one installment on November 30, 2016. On November 25, 2016, the Corporation renewed the loan under the same terms. The loan was repaid in one installment on December 28, 2016.

On December 26, 2016, the Corporation obtained a US\$900,000 unsecured loan facility with Banco Industrial bearing interest at 9.5%, calculated and paid monthly commencing on January 26, 2017 and repayable in one installment on December 26, 2017.

On April 28, 2017, the Corporation obtained an ARS\$12,000,000 unsecured loan facility with Banco Columbia. The loan had an annual interest rate of 31.5% calculated and paid at maturity. The loan matured and was repaid in one installment on October 25, 2017.

In July 2017, the Corporation obtained an ARS\$6,000,000 unsecured loan facility with Trend Capital S.A. at an interest rate of 35% per annum which was repaid in August 2017.

Shareholder Activism

In November 2014, Crown Point received, and rejected, a demand from an activist investor to provide an exclusive right to the activist to negotiate a financing proposal, failing which such activist threatened to commence a dissident proxy contest. Crown Point subsequently received a shareholder meeting requisition from the activist investor, wherein the investor demanded that the Board call a special meeting of Crown Point's shareholders to consider removing from office certain of the existing directors of Crown Point, reducing the number of directors, and electing to the Board the nominees submitted by the activist investor. In response to the requisition, Crown Point called a special meeting of shareholders to be held in the first quarter of 2015. As a result of the foregoing, the Corporation adopted a shareholder rights plan, which subsequently expired in accordance with its terms.

Crown Point held a special meeting of shareholders on February 24, 2015. The meeting was called to seek disinterested shareholder approval for the issuance of 34,034,296 Common Shares to the Investors pursuant to the Second Closing and the resulting creation of a new "control person" of the Corporation in accordance with the rules of the TSXV, and to consider the matters set forth in the meeting requisition previously received from the activist investor. At the special meeting, shareholders approved the private placement to the Investors and the resulting creation of a new "control person" of the Corporation and rejected the resolutions put forward by the activist investor to reconstitute the Board.

Board and Management Changes

On April 30, 2015, Mr. Carlos Olivieri and Dr. Brian Moss each retired from the Board. Dr. Moss continued to serve as the Corporation's Executive Vice President and Chief Operating Officer.

On August 31, 2015, Mr. Arthur Madden retired from his role as Vice President, Finance and Chief Financial Officer of Crown Point. Effective September 1, 2015, Ms. Marisa Tormakh was appointed Vice President, Finance and Chief Financial Officer of Crown Point.

On September 3, 2015, John Clark retired from the Board.

On November 9, 2016, Mr. Murray McCartney retired from his position as a director and as President and Chief Executive Officer of the Corporation and Dr. Brian Moss, the Corporation's Executive Vice-President and Chief Operating Officer, was appointed President and Chief Executive Officer.

On December 1, 2017, Mr. Denny Deren retired from the Board and Dr. Brian Moss was elected to the Board at the Company's 2017 annual general and special meeting of shareholders.

Significant Acquisitions

Crown Point did not complete any acquisitions during the financial year ended December 31, 2016 that are significant acquisitions for the purposes of Part 8 of National Instrument 51-102 *Continuous Disclosure Obligations*.

DESCRIPTION OF THE BUSINESS

General

Crown Point is a Calgary-based junior international oil and gas company with producing assets and an opportunity base in two of the largest producing basins in Argentina, the Austral basin in TDF and the Neuquén basin, in the Province of Mendoza.

The Corporation's strategy is designed to deliver low-risk growth and capitalize on large potential exploration upside. Specifically, Crown Point is focused on increasing its production base in TDF through exploration and development drilling supplemented by recompletion and fracture stimulation of selected older producing wells. At the Cerro de Los Leones Concession, the Corporation is designing a 3-D seismic program to be shot over the northern part of the concession.

Currently, the Corporation's production is derived entirely from its 25.78% interest in three exploitation concessions in TDF where an active development and exploration program is in place which is intended to expand the Corporation's reserves and production. Crown Point's production is weighted to natural gas and is levered to benefit from anticipated increases in natural gas prices in Argentina.

Crown Point is conducting an exploration program in the 100% interest Cerro de Los Leones Concession.

Specialized Skill and Knowledge

Operations in the oil and natural gas industry require professionals with skills and knowledge in diverse fields of expertise. In the course of its exploration, development and production activities, the Corporation requires the expertise of drilling engineers, exploration geophysicists and geologists and petroleum engineers. The Corporation has not to date experienced any difficulties in hiring and retaining the professionals and experts it requires for its operations.

Competitive Conditions

The oil and natural gas industry is inherently competitive. The Corporation faces competition in the areas of finance, technical facilities and acquisition of assets. While the Corporation has been successful in its ability to acquire properties from other organizations in the industry, there is no assurance that it will continue to do so. Nonetheless, the management of the Corporation believes that it will be able to compete successfully with local and foreign competitors in Argentina. See "*Risk Factors - Competition*".

Seasonality

The level of activity in the oil and gas industry in certain areas of Argentina may be influenced by seasonal weather patterns; however, in general, most areas can be accessed year round. Certain localized areas may have restricted access during parts of the year for drilling and completion activity resulting from winter conditions and the presence of high winds. Seasonal factors and unexpected weather patterns may lead to delays in the Corporation's exploration, development and production plans. In addition, the demand for oil and natural gas in Argentina fluctuates throughout the year, which affects the prices the Corporation receives for its oil and natural gas production.

Employees

As at December 31, 2016, the Corporation had 14 full-time employees and one part-time employee. As of the date of this AIF, the Corporation had eight full-time employees and one part-time employee.

Foreign Operations

All of the Corporation's oil and gas activities are located in Argentina. See "*Industry Conditions*" and "*Risk Factors*".

Environmental Protection

The oil and natural gas industry is subject to environmental laws and regulations under varied governmental legislation. Compliance with such obligations and requirements can mean significant expenditures and may constrain the Corporation's operations. A breach of environmental obligations could lead to suspension or revocation of requisite environmental licenses and permits, civil liability for damages caused and possible fines and penalties, all of which may significantly and negatively impact the Corporation's position and competitiveness. See "*Industry Conditions*" and "*Risk Factors*".

Social or Environmental Policies

The Corporation has established guidelines and management systems to comply with the laws and regulations of the jurisdictions in which it conducts its business. The Corporation has dedicated employees responsible for all matters affecting the environment and local municipalities. While the Corporation endeavours to meet all of its environmental obligations, it cannot guarantee that it has and will be in compliance at all times. Nonetheless, management believes that operations are in substantial compliance with all material environmental laws and regulations. See "*Risk Factors*".

STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION

For information regarding the Corporation's reserves data and other oil and gas information, please see the Corporation's Form 51-101F1 – *Statement of Reserves Data and Other Oil and Gas Information*, the report of GCA in the form of Form 51-101F2 – *Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor* in respect thereof and the Corporation's Form 51-101F3 – *Report of Management and Directors on Oil and Gas Disclosure* in respect thereof, in each case as at and for the year ended December 31, 2016, all of which are available on SEDAR at www.sedar.com and are incorporated by reference herein.

SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares. As at the date hereof, there are 329,030,444 Common Shares and no Preferred Shares issued and outstanding.

There are also 1,582,500 Common Shares issuable on the exercise of outstanding options granted under the Corporation's stock option plan. Crown Point has a "rolling" stock option plan reserving a maximum of 10% of the issued and outstanding Common Shares for issuance pursuant to stock options granted under the plan. A description of the Corporation's stock option plan can be found in the Corporation's management information circular dated October 27, 2017 relating to the annual general and special meeting of shareholders of the Corporation held on December 1, 2017, which is available on SEDAR at www.sedar.com.

The following is a general description of the terms and conditions of the Common Shares and Preferred Shares.

Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares. The holders of the Common Shares are entitled to receive notice of and to attend and vote at all meetings of shareholders of the Corporation. Subject to the prior right of holders of any outstanding Preferred Shares, holders of Common Shares have the right to receive any dividends declared by the Board on the Common Shares. Subject to the prior right of holders of any outstanding Preferred Shares, holders of Common Shares have the right to receive pro rata the remaining assets of the Corporation in the event of the liquidation, dissolution or winding up of the Corporation.

Preferred Shares

The Corporation is authorized to issue an unlimited number of Preferred Shares.

The Board may issue Preferred Shares in one or more series. The Board may also fix the number of shares in and determine the designation of the shares of each such series. The Board may also create, define and attach special rights and restrictions, including voting rights, if any, to the shares of each such series, subject to the special rights and restrictions otherwise attached to the Preferred Shares.

The holders of each series of Preferred Shares shall be entitled, in priority to holders of Common Shares and any other shares of the Corporation ranking junior to the Preferred Shares with respect to the payment of dividends, to be paid rateably with holders of each other series of Preferred Shares, the amount of accumulated dividends, if any, specified as being payable preferentially to the holders of such series.

In the event any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs, holders of each series of Preferred Shares shall be entitled, in priority to holders of Common Shares and any other shares of the Corporation ranking junior to the Preferred Shares with respect to payment on a distribution, to be paid rateably with holders of each series of Preferred Shares the amount, if any, specified as being payable preferentially to the holders of such series on such a distribution.

DIVIDEND POLICY

Crown Point has not paid any dividends on the outstanding Common Shares. The Board will determine the actual timing, payment and amount of dividends, if any, that may be paid by Crown Point from time to time based upon, among other things, the level of cash flow, results of operations and financial condition, the need for funds to finance ongoing operations and other business considerations as the Board considers relevant, including the satisfaction of the liquidity and solvency tests imposed by the ABCA for the declaration and payment of dividends.

MARKET FOR SECURITIES

Trading Price and Volume

The Common Shares are listed for trading on the TSXV under the symbol "CWV". The following chart shows trading information for the Common Shares for the periods indicated:

Common Shares			
	Price Range (CDN\$)		Trading Volume
	High	Low	
Fiscal Year Ended December 31, 2016			
January	0.07	0.05	810,159
February	0.075	0.05	670,420
March	0.075	0.05	1,371,965
April	0.06	0.05	1,690,976
May	0.055	0.05	1,182,623
June	0.06	0.045	642,716
July	0.055	0.05	1,023,056
August	0.115	0.05	4,196,053
September	0.07	0.05	3,345,327
October	0.06	0.05	1,030,536
November	0.055	0.04	1,038,364
December	0.05	0.04	611,188
Fiscal Year Ended December 31, 2017			
January	0.05	0.04	932,576
February	0.05	0.04	1,306,327
March	0.055	0.04	1,487,806
April	0.085	0.045	2,116,414
May	0.085	0.055	883,714
June	0.06	0.055	349,427
July	0.055	0.035	676,754
August	0.045	0.035	693,133
September	0.045	0.035	1,489,402
October	0.04	0.03	5,355,837
November	0.06	0.03	11,831,940
December (1 to 13)	0.05	0.04	1,395,251

ESCROWED SECURITIES

There are no securities of the Corporation currently held in escrow.

DIRECTORS AND OFFICERS

The names, province or state and country of residence, positions with the Corporation and the principal occupations of the directors and executive officers of the Corporation are set out below. The Board presently consists of five directors. Each director is elected annually to hold office until the next annual general meeting of shareholders or until his successor is duly elected or appointed, unless his office is earlier vacated in accordance with the provisions of the ABCA or the Corporation's constating documents.

The Investment Agreement provides Liminar with the right to have two representatives serve on the Board as long as Liminar owns or controls 10% or more of the issued and outstanding Common Shares. Messrs. Peralta and Obrador are Liminar's current Board nominees.

Name and Residence	Director Since	Position Held	Principal Occupation for Past Five Years
Gordon Kettleson ⁽¹⁾⁽²⁾ British Columbia, Canada	December 2001	Non-Executive Chairman and Director	Chief Executive Officer of Interwest Petroleum Ltd. since 2001. Director of Califi Capital Corp since July 2017. Formerly President and/or Chief Executive Officer of the Corporation for various periods between March 2007 and May 2009.
Dr. Brian J. Moss Alberta, Canada	From May 2012 to April 2015 Since December 2017	President and Chief Executive Officer	President and Chief Executive Officer of Crown Point since November 2016. From June 2012 to November 2016, Executive Vice-President and Chief Operating Officer of Crown Point. From January 2008 to May 2012, Executive Vice President (Latin America) of Antrim Energy Inc.
Marisa Tormakh Buenos Aires, Argentina	N/A	Vice-President, Finance and Chief Financial Officer	Vice-President, Finance and Chief Financial Officer of Crown Point since September 1, 2015. Prior thereto, Ms. Tormakh served as financial coordinator at Grupo ST S.A. and as Director of Capital Markets at Banco Servicios y Transacciones S.A., which are both privately held Argentine companies operating in the financial services, insurance and real estate industries and affiliated with Crown Point's largest shareholder, Liminar.
Keith Turnbull ⁽¹⁾⁽²⁾ Alberta, Canada	April 2012	Director	Business consultant since December 31, 2009. Prior thereto, Partner at KPMG LLP.
Pablo Peralta ⁽²⁾ Buenos Aires, Argentina	December 2014	Director	Mr. Peralta currently holds various executive positions, including the following: President of the following entities - Grupo S.T. S.A. (since April 2007), ST Inversiones S.A. (since May 2009), Orígenes Seguros de Retiro S.A. (since May 2009), Orígenes Seguros de Vida S.A. (since June 2011), Liminar (since March 2014), and Liminar Desarrollos Inmobiliarios S.A. (since July 2009). Mr. Peralta was also the Vice President of Banco de Servicios y Transacciones S.A. (where he was President from 2002-2014). Mr. Peralta currently serves as a director of the following companies: Préstamos y Servicios S.A.; Tecevall Agente de Valores S.A.; CMS de Argentina S.A.; and Crédito Directo S.A. Each of the foregoing companies, other than Liminar, are privately held entities operating in the financial services, insurance and real estate sectors in Argentina.

Name and Residence	Director Since	Position Held	Principal Occupation for Past Five Years
Gabriel Obrador ⁽¹⁾ Buenos Aires, Argentina	December 2014	Director	President of Petrolera Piedra del Águila S.A. (an independent oil and gas operator focused on acquisition and development of areas with exploratory and development potential in Argentina's Neuquén Basin) since August 2006 and Vice-President and director of Energía y Soluciones S.A. (an oil and gas trader based in Argentina). Mr. Obrador also currently holds the following positions with private companies: Chairman of the Board of Galileo Advanced Solutions (an LNG/CNG producer and marketer in the US, based in Houston, Texas); Director of Gas Natural de Mexico - Ganamex SA (an LNG/CNG producer and marketer based in Monterrey, Mexico); and Director of Distributed Gas Solutions Canada (an LNG/CNG producer and marketer based in Montreal, Canada).

Notes:

- (1) Member of the Audit, Reserves & HSE Committee of the Board.
- (2) Member of the Compensation and Governance Committee of the Board.

Ownership of Shares

As at the date hereof, the directors and executive officers of the Corporation, as a group, beneficially owned or controlled or directed, directly or indirectly, an aggregate of 168,947,073 Common Shares, or approximately 51.3% of the issued and outstanding Common Shares.

Cease Trade Orders

Other than as disclosed below, to the knowledge of management of Crown Point, no director or executive officer of Crown Point is, as of the date hereof, or was, within the 10 years before the date hereof, a director, chief executive officer or chief financial officer of any company (including Crown Point) that was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, and that was issued (i) while that person was acting in such capacity, or (ii) after that person was acting in such capacity and which resulted from an event that occurred while that person was acting in such capacity.

Dr. Brian Moss was a director of Richards Oil & Gas Limited ("**ROG**") when each of the Alberta Securities Commission, British Columbia Securities Commission and the Ontario Securities Commission issued cease trade orders on May 7, 2010, May 11, 2010 and May 26, 2010, respectively, against ROG for failing to file certain annual disclosure documents for the financial year ended December 31, 2009. ROG's shares were de-listed from the TSXV on July 9, 2010 for failure to pay its listing fees. The cease trade orders issued by the Alberta Securities Commission and Ontario Securities Commission were varied in December 2010 to allow certain trades as part of ROG's proposal under the *Bankruptcy and Insolvency Act* (Canada) ("**BIA**"), as discussed below. On December 31, 2010, after assisting ROG with its successful restructuring process, Dr. Moss resigned as a director of ROG.

Bankruptcies

Other than as disclosed below, to the knowledge of management of Crown Point, no director or executive officer of Crown Point, or shareholder holding a sufficient number of securities to affect materially the control of Crown Point is, as of the date hereof, or has been, within 10 years before the date hereof, a director or executive officer of any company (including Crown Point) that, while that person was acting in such capacity, or within a year of that person ceasing to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the knowledge of management of Crown Point, no director or executive officer of Crown Point, or shareholder holding a sufficient number of securities to affect materially the control of Crown Point has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

Dr. Brian Moss was a director of ROG when ROG received protection from its creditors pursuant to an order under the BIA on May 5, 2010. On September 24, 2010, ROG filed a proposal under the BIA naming Alger & Associates Inc. as the trustee, which was accepted by ROG's creditors and the Alberta Court of Queen's Bench. On December 31, 2010, after assisting ROG with its successful restructuring process, Dr. Moss resigned as a director of ROG.

Penalties or Sanctions

To the knowledge of management of Crown Point, no director or executive officer of Crown Point, or shareholder holding a sufficient number of securities to affect materially the control of Crown Point, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

There are potential conflicts of interest to which the directors and officers of the Corporation will be subject in connection with the operations of the Corporation. Conflicts, if any, will be subject to the procedures and remedies available under the ABCA. The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the ABCA. See also "*Risk Factors – Controlling Shareholder*" and "*Risk Factors – Conflicts of Interest*".

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Management of Crown Point is not aware of any existing or contemplated legal proceedings material to Crown Point, to which Crown Point is, or during the most recently completed financial year was, a party, or of which any of its property is, or during the most recently completed financial year was, subject.

Management of Crown Point is not aware of any penalties or sanctions imposed against Crown Point by a court relating to securities legislation or by a securities regulatory authority during the most recently completed financial year, or any other penalties or sanctions imposed by a court or regulatory body against Crown Point that would likely be considered important to a reasonable investor in making an investment decision, or any settlement agreements entered into by Crown Point before a court relating to securities legislation or with a securities regulatory authority during the most recently completed financial year.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as set forth below, no director or executive officer of the Corporation, or shareholder that beneficially owns, or controls or directs, directly or indirectly, more than 10 percent of the Common Shares, or associate or affiliate of any of the foregoing persons, has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect the Corporation.

Pursuant to the terms of the Investment Agreement, in 2014 and 2015 Liminar and GORC purchased an aggregate of 60,000,000 Common Shares (representing approximately 36.5% of the then issued and outstanding Common Shares) at an issue price of US\$0.25 per share for aggregate gross proceeds of US\$15 million and were granted certain rights, including the right to Board representation. Messrs. Pablo Peralta and Gabriel Obrador are Liminar's Board nominees. Mr. Peralta is a director of the Corporation and is the President of Liminar and controls 30% of the voting shares of Liminar. Mr. Obrador is a director of the Corporation and has control and direction over GORC. In 2017, Liminar

acquired all of the Common Shares held by GORC. See "*General Development of the Business – Three Year History – Equity Financings – Investment Agreement*" and "*Directors and Officers*" for further details.

On October 23, 2017, Crown Point completed the Rights Offering pursuant to which it issued 164,515,222 Common Shares at a price of US\$0.025 per Common Share for gross proceeds of approximately US\$4,112,881. In connection with the Rights Offering, Crown Point and Liminar entered into a standby purchase agreement (the "**Standby Agreement**") pursuant to which Liminar agreed to exercise all Rights issued to it and all Rights not exercised by Crown Point's other shareholders. Liminar acquired an aggregate of 107,178,151 Common Shares pursuant to the Standby Agreement for gross proceeds of approximately US\$2,679,454. Following closing of the Rights Offering, Liminar owned an aggregate of 167,178,151 Common Shares, which represented approximately 50.8% of the then issued and outstanding Common Shares. See "*General Development of the Business – Three Year History – Equity Financings – Rights Offering*" for further details.

On November 22, 2017, Crown Point announced that it had entered into the Acquisition Agreements with the Sellers pursuant to which it agreed to acquire all of the issued and outstanding shares of Apco Austral from the Sellers for a purchase price of US\$28,363,144, subject to closing adjustments. Crown Point also agreed to make certain contingent royalty payments to the Sellers, which royalty payments are capped at a maximum payment of US\$9 million. Liminar is a party to the Acquisition Agreements for the sole purpose of guaranteeing all of Crown Point's payment obligations thereunder. See "*General Development of the Business – Three Year History – Acquisitions and Divestitures*" for further details.

REGISTRAR AND TRANSFER AGENT

Computershare Investor Services Inc., at its principal office in Vancouver, British Columbia, is the registrar and transfer agent for the Common Shares.

MATERIAL CONTRACTS

Except for the Investment Agreement, the Standby Agreement and the Acquisition Agreements described under "*General Development of the Business*", "*Interests of Management and Others in Material Transactions*" and elsewhere herein, and except for contracts entered into in the ordinary course of business, Crown Point has not entered into any material contracts during the financial years ended December 31, 2016 and 2017, or before such financial years and that are still in effect.

INTERESTS OF EXPERTS

The auditors of the Corporation are KPMG LLP. KPMG LLP is independent in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

GCA is the Corporation's independent qualified reserves auditor. None of the principals of GCA has received, or is to receive, any registered or beneficial interests, direct or indirect, in any securities or other property of the Corporation or of any associates or affiliates of the Corporation either at the time of such report or since that time.

No director, officer or employee of any of the experts referred to herein is or is expected to be elected, appointed or employed as a director, officer or employee of Crown Point or of any associate or affiliate of Crown Point.

INDUSTRY CONDITIONS

The following is a summary of Argentine economic and industry conditions and trends, which have had or could have a material impact on the Corporation's business, financial condition and results of operations.

Market Conditions

Overview

The oil and natural gas industry in Argentina is mature, having been established more than 100 years ago when oil was discovered in Comodoro Rivadavia. According to the U.S. Energy Information Administration in 2016, Argentina was the largest dry gas producer and the fourth largest oil and other liquids producer in South America. As of January 2016, Argentina's proved oil and natural gas reserves were estimated by the Argentina Ministry of Energy and Mining at approximately 2.2 billion Bbls and 11.9 Tcf, respectively. Argentina is a significant hydrocarbon producer with 2016 production of approximately 513,000 Bbls/d of oil and 3.7 Bcf/d of natural gas. However, Argentina is a net energy importer, primarily importing gas from Bolivia and liquefied natural gas from the Middle-East and Trinidad and Tobago.

Over the years, the federal government of Argentina has implemented a number of controls for domestic fuel prices and has placed a tax on oil and natural gas exports. As a result of market uncertainty due to the ever changing regulatory regime, energy reinvestment has been limited and overall hydrocarbon production has declined. See "*Commodity Pricing*" below.

Exploration & Production

Two onshore basins represent the vast majority of Argentina's oil production: the Neuquén Basin, located in western-central Argentina, and the Golfo San Jorge basin, located in the southeast part of the country. Outside the established onshore basins, there has been some limited interest in exploring offshore oil resources. The Neuquén, Salta, Tierra del Fuego, and Santa Cruz regions contain most of Argentina's natural gas production, with the Neuquén region accounting for over half of the country's total production. As is the case in the oil sector, Argentina has begun to look towards its offshore basins as its traditional production centers have matured.

Pipelines

Argentina's three major oil pipelines originate at Puerto Hernández, in the Neuquén Basin. Two pipelines are domestic, transporting oil north via the YPF operated 50,000 Bbls/d pipeline to the Lujan de Cuyo refinery near Mendoza and east via the Oldelval pipeline system moving crude over 1,200 kilometers to Puerto Rosales on the Atlantic. The 430 kilometer, 115,000 Bbls/d Transandino pipeline is Argentina's only international oil pipeline, climbing over the Andes to a refinery in Chile. This pipeline discontinued transportation of oil in 2006 but is capable of being re-commissioned.

Argentina has two major sales gas pipeline systems which transport gas from central and northern Argentina (operated by Transportadora de Gas del Norte or TGN) and from Tierra del Fuego and southern Argentina (operated by Transportadora de Gas del Sur or TGS) to the industrial and residential markets located in the province of Buenos Aires and the Federal Capital.

From Tierra del Fuego, natural gas is exported across the Straits of Magellan to the mainland markets via the 30 inch San Martin pipeline operated by TGS. In 2010, Crown Point and its partners constructed an eight inch gas pipeline and compressor station to tie in to the southern extension of the San Martin pipeline, located 40 km to the north of its Las Violetas Concession near the San Sebastian natural gas field. In doing so, the Company gained access to the more lucrative high demand mainland markets.

A smaller natural gas pipeline runs from the San Martin pipeline southwards, supplying the towns of Rio Grande and Ushuaia. Crown Point and its partners are also able to market part of their gas locally by injecting into this pipeline.

Marketing Arrangements – Tierra del Fuego

There is no oil pipeline connection from Tierra del Fuego to the mainland. Produced oil is stored and transported by ship to mainland refineries or the export markets. All oil production from Crown Point's Tierra del Fuego Concessions is stored and inventoried before being periodically sold on a spot basis to the domestic mainland market. The price received for crude oil sales is calculated based on the in-country Medanito crude oil benchmark price, subject to a quality adjustment. The sale of crude oil from Tierra del Fuego may be impacted by intermittent shipments due to refinery storage levels and weather conditions. Oil and natural gas liquids sales volumes may include both previously inventoried volumes as well as current period production.

In July 2013, all export sales of butane and propane from the Tierra del Fuego Concessions were terminated with the closure of the NGL pipeline previously used to transport propane and butane to Chile. Since July 2013, NGL production from the Corporation's San Luis gas plant has been used to meet government regulations for delivery of propane to local markets. Butane, produced in conjunction with propane, is re-injected back into the sales gas due to a lack of demand in the local market. Returning the butane to the sales gas stream increases the heat content of the gas, attracting a higher price per Mcf.

The Government of Argentina determined that a portion of the Corporation's propane production must be provided to the mainland residential market. As propane produced from the Tierra del Fuego Concessions has no physical access to mainland Argentina, the Corporation fulfilled this obligation by a physical transfer arrangement with YPF. Under the terms of this agreement, the Corporation delivers the propane to YPF terminals in Tierra del Fuego and then is provided an equivalent volume of propane for the mainland residential market supplied from gas processing facilities located in continental Argentina.

Gas production from the Tierra del Fuego Concessions is sold to domestic residential and industrial consumers in Tierra del Fuego as well as to mainland Argentina under month-to-month agreements (residential sales) and a fixed-price Gas Plus contract and/or the industrial spot market (industrial sales). Natural gas is delivered via the main pipeline that crosses the Strait of Magellan.

The Government of Argentina requires a minimum domestic market supply obligation from each natural gas producer. The volume of the Corporation's supply obligations for the residential heating market fluctuates throughout the year as the demand for natural gas changes with the seasons. Gas supplied to the residential market receives a lower price than the gas supplied to the non-residential market (industries and others).

Commodity Pricing

Crude Oil

Argentina's domestic oil pricing policy has been influenced by the worldwide collapse in international oil prices. The stated intent of the government is to allow domestic oil pricing to be coupled with international benchmarks during 2017.

In January 2017, at the request of the government, an agreement to converge the Medanito and Escalante oil prices with international Brent pricing (the "**Pricing Agreement**") was signed by a majority of producers and refiners in Argentina. Under the terms of the Pricing Agreement, local refiners paid \$59.40 per bbl for Medanito crude oil and \$48.30 per bbl for Escalante crude oil in January 2017 and the prices gradually decreased every month until they reached \$55 per bbl and \$47 per bbl, respectively, in July 2017. Prices in effect in July 2017 were to be applicable until the December 31, 2017 expiry date of the Pricing Agreement, unless (i) the Brent price fell below \$45 per bbl for ten consecutive days, or (ii) the Argentinian peso depreciated more than 20%, in which case the Pricing Agreement was to be renegotiated. Further, the Pricing Agreement provided that should the Brent price remain higher than the monthly Medanito floor price less \$1.00 for ten consecutive days, the Pricing Agreement would be suspended and the Brent price would be adopted. In October 2017, the Government suspended the Pricing Agreement and adopted the Brent price. In the event that the Brent price falls below the monthly Medanito floor price less \$1.00 for 10 consecutive days, the Pricing Agreement will be reinstated until the December 31, 2017 expiry date.

Oil from Crown Point's TDF concessions is sold at a discount to the Medanito crude oil price. During the nine months ended September 30, 2017, the Company received an average of \$47.83 per bbl for its TDF oil.

Natural Gas

Crown Point sells its natural gas production to both industrial and residential consumers. Residential demand for natural gas in Argentina is higher during the colder months of April through October, reducing the average natural gas prices during this period as sales to the residential market earn a government-imposed lower price than sales to the industrial market. Seasonal reductions in average natural gas prices earned during the winter months are typically offset by increased sales to the much higher-priced industrial market during November through March.

On October 6, 2016, the Ministry of Energy and Mines issued Resolution N°212/2016 which specified that new prices for residential natural gas users would commence on October 7, 2016 with a 300% to 400% increase limit to prices set in the comparative period of the previous year, depending on the type of residential natural gas user, and a 500% increase limit for small and medium-sized companies. The intention of Resolution N°212/2016 is to reduce the government subsidization of residential natural gas prices.

On March 30, 2017, the Ministry of Energy and Mines issued Resolution N°74/2017 which established a new tariff scheme for residential natural gas users as of April 2017, which increased the average natural gas price earned by the Company. The Ministry of Energy and Mines will continue to review the tariff scheme for residential natural gas users twice a year until 2022, by which time the government subsidization of natural gas is expected to be eliminated.

During the nine months ended September 30, 2017, the Company received an average of \$4.32 per Mcf for its TDF natural gas due to a mild Argentine winter which reduced residential natural gas demand and allowed the Company to sell more natural gas to the higher-priced industrial market.

Government of Argentina Incentive Programs

Petróleo Plus Program

The Government of Argentina implemented the Petróleo Plus Program (the "**Petróleo Plus Program**") in 2008 to reward producers who materially increased oil reserves and production through drilling and development by issuing export tax credits ("**Petróleo Plus Credits**") that could be used to offset taxes on oil sold off shore at market price. Petróleo Plus Credits were transferrable and could be sold to other domestic oil exporters. The Petróleo Plus Program was cancelled in late 2014.

In July 2015, the Government of Argentina issued decree N°1330/2015 under which it began offering bonds to qualifying companies with outstanding certificates under the cancelled Petróleo Plus Program. The Company made a submission for approximately US\$2.2 million of bonds with respect to its outstanding Petróleo Plus certificates and, in September 2015, the Company recognized US\$287,263 of proceeds for bonds received for the same amount of Petróleo Plus certificates.

In November 2016, the Government of Argentina issued a decree under which it offered bonds to companies with outstanding certificates under the cancelled Petróleo Plus Program that were not compensated under decree N°1330/2015. In December 2016, the Company made a submission to the Government of Argentina to receive US\$1.9 million of publicly-traded Bonar 2020 8% coupon rate bonds, denominated and settled in US\$ and maturing in October 2020 ("**BONAR 2020 bonds**"), for the remainder of the Company's outstanding Petróleo Plus certificates. In the third quarter of 2017, the Company received US\$1,874,376 of BONAR 2020 bonds as proceeds for its outstanding Petróleo Plus certificates.

Oil Incentive Program

On February 3, 2015, the Government of Argentina announced a new oil incentive program (the "**Oil Incentive Program**") under Resolution N°14/2015 which replaced the Petróleo Plus Program. Under the Oil Incentive Program, companies that increased or maintained production at 95% of fourth quarter 2014 volumes were eligible for a \$3.00 per bbl bonus payment on a formula-derived quantity of production. The Oil Incentive Program was in effect from

January 1, 2015 to December 31, 2015. During 2015, the Company collected US\$70,451 of Oil Incentive Program bonus payments in respect of Q1 and Q2 2015 production volumes. In January 2017, the Company collected ARS\$884,603 of Oil Incentive Program bonus payments in respect of Q3 2015 and Q4 2015 production volumes.

Natural Gas Plus Program

At the same time that the Petróleo Plus Program was established, a Natural Gas Plus Program ("**Gas Plus**") was created by Resolutions 24/2008 and 1031/2008 of the Federal Secretary of Energy which allowed for the price of "new" natural gas (natural gas from new discoveries or from unconventional gas deposits) to be freely marketed by producers at freely negotiated prices, resulting in practice, in natural gas prices that are over and above the natural gas prices subject to state intervention and controls.

New Gas Incentive Program

On November 29, 2013, Resolution N°60/2013 was issued which launched a new injection stimulation program for companies with a low natural gas injection. Only companies with a natural gas average injection lower than 3,500,000 m³ per day during the six months prior to the issuance of Resolution N°60/2013 could apply. This program set a range of guaranteed prices which depends on the natural gas injection performance of the producers. On August 9, 2014, Crown Point received formal notification of its inclusion in the New Gas Incentive Program, which will remain in effect until the end of 2017.

On May 23, 2016, the Government of Argentina issued decree N°704/2016 under which it offered publicly-traded government bonds to companies with outstanding New Gas Incentive Program applications for periods up to and including December 31, 2015. On June 22, 2016, the Company made a submission to receive US\$0.6 million of BONAR 2020 bonds in relation to ARS\$8,645,200 of the Company's New Gas Incentive Program applications for the period from August 9, 2014 to December 31, 2015. On September 28, 2017, the Company amended its 2016 submission to request US\$0.5 million of BONAR 2020 bonds in relation to ARS\$7,449,879 of the Company's New Gas Incentive Program applications.

During June 2017, the Company was notified of Resolutions N°2017/95, N°2017/112 and N°2017/119 issued by the Ministry of Energy and Mining pursuant to which the Company received approval for the payment of New Gas Incentive Program applications for the period from January 1 to September 30, 2016 for an aggregate amount of ARS\$18,425,000. The Company has also submitted New Gas Incentive Program applications for the period from October 1, 2016 to March 31, 2017 for an aggregate amount of ARS\$4,706,800. In October 2017, the Company received Resolution N°2017/252 issued by the Ministry pursuant to which the Company received approval for the payment of New Gas Incentive Program applications for the period from October to December 2016. Payments for applications for periods commencing January 1, 2016 are made in cash.

During Q3 2017, the Company received a total of ARS\$18,379,312 of cash proceeds under the New Gas Incentive Program related to applications for the period from January 1 to September 30, 2016.

On October 30, 2017, the Company received US\$482,755 of BONAR 2020 bonds as proceeds under the New Gas Incentive Program related to applications for the period from August 9, 2014 to December 31, 2015.

Oil and Natural Gas Industry Regulations

The oil and natural gas industries in Argentina are subject to extensive regulation governing operations, including land tenure, exploration, development, production, refining, transportation and marketing, imposed by legislation enacted by various levels of government and with respect to pricing and taxation of oil and natural gas by agreements among the federal and provincial governments, all of which are subject to change and could have a material impact on the Corporation's business, financial condition and results of operations. The federal government of Argentina has implemented controls for domestic fuel prices and has placed a tax on oil and natural gas exports. As a result of these constraints, it is believed that energy reinvestment has been limited and overall hydrocarbon production has declined. Any change to these government imposed restrictions could have a material impact on Crown Point's business, financial condition and results of operations.

The Hydrocarbons Law 17.319, enacted in June 1967, established the basic legal framework for the current regulation of exploration and production of hydrocarbons in Argentina. The Hydrocarbons Law empowers the National Executive to establish a national policy for development of Argentina's hydrocarbon reserves, with the main purpose of satisfying domestic demand. However, on January 5, 2007, Hydrocarbon Law 26.197 was passed by the government of Argentina. This new legal framework replaces Article 1 of the Hydrocarbons Law 17.319 and provides for the provinces to assume complete ownership, authority and administration of the oil and natural gas reserves located within their territories, including offshore areas up to 12 marine miles from the coast line. This includes all exploration, exploitation and transportation concessions. This has led to the posting of large tracts of exploration acreage in "bidding rounds" through which the lands are granted to successful bidding companies. The change of hydrocarbons administration required producing companies to deal more extensively with the provincial governments who are now more directly involved in the day to day affairs of operations within their jurisdictions.

As part of the industry deregulation and YPF privatization, which commenced in 1989, producers of crude oil and its derivatives, natural and liquefied gases, were granted the right to freely dispose of up to 70% of the foreign currency proceeds from their exports of such products. Pursuant to Decree 1277/2012, the Argentinean government abrogated the said privilege and established that all proceeds resulting from exports of hydrocarbons and their by-products must be exchanged on the local exchange market.

Decree 1277/2012 also introduced a tighter regime on investments and commercialization of hydrocarbons in Argentina. Pursuant to Decree 1277/2012, the Commission of Planning and Strategic Coordination of the National Hydrocarbon Investments Plan (the "**Commission**") was established.

On October 31, 2014, Argentina amended its National Hydrocarbons Law to create incentives for foreign investment and to boost the country's conventional and unconventional hydrocarbons exploration and production. The amendments sought to implement substantial changes to the existing regime.

On December 22, 2015, the National Government issued the Decree 231/2015 that created the Ministry of Energy and Mining, replacing the subordinate position of the Secretary of Energy.

On December 29, 2015, the National Government issued the Decree 272/2015, which dissolved the Commission created by the Decree 1277/2012, described above. Decree 272/2015 specifically established that every authority that the Commission had would be executed by the Ministry of Energy and Mining. However, Decree 272/2015 eliminated many authorities originally assigned to the Commission.

In January 2017, at the request of the government, an agreement to converge the Medanito and Escalante oil prices with international Brent pricing was signed by a majority of producers and refiners in Argentina. See "*Industry Conditions – Commodity Pricing – Crude Oil*" for further details.

Royalties, Turnover Taxes & Value Added Tax

Royalty determinations in Argentina are paid monthly to provincial authorities and must be submitted by field and concession. Production used by the concession holder for exploration or production operations is not subject to royalty. Royalties are deductible for income tax purposes. The standard royalty rate on production is 12 percent of the wellhead price for both oil and natural gas less deductions for transportation, treatment and commercialization costs between the wellhead and point of sale. This may be reduced on a case-by-case basis to a minimum of 5 percent taking into account productivity (marginal fields), condition and location of the producing wells as well as enhanced oil recovery projects. A rate of 15 percent applies to pre-commercial production from an exploration permit until such time as it is converted to an exploitation concession. A rate of 12 percent applies to production from an exploitation concession. In certain provincial bid rounds, companies have been given the option of bidding a higher royalty than prescribed by the national and provincial laws, but this is a voluntary decision which is applicable to the concession under bid only. In addition, often as part of negotiations with provincial government authorities for extensions of exploitation concession, companies agree to an increase in the royalty rate.

Additionally, the provincial governments in Argentina levy a turnover tax varying between one and two percent of gross revenue less certain deductions. Value Added Tax ("**VAT**") at a rate of 21 percent is added on to domestic sales and is payable by the buyers of production. The VAT collected by the Corporation on sales is used to recover VAT

paid on incurred costs. Stamp taxes are levied on transactions by way of contract at 1 percent to 4 percent depending on the jurisdiction in which the transaction takes place.

For further information on the royalty rates payable on Crown Point's production, see "*Other Oil and Gas Information*" in the Corporation's Form 51-101F1 - *Statement of Reserves Data and Other Oil and Gas Information* dated March 15, 2017 for the year ended December 31, 2016, which is available on SEDAR at www.sedar.com.

Income Taxes

A tax treaty exists between Argentina and Canada. Oil companies are subject to a generally applicable corporate tax regime. All successful exploration and field development costs, including intangible costs, may be depreciated on a unit-of-production basis. Tax payers pay either income tax at a rate of 35 percent on corporate net profits or a minimum tax, based on net assets, whichever is the greater. Minimum tax was reinstated effective January 1999 and is levied on cumulative capital less accumulated depreciation plus an inflation adjustment at a rate of one percent.

In April 1992, the tax base for locally incorporated companies was changed from Argentina source income to worldwide income.

Crown Point's operations in Argentina are conducted through Crown Point Energía S.A. There is generally no withholding tax on dividends, with some exceptions which do not affect Crown Point at this time.

Inflation

In December 2015, the Government of Argentina lifted Argentina's currency controls, which had been in place since November 2011, allowing the Argentinean peso to float freely. With the controls removed, Argentina returned to having one official currency rate, determined by the Argentina Central Bank. The currency controls were lifted to reduce market distortions, to make exports more competitive, and to make it easier for Argentina to attract overseas investment.

The devaluation of the Argentine peso against the US dollar is linked to Argentina's rate of inflation, which has been a persistent problem for several years, causing significant increases in Crown Point's US dollar cost of operations and capital expenditures. During 2015, the value of the Argentine peso declined by 53% against the US dollar as compared to a 23% decline in 2014. The majority of the 2015 devaluation occurred in the latter part of December 2015 following the lifting of currency controls. During 2016, the value of the Argentine peso declined by approximately 18% against the US dollar. During 2017 to date, the value of the Argentine peso declined by approximately 8% against the US dollar. The trend during the last couple of years indicates that the Argentine peso is stabilizing.

Currency devaluation in Argentina affects the cost of Argentine peso denominated items, which are translated to the US dollar functional currency of the Corporation's Argentine subsidiaries. A portion of TDF operating costs and general and administrative expenses incurred in Argentina are denominated in the Argentine peso. During 2017, the devaluation of the Argentine peso resulted in lower TDF operating costs and general and administrative expenses incurred in Argentina by approximately 5% (2016 – 22%; 2015 – 17%; 2014 – 11%).

YPF Nationalization

On April 16, 2012, the then Argentine President submitted a bill to the Argentine Congress to expropriate 50.01% of energy company YPF's class D shares. YPF was established as a state enterprise in 1922, privatized in 1993 and acquired by the Spanish multinational company, Repsol, in 1999. The bill to renationalize YPF was signed into law in May 2012. Since the expropriation of YPF, the government of Argentina has taken no action with respect to the expropriation of the shares or assets of any other oil and gas company operating in Argentina and it is Crown Point's belief that this type of action will not impact Crown Point's operations or future activities in Argentina; however, Crown Point can provide no assurances in this regard. All of Crown Point's concessions are in good standing and the Corporation has met or is in the process of meeting its work commitments in a timely manner.

During the first quarter of 2014, the Federal Government of Argentina and Repsol agreed to a settlement of the dispute relating to the expropriation of YPF. The settlement involved the issuance by the Government of Argentina of bonds

with an approximate value of US\$5.0 billion. This development represented a positive step in encouraging investment in Argentina's oil and gas industry in the face of Argentina's economic crisis and its reliance on importing hydrocarbons and electricity.

Legal and Political

Argentina is governed by a tripartite system of government made up of an Executive Power, a Legislative Power, and a Judicial Power established by a written Constitution passed in 1853. The Head of Government and Chief of State is a President elected by popular vote for a term of four years. On November 23, 2015, Argentina elected a conservative candidate, Mauricio Macri, as President. Mr. Macri was sworn in as President on December 10, 2015. The Argentina Republic comprises 23 provinces and the City of Buenos Aires. Each province has its own constitution which must state its administration of justice and autonomy, and the scope and content of its institutional, political, administrative and financial orders.

The Argentine economy has undergone a period of stabilization since the 2015 presidential election which resulted in an increase in interest rates by the Central Bank of Argentina to control inflation; a decrease in Argentina's inflation rate, although it remains high; and a stabilization of the ARS\$/US\$ exchange rate.

Argentina's national legislative elections took place on October 22, 2017. The governing political party obtained a clear victory in most districts, including the city of Buenos Aires and the province of Buenos Aires. After this show of support for the political and economic measures implemented so far, President Macri announced a new set of laws to be presented to the Congress. The Argentine government is preparing changes in tax, retirement and labor legislation. The new measures are designed to decrease Argentina's fiscal deficit and promote productive investments.

Competitive Conditions

Prior to December 31, 1990 when it was transformed into a private company, YPF operated as the national oil company in Argentina. In mid-2000, the Spanish oil company Repsol S.A. merged with YPF to form Repsol-YPF. Oil exploration and production activities in Argentina are dominated by Repsol-YPF. In 2002, Petróleo Brasileiro S.A., the state owned oil corporation of Brazil, expanded its holdings in Argentina through the purchase of Perez Companac and Petrolera Santa Fe, subsequently merging the entities in 2005 into Petrobras Energía S.A.

In 2004, the government created a new partially state-owned energy firm, ENARSA, to increase the government's influence over the oil and natural gas market by promoting oil exploration and production capacity, rebuilding reserves and expanding natural gas and power infrastructure in the country, as well as assuming responsibility for the management of natural gas imports from Bolivia. All unallocated offshore exploration blocks were transferred to ENARSA with a mandate to seek partnerships with foreign companies.

In 2012, the Argentine President submitted a bill to the Argentine Congress to expropriate 50.01% of YPF's class D shares. The bill to renationalize YPF was signed into law in May 2012. The federal government of Argentina has indicated that its intent is to increase oil and natural gas production in Argentina through increased investments by YPF. In 2013, the Argentine Government announced the creation of a trust fund of up to US\$2.0 billion for financing oil and gas companies in which it has an equity interest. Following the announcement of these measures, YPF contracted a significant amount of the drilling equipment and related services available in Argentina during 2013. As a result, Crown Point experienced significant delays in obtaining equipment to drill wells in Tierra del Fuego following the receipt of the Tierra del Fuego Concessions extension in July 2013.

Since 2015, the availability of drilling equipment and related services has much improved, in part due to the fall in oil prices, which has curbed upstream investment. However, contracting for services on Tierra del Fuego remains challenging due to the remoteness of the island and the lack of a land bridge to the mainland. These difficulties are mitigated by forward planning and cooperation between local operators to pool resources.

Relationships with Unions

Oil and natural gas activity in Argentina is largely unionized and Crown Point's operating, drilling, completions and workover operations are conducted by drilling operators employing unionized personnel. The Corporation is thus exposed to union activity including strikes, shut-downs, labour negotiations and other actions outside of the Corporation's direct control, which may have a material adverse effect on the operations of the Corporation. Crown Point employs staff experienced in the area of union relations in order to mitigate these potential risks.

Land Tenure

Exploration permits in Argentina grant exclusive rights to the concession holder to perform all types of exploration work and obtain an exploitation concession and a transportation concession after the declaration of a commercial discovery. The period under an exploration permit is divided into several phases.

Work commitments are negotiated and specified separately for each individual phase of the exploration period. For the first exploration phase, commitments are expressed in work units with each activity equating to a different number of units. For the second and third exploration phases, commitments must comprise at least one well for each phase. At the end of each exploration phase, 50 percent of the remaining area must be relinquished or converted into an exploitation concession or evaluation concession. An evaluation concession allows a short term extension for a company to further evaluate the commercial potential of its exploration activities.

Exploitation concessions grant exclusive rights to the concession holder to produce hydrocarbons. The period for development and production is 25 years, although an extension of up to 10 years may be granted under terms and conditions to be established at the time of the extension. If a discovery is declared commercial before the end of the exploration period, the remaining portion of the exploration period is added on to the exploitation concession period.

Crown Point has exploration obligations remaining with respect to the Tierra del Fuego Concessions, the Laguna de Piedra Permit and the Cerro de Los Leones Permit.

Environmental Regulations

Argentina has environmental standards for the industry, including surface maintenance and restoration, air quality and emission standards, operational safety standards and regular environmental audits. The implementation of environmental procedures is effected increasingly at the provincial level. A number of provinces have issued regulations relating to environmental impact assessments of activities within their boundaries.

Crown Point conducts a thorough baseline environmental study prior to commencing operations on any new concessions or blocks. Environmental reviews are completed and environmental permits are obtained from the provincial authorities prior to undertaking any operations. The Corporation also conducts annual environmental audits of its operational areas which are tabled or available to federal and provincial regulators.

Crown Point's activity is principally in uninhabited barren dry regions.

RISK FACTORS

Crown Point's securities should be considered highly speculative due to the nature of Crown Point's business. An investor should consider carefully the risk factors set out below. In addition, investors should carefully review and consider all other information contained in, and incorporated by reference into, this AIF, together with Crown Point's other continuous disclosure documents available on www.sedar.com, before making an investment decision. An investment in securities of Crown Point should only be made by persons who can afford a significant or total loss of their investment.

Exploration, Development and Production Risks

Oil and natural gas operations involve many risks that even a combination of experience, knowledge and careful evaluation may not be able to overcome. The long-term commercial success of Crown Point depends on its ability to find, acquire, develop and commercially produce oil and natural gas reserves. Without the continual addition of new reserves, Crown Point's existing reserves and the production from them will decline over time as the Corporation produces from such reserves. A future increase in Crown Point's reserves will depend not only on its ability to explore and develop any properties it may have from time to time, but also on its ability to select and acquire suitable producing properties or prospects. No assurance can be given that Crown Point will be able to continue to locate satisfactory properties for acquisition or participation. Moreover, if such acquisitions or participations are identified, Crown Point may determine that current markets, terms of acquisition and participation or pricing conditions make such acquisitions or participations uneconomic. There is no assurance that further commercial quantities of oil and natural gas will be discovered or acquired by Crown Point.

Future oil and natural gas exploration may involve unprofitable efforts, not only from dry wells, but from wells that are productive but do not produce sufficient petroleum substances to return a profit after drilling, completing (including hydraulic fracturing), operating and other costs. Completion of a well does not assure a profit on the investment or recovery of drilling, completion and operating costs.

Drilling hazards, environmental damage and various field operating conditions could greatly increase the cost of operations, and may adversely affect the production from successful wells. Field operating conditions include, but are not limited to, delays in obtaining governmental approvals or consents, shut-ins of wells resulting from extreme weather conditions, insufficient storage or transportation capacity or other geological and mechanical conditions. While diligent well supervision and effective maintenance operations can contribute to maximizing production rates over time, production delays and declines from normal field operating conditions cannot be eliminated and can be expected to adversely affect revenue and cash flow levels to varying degrees.

Oil and natural gas exploration, development and production operations are subject to all the risks and hazards typically associated with such operations, including but not limited to, fire, explosion, blowouts, cratering, sour gas releases, spills and other environmental hazards. These typical risks and hazards could result in substantial damage to oil and natural gas wells, production facilities, other property, the environment and personal injury. Particularly, Crown Point may explore for and produce sour natural gas in certain areas. An unintentional leak of sour natural gas could result in personal injury, loss of life or damage to property and may necessitate an evacuation of populated areas, all of which could result in liability to Crown Point.

Oil and natural gas production operations are also subject to all the risks typically associated with such operations, including encountering unexpected formations or pressures, premature decline of reservoirs and the invasion of water into producing formations. Losses resulting from the occurrence of any of these risks may have a material adverse effect on Crown Point's business, financial condition, results of operations and prospects.

As is standard industry practice, Crown Point is not fully insured against all risks, nor are all risks insurable. Although Crown Point maintains liability insurance in an amount that it considers consistent with industry practice, liabilities associated with certain risks could exceed policy limits or not be covered. In either event, Crown Point could incur significant costs.

Weakness in the Oil and Gas Industry

Recent market events and conditions, including global excess oil and natural gas supply, recent actions taken by the Organization of the Petroleum Exporting Countries ("OPEC"), slowing growth in emerging economies, market volatility and disruptions in Asia, sovereign debt levels and political upheavals in various countries have caused significant weakness and volatility in commodity prices. These events and conditions have caused a significant decrease in the valuation of oil and gas companies and a decrease in confidence in the oil and gas industry. Lower commodity prices may also affect the volume and value of the Corporation's reserves, rendering certain reserves uneconomic. In addition, lower commodity prices have restricted, and are anticipated to continue to restrict, the Corporation's cash flow resulting in a reduced capital expenditure budget. Consequently, the Corporation may not be able to replace its production with additional reserves and both the Corporation's production and reserves could be

reduced on a year over year basis. Any decrease in value of the Corporation's reserves may reduce the borrowing base under its credit facilities, which, depending on the level of the Corporation's indebtedness, could result in the Corporation having to repay a portion of its indebtedness. If these conditions persist, the Corporation's cash flow may not be sufficient to continue to fund its operations and to satisfy its obligations when due and the Corporation's ability to continue as a going concern and discharge its obligations will require additional equity or debt financing and/or proceeds or reduction in liabilities from asset sales. There can be no assurance that such equity or debt financing will be available on terms that are satisfactory to the Corporation or at all. Similarly, there can be no assurance that the Corporation will be able to realize any or sufficient proceeds or reduction in liabilities from asset sales to discharge its obligations and continue as a going concern.

Lack of Diversification

All of Crown Point's production currently comes from the Tierra del Fuego Concessions in Argentina. As a result, the Corporation lacks diversification, in terms of both the nature and geographic scope of its business. Accordingly, factors affecting the oil and gas industry or the particular regions in Argentina where the Corporation operates will likely impact the Corporation more acutely than if the Corporation's business was more diversified.

The entire Argentina domestic refining market is small and export opportunities are limited by available infrastructure. As a result, Crown Point's sales in Argentina will depend on a relatively small group of customers. The lack of competition in this market could result in unfavorable sales terms which, in turn, could adversely affect the Corporation's financial results. Constraints on production and sales from the Tierra del Fuego Concessions could cause a material adverse effect on the Corporation's results.

Work Disruption and Labour Unrest

Crown Point's drilling, completions and workover operations in Argentina are conducted by drilling operators employing unionized personnel. The Corporation is thus exposed to union activity including strikes, shut-downs, labour negotiations and other actions outside of the Corporation's direct control, which may have a material adverse effect on the operations of the Corporation. Crown Point employs staff experienced in the area of union relations in order to mitigate these potential risks. Ongoing labour strikes had a negative impact on Crown Point's financial results in the financial year ended August 31, 2011. The strikes had an impact on the Corporation's production and drilling program by causing delays and periods of suspended activity, which resulted in decreased production and revenue. Although the Corporation has not had any recent issues with material work disruptions resulting from labour activity, any future disruptions in production as a result of labour activity could have a significant effect on the Corporation's operations and revenues.

Substantial Capital Requirements

Crown Point anticipates making substantial capital expenditures for the acquisition, exploration, development and production of oil and natural gas reserves in the future. As future capital expenditures will be financed out of cash generated from operations, borrowings and possible future equity sales, the Corporation's ability to do so is dependent on, among other factors:

- the overall state of the capital markets;
- the Corporation's credit rating (if applicable);
- commodity prices;
- interest rates;
- royalty rates;
- tax burden due to current and future tax laws; and
- investor appetite for investments in the energy industry and the Corporation's securities in particular.

Further, if Crown Point's revenues or reserves decline, it may not have access to the capital necessary to undertake or complete future drilling programs. The current conditions in the oil and gas industry have negatively impacted the ability of oil and gas companies to access additional financing. There can be no assurance that debt or equity financing, or cash generated by operations, will be available or sufficient to meet these requirements or for other corporate

purposes or, if debt or equity financing is available, that it will be on terms acceptable to Crown Point. Crown Point may be required to seek additional equity financing on terms that are highly dilutive to existing shareholders. The inability of Crown Point to access sufficient capital for its operations could have a material adverse effect on Crown Point's financial condition, results of operations or prospects.

Additional Funding Requirements

Crown Point's cash flow from its oil and natural gas production and its current working capital will not be sufficient to fund its planned capital expenditures and other capital commitments. The Corporation will require additional financing in order to meet its obligations and carry out its oil and natural gas acquisition, exploration and development activities. Failure to obtain such financing on a timely basis could cause Crown Point to forfeit its interest in certain properties, be unable to capitalize on certain acquisition opportunities and reduce or terminate its operations. Due to the conditions in the oil and gas industry and/or global economic and political volatility, the Corporation may from time to time have restricted access to capital and increased borrowing costs. The current conditions in the oil and gas industry have negatively impacted the ability of oil and gas companies to access additional financing.

If Crown Point's revenues from its oil and gas production decrease as a result of lower oil and natural gas prices or otherwise, it will affect Crown Point's ability to expend the necessary capital to replace its reserves or to maintain its production. If Crown Point's cash flow from operations and its current working capital are not sufficient to satisfy its capital expenditure requirements, there can be no assurance that additional debt or equity financing will be available to meet these requirements or available on terms acceptable to Crown Point. Alternatively, any available financing may be highly dilutive to existing shareholders.

Risks of Argentinean and Foreign Operations

As the Corporation's oil and gas properties and operations are located in Argentina, the Corporation is subject to political, economic, and other uncertainties, including, but not limited to, changes in energy policies or the personnel administering them, nationalization, currency fluctuations, exchange controls, royalty and tax increases and the possibility of hyper-inflationary conditions developing. The Corporation's business, financial condition, results of operations, and the value of the Common Shares could also be materially adversely affected by social instability in Argentina and other factors which are not within the control of the Corporation including, among other things, the risks of terrorism, civil strikes, abduction, renegotiation or nullification of existing concessions and contracts, economic sanctions, the imposition of specific drilling obligations, and the development and abandonment of fields.

In the past several years there have been several developments in Argentina that result in uncertainty with respect to operating in the oil and gas industry in Argentina, including, but not limited to, the following:

Changing Pricing Mechanisms and Export Controls – In recent years the Argentinean government has introduced a variety of new measures, both positive and negative, and repealed other measures relating to the pricing of oil and natural gas in Argentina and the ability to export oil and natural gas out of the country. See "*Industry Conditions*".

Potential for Hyper-Inflationary Conditions – Compared to Canada, Argentina has experienced high rates of inflation, and it is possible that Argentina may again experience high rates of inflation in the future, even with the recent removal of Argentina's currency controls. The Corporation incurs significant costs (such as operating costs, general and administrative costs, and capital expenditures) that are denominated in Argentine pesos. As a result, inflationary pressures in Argentina are a significant factor affecting its expenses. For example, employee and contractor wages, consumable products and energy costs have been, and are likely to continue to be, particularly sensitive to monetary inflation in Argentine pesos. In an inflationary environment, the Corporation may not be able to sufficiently increase the prices that it receives from the sale of oil and gas, which are generally linked to the US dollar-denominated prices of such products, in order to preserve existing operating margins. See "*Industry Conditions*".

New Hydrocarbons Law - In 2014, the Federal Congress passed Law No. 27,007 which amended Hydrocarbons Law No. 17,319. The new law establishes a regime of exploration permits and exploitation concessions, with consideration for unconventional activity and a regime to encourage investment in hydrocarbon exploitation. See "*Industry Conditions*".

Although, as discussed in further detail in this AIF, these developments do not necessarily directly materially adversely affect the Corporation, the frequent changes to regulatory policies in Argentina add significant uncertainties to the Corporation's operations as future changes in regulatory policies could have a significant effect on the Corporation's business.

The Corporation's operations may also be adversely affected by laws and policies of Canada affecting foreign trade, taxation and investment. In the event of a dispute arising in connection with the Corporation's operations in Argentina, the Corporation may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdictions of the courts of Canada or enforcing Canadian judgments in such other jurisdictions. The Corporation may also be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. Accordingly, the Corporation's exploration, development and production activities in Argentina could be substantially affected by factors beyond the Corporation's control, any of which could have a material adverse effect on the Corporation's business, financial condition, results of operations, and the value of the Common Shares.

Acquiring interests and conducting exploration and development operations in foreign jurisdictions often require compliance with numerous and extensive procedures and formalities. These procedures and formalities may result in unexpected or lengthy delays in commencing important business activities. In some cases, failure to follow such formalities or obtain relevant evidence may call into question the validity of the entity or the actions taken. Management is unable to predict the effect of additional corporate and regulatory formalities which may be adopted in the future including whether any such laws or regulations would materially increase the Corporation's cost of doing business or affect its operations in any area.

The Corporation may in the future acquire oil and natural gas properties and operations outside of Argentina, which expansion may present challenges and risks that Crown Point has not faced in the past, any of which could adversely affect the results of operations and/or financial condition of the Corporation.

Credit Facilities

The Corporation is required to comply with covenants under its various debt facilities (collectively, the "**Credit Facilities**") which include requirements to repay all or a portion of such Credit Facilities and interest with respect thereto on set timeframes. In the event that the Corporation does not comply with these covenants, or is otherwise unable to renegotiate the interest and repayment terms thereof, the Corporation may be in default under such Credit Facilities which may provide the lenders under such Credit Facilities the right to proceed to foreclose or otherwise realize upon the collateral granted to them to secure the indebtedness. The Credit Facilities are generally secured by cash equivalent collateral as well as security against the Corporation's consolidated assets. If the Corporation's lenders require repayment of all or any portion of the amounts outstanding under the Credit Facilities for any reason, including with respect to any scheduled repayment, there is no certainty that the Corporation would be in a position to make such repayments. Even if the Corporation is able to obtain new financing in order to make any required repayment under the Credit Facilities, it may not be on commercially reasonable terms or terms that are acceptable to the Corporation. If the Corporation is unable to repay amounts owing under the Credit Facilities, the lenders under the Credit Facilities could proceed to foreclose or otherwise realize upon the collateral granted to them to secure such indebtedness.

Argentina Sovereign Debt Issues

In 2001, Argentina defaulted on approximately US\$93 million of outstanding sovereign bond debt. The default had significant and long-term adverse effects on Argentina and its economy. Over the ensuing 15 years, Argentina negotiated settlements with certain bond holders and engaged in litigation with others. In April 2016, Argentina sold \$16.5 billion of sovereign bond debt, which represented its first international sovereign bond debt issue since the default. The proceeds of the issue was used, among other things, to settle outstanding debt and claims arising from the default. Any future default on Argentina's sovereign debt may have significant and long-term adverse effects on Argentina and its economy and materially adversely affect companies operating in Argentina, including the Corporation.

Economic and Political Developments in Argentina

In the past few decades, the Argentina economy has experienced some periods of extreme volatility, including periods of low or negative growth, currency devaluations and high levels of inflation. Inflation peaked in the late 1980's - 90's and in late-2001 there was a severe fiscal crisis, which resulted in restrictions on banking, the imposition of exchange controls, the suspension of payment of Argentina's public debt and the Argentinean peso ceased to be tied to the U.S. dollar on a one-to-one basis. This further resulted in a year-long period of contractions in economic growth, elevated inflation and a volatile exchange rate.

More recently, Argentina has again been experiencing elevated inflation rates. Following the election of the new government of Mauricio Macri, currency controls were relaxed in December 2015 and the Argentine peso underwent a devaluation, reflecting its purchasing power in the global economy. See "*Industry Conditions*".

Mr. Macri ran on a platform that included revitalizing Argentina's economy by implementing free market reforms and improving foreign relations to, among other things, attract foreign investment and gain access to international credit markets. Notwithstanding that Mr. Macri's government has relaxed currency controls, resolved outstanding disputes relating to Argentina's 2001 sovereign debt default, and successfully issued sovereign debt internationally for the first time since the default, the Corporation is unable to predict with certainty what, if any, additional reforms the government will be able to implement and is unable to assure investors that Argentina will not continue to experience political and/or economic instability and what actions the Argentine government might take in response thereto.

Controlling Shareholder

Liminar owns approximately 50.8% of the outstanding Common Shares and may in the future acquire additional Common Shares, debt obligations, or other securities of the Corporation. In addition, two of the Corporation's current directors, being Mr. Peralta and Mr. Obrador, are nominees of Liminar. As a result, Liminar exercises significant control over the Corporation, giving it the ability to, among other things, affect the voting results with respect to the election of directors, the approval of significant corporate transactions and the ability to delay or prevent a change of control of the Corporation that could be otherwise beneficial to minority shareholders. Liminar will generally have the ability to influence the outcome of any matter submitted for the vote or consent of Crown Point's shareholders. In addition, Liminar has been provided with certain rights with respect to the Corporation pursuant to the Investment Agreement, including the right to have two nominees serve on the Board for so long as Liminar owns at least 10% of the issued and outstanding Common Shares. In some cases, the interests of Liminar may not be the same as those of the Corporation's other shareholders, and conflicts of interest may arise from time to time that may be resolved in a manner detrimental to the Corporation or its minority shareholders. The effect of Liminar's rights and influence may impact the price that other investors are willing to pay for the Corporation's securities. If Liminar sells a substantial number of Common Shares in the public market, the market price of the Common Shares could fall. The perception among the public that these sales will occur could also contribute to a decline in the market price of the Common Shares.

Oil and Gas Industry in Argentina

The crude oil and natural gas industry in Argentina is subject to extensive regulation relating to, among other things, land tenure, exploration, development, production, refining, transportation, and marketing, imposed by legislation enacted by various levels of government and with respect to pricing and taxation of crude oil and natural gas by agreements among the federal and provincial governments, all of which are subject to change and could have a material impact on the Corporation's business in Argentina. The Federal Government of Argentina has implemented controls for domestic fuel prices and has placed a tax on crude oil and natural gas exports. Any future regulations that limit the amount of oil and natural gas that the Corporation could sell or any regulations that limit price increases in Argentina and elsewhere could severely limit the amount of the Corporation's revenue and affect its results of operations. In addition, oil and natural gas prices in Argentina are effectively regulated and as a result have been at times substantially lower than those received in North America.

Negative Cash Flow from Operating Activities

The Corporation has historically experienced periods of negative cash flow from operating activities. If the Corporation has negative cash flow from operating activities in future periods, it may need to seek debt financing or additional equity financing in order to complete its capital expenditure program as currently planned; in the alternative, if the Corporation cannot obtain debt or equity financing on terms acceptable to it or at all, the Corporation may be forced to reduce its capital expenditure program. There can be no assurance that debt or equity financing will be available to the Corporation or, if available, will be on terms acceptable to Crown Point. In addition, to the extent that the Corporation has negative cash flow from operating activities in future periods, it may be required to deploy a portion of its existing working capital to fund such negative cash flow from operating activities.

Acquisition Risks

Crown Point evaluates potential acquisitions of petroleum, natural gas and other energy-related assets and/or companies as part of its ongoing acquisition program. If the Corporation decides to proceed with an acquisition, and to the extent such acquisition is completed, the Corporation may have to revise its capital expenditure program as the funds spent on the acquisition will not be available for capital expenditures and the Corporation may redeploy a portion of its capital towards making expenditures on assets acquired pursuant to such acquisition. As a result of proceeding with any acquisition, the Corporation may require additional financing to proceed with planned capital expenditures on its current properties and on any properties acquired pursuant to such acquisitions.

Although the Corporation expects that it would perform an industry standard review of any properties proposed to be acquired, such reviews are inherently incomplete. It is generally not feasible to review in depth every individual property involved in each acquisition. Generally, the Corporation will focus its due diligence efforts on higher value properties and will sample the remainder. However, even an in-depth review of all properties and records may not necessarily reveal existing or potential problems, nor will it permit a buyer to become sufficiently familiar with the properties to assess fully their deficiencies and capabilities. The Corporation may be required to assume pre-closing liabilities, including environmental liabilities, and may acquire interests in properties on an "as is" basis.

Assessments of Value of Acquisitions

Acquisitions of oil and gas companies and oil and gas assets are typically based on engineering and economic assessments made by independent engineers and the acquirer's own assessments. These assessments will include a series of assumptions regarding such factors as recoverability and marketability of oil and natural gas, future prices of oil and natural gas and operating costs, future capital expenditures and royalties and other government levies which will be imposed over the producing life of the reserves. Many of these factors are subject to change and are beyond Crown Point's control. In particular, the prices of and markets for oil and natural gas products may change from those anticipated at the time of making such assessment. In addition, all such assessments involve a measure of geologic and engineering uncertainty which could result in lower production and reserves than anticipated. Initial assessments of acquisitions may be based on reports by a firm of independent engineers that are not the same as the firm Crown Point uses for its year end reserve evaluations. Because each of these firms may have different evaluation methods and approaches, these initial assessments may differ significantly from the assessments of the firm used by Crown Point. As a result, to the extent that Crown Point decides to proceed with an acquisition, there can be no assurance that any such acquisition will have a positive impact on the value of the Common Shares.

Failure to Realize Anticipated Benefits of Acquisitions and Dispositions

The Corporation makes acquisitions and dispositions of businesses and assets in the ordinary course of business. Achieving benefits from such acquisitions depends on, among other things, successfully consolidating functions and integrating operations and procedures in a timely and efficient manner as well as the Corporation's ability to realize the anticipated growth opportunities and synergies from combining the acquired businesses and operations with those of the Corporation. The integration of acquired businesses may require substantial management effort, time and resources and may divert management's focus from other strategic opportunities and operational matters, and may also result in the loss of key employees, the disruption of ongoing business, supplier, customer and employee relationships and deficiencies in internal controls or information technology controls. Management continually assesses Crown Point's suite of assets. In this regard, non-core assets are periodically disposed of, so that the Corporation can focus

its efforts and resources more efficiently. Depending on the state of the market for such non-core assets, certain non-core assets of the Corporation, if disposed of, could be expected to realize less than their carrying value on the financial statements of the Corporation.

Prices, Markets and Marketing

Numerous factors beyond the Corporation's control affect, and will continue to affect, the marketability and price of oil and natural gas acquired, produced, or discovered by the Corporation. The Corporation's ability to market its oil and natural gas may depend upon its ability to acquire capacity on pipelines or tanker ships that deliver crude oil and natural gas to commercial markets. Deliverability uncertainties related to: the distance the Corporation's reserves are from pipelines, processing and storage facilities; operational problems affecting pipelines and facilities; and government regulation relating to prices, taxes, royalties, land tenure, allowable production, the export of oil and natural gas and many other aspects of the oil and natural gas business; may also affect the Corporation.

Prices for oil and natural gas are subject to large fluctuations in response to relatively minor changes in the supply of and demand for oil and natural gas, market uncertainty and a variety of additional factors beyond the control of the Corporation, including government set pricing and other pricing controls that may be in effect from time to time. These factors include economic and political conditions in Argentina, the United States, Canada, Europe, China and emerging markets, the actions of OPEC, governmental regulation, political stability in the Middle East, Northern Africa and elsewhere, the foreign supply and demand of oil and natural gas, risks of supply disruption, the price of foreign imports and the availability of alternative fuel sources. Prices for oil and natural gas are also subject to the availability of foreign markets and the Corporation's ability to access such markets. Oil prices are expected to remain volatile as a result of global excess supply due to the increased growth of shale oil production in the United States, the decline in global demand for exported crude oil commodities, OPEC's recent decisions pertaining to the oil production of OPEC member countries, and non-OPEC member countries' decisions on production levels, among other factors. A material decline in prices could result in a reduction of the Corporation's net production revenue. The economics of producing from some wells may change because of lower prices, which could result in reduced production of oil or natural gas and a reduction in the volumes and the value of the Corporation's reserves. The Corporation might also elect not to produce from certain wells at lower prices.

All these factors could result in a material decrease in the Corporation's expected net production revenue and a reduction in its oil and natural gas production, development and exploration activities. Any substantial and extended decline in the price of oil and natural gas would have an adverse effect on the Corporation's carrying value of its reserves, borrowing capacity, revenues, profitability and cash flows from operations and may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects.

Oil and natural gas prices are expected to remain volatile for the near future because of market uncertainties over the supply and the demand of these commodities due to the current state of the world economies, OPEC actions, political uncertainties, sanctions imposed on certain oil producing nations by other countries and ongoing credit and liquidity concerns. Volatile oil and natural gas prices make it difficult to estimate the value of producing properties for acquisitions and often cause disruption in the market for oil and natural gas producing properties, as buyers and sellers have difficulty agreeing on such value. Price volatility also makes it difficult to budget for, and project the return on, acquisitions and development and exploitation projects.

Third Party Credit Risk

The Corporation may be exposed to third party credit risk through its contractual arrangements with its current or future joint venture partners, marketers of its petroleum and natural gas production and other parties. In addition, the Corporation may be exposed to third party credit risk from operators of properties in which the Corporation has a working or royalty interest. In the event such entities fail to meet their contractual obligations to the Corporation, such failures may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects. In addition, poor credit conditions in the industry and of joint venture partners may affect a joint venture partner's willingness to participate in the Corporation's ongoing capital program, potentially delaying the program and the results of such program until the Corporation finds a suitable alternative partner. To the extent that any of such third parties go bankrupt, become insolvent or make a proposal or institute any proceedings relating to bankruptcy or insolvency, it could result in the Corporation being unable to collect all or a portion of any money

owing from such parties. Any of these factors could materially adversely affect the Corporation's financial and operational results.

Alternatives to and Changing Demand for Petroleum Products

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for crude oil, natural gas and other hydrocarbons. Crown Point cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on Crown Point's business, financial condition, results of operations and cash flows.

Reserve Estimates

There are numerous uncertainties inherent in estimating quantities of crude oil, natural gas and natural gas liquids reserves and the future cash flows attributed to such reserves, including many factors that are beyond the control of Crown Point. The reserve and associated cash flow information set forth in the documents incorporated by reference herein represent estimates only. Generally, estimates of economically recoverable oil and natural gas reserves and the future net cash flows from such estimated reserves are based upon a number of variable factors and assumptions, such as:

- historical production from the properties;
- production rates;
- ultimate reserve recovery;
- timing and amount of capital expenditures;
- marketability of oil and natural gas;
- royalty rates; and
- the assumed effects of regulation by governmental agencies and future operating costs (all of which may vary materially from actual results).

For those reasons, estimates of the economically recoverable oil and natural gas reserves attributable to any particular group of properties, classification of such reserves based on risk of recovery and estimates of future net revenues associated with reserves prepared by different engineers, or by the same engineers at different times, may vary. The Corporation's actual production, revenues, taxes and development and operating expenditures with respect to its reserves will vary from estimates and such variations could be material.

The estimation of proved reserves that may be developed and produced in the future are often based upon volumetric calculations and upon analogy to similar types of reserves rather than actual production history. Recovery factors and drainage areas may have been estimated by experience and analogy to similar producing pools. Estimates based on these methods are generally less reliable than those based on actual production history. Subsequent evaluation of the same reserves based upon production history and production practices will result in variations in the estimated reserves. Such variations could be material.

In accordance with applicable securities laws, the Corporation's independent reserves auditor has used forecast prices and costs in estimating the Corporation's reserves and future net cash flows as summarized in the documents incorporated by reference herein. Actual future net cash flows will be affected by other factors, such as actual production levels, supply and demand for oil and natural gas, curtailments or increases in consumption by oil and natural gas purchasers, changes in governmental regulation or taxation and the impact of inflation on costs.

Actual production and cash flows derived from the Corporation's oil and natural gas reserves will vary from the estimates contained in the reserve audit, and such variations could be material. The reserve audit is based in part on the assumed success of activities the Corporation intends to undertake in future years. The reserves and estimated cash flows to be derived therefrom and contained in the reserve audit will be reduced to the extent that such activities do not achieve the level of success assumed in the reserve audit. The reserve audit is effective as of a specific effective date and, except as may be specifically stated, has not been updated and therefore does not reflect changes in the Corporation's reserves since that date.

Foreign Subsidiaries

The Corporation currently conducts all of its Argentina operations through its subsidiaries. Therefore, the Corporation will be dependent on the cash flows of these subsidiaries to meet its obligations. The ability of its subsidiaries to make payments to the Corporation may be constrained by among other things: the level of taxation, particularly corporate profits and withholding taxes, in Argentina; and the introduction of foreign exchange and/or currency controls or repatriation restrictions or the availability of hard currency to be repatriated.

Licensing and Title Risks

Crown Point's properties are generally held in the form of licences, concessions, permits and regulatory consents ("**Concessions**"). Crown Point's activities are dependent upon the grant and maintenance of appropriate Concessions, which may not be granted or extended upon expiry; may be made subject to limitations which, if not met, will result in the termination or withdrawal of the Concession; or may be otherwise withdrawn. Also, in some instances, the Corporation is a joint interest-holder with another third party over which it has no control. A Concession may be revoked by the relevant regulatory authority as a result of actions or inactions of the other interest holder. There can be no assurance that any of the obligations required to maintain each Concession will be met. Although the Corporation believes that the Concessions will be renewed following expiry or grant (as the case may be), there can be no assurance that such Concessions will be renewed or granted or as to the terms of such renewals or grants. The termination or expiration of the Corporation's Concessions may have a material adverse effect on the Corporation's results of operations and business. In addition, the terms of any extension may impose terms that are unacceptable to the Corporation or which may adversely affect the Corporation's operations on or revenue generated from such Concessions.

In addition, the areas covered by the Concessions are or may be subject to agreements with the proprietors of the land. If such agreements are terminated, found void or otherwise challenged, the Corporation may suffer significant damage through the loss of opportunity to identify and extract oil or gas.

Although title reviews may be conducted prior to the purchase of oil and natural gas producing properties or the commencement of drilling wells, such reviews do not guarantee or certify that a defect in the chain of title will not arise. The actual interest of the Corporation in properties may accordingly vary from the Corporation's records. If a title defect does exist, it is possible that the Corporation may lose all or a portion of the properties to which the title defect relates, which may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects. There may be valid challenges to title or legislative changes, which affect the Corporation's title to the oil and natural gas properties the Corporation controls that could impair the Corporation's activities on them and result in a reduction of the revenue received by the Corporation..

Minimum Work Commitments on Concessions

In some cases, the Corporation must fulfill minimum work commitments on certain Concessions held in Argentina. The Corporation may also depend on its industry partners to fulfill the applicable minimum work commitments on certain Concessions operated by such industry partners in Argentina. There are no assurances that all of these commitments will be fulfilled within the time frames allowed. As such, the Corporation may lose certain exploration or exploitation rights on the Concessions affected and may be subject to certain financial penalties that would be levied by the respective government agencies, as applicable.

Fluctuations in Currency Exchange Rates and Interest Rates

All of the Corporation's current operations are located in Argentina. Oil and natural gas sales in Argentina are denominated in U.S. dollars and operating and capital costs are generally denominated in U.S. dollars and/or Argentine pesos. Fluctuations in the U.S. dollar and Argentina peso exchange rates may have a negative impact on the Corporation's financial results, including on revenue and costs, and could have a material adverse impact on the Corporation's operations.

An increase in interest rates could result in a significant increase in the amount the Corporation pays to service debt, resulting in a reduced amount available to fund its exploration and development activities.

Transportation Costs

Disruption in or increased costs of transportation services could make oil and natural gas a less competitive source of energy or could make the Corporation's oil and natural gas less competitive than other sources. The industry depends on trucking, ocean-going vessel, pipeline facilities, and barge transportation to deliver shipments, and transportation costs are a significant component of the total cost of supplying oil and natural gas. Disruptions of these transportation services because of weather-related problems, strikes, lockouts, delays or other events could temporarily impair the ability to supply oil and natural gas to customers and may result in lost sales. In addition, increases in transportation costs, or changes in transportation costs for oil and natural gas produced by competitors, could adversely affect profitability.

To the extent such increases are sustained, the Corporation could experience losses and may decide to discontinue certain operations forcing the Corporation to incur closure and/or care and maintenance costs, as the case may be. Additionally, lack of access to transportation may hinder the expansion of production at some of the Corporation's properties and the Corporation may be required to use more expensive transportation alternatives.

Availability of Drilling Equipment and Access

Oil and natural gas exploration and development activities are dependent on the availability of drilling and related equipment (typically leased from third parties) as well as skilled personnel trained to use such equipment in the particular areas where such activities will be conducted. Demand for such limited equipment and skilled personnel or access restrictions may affect the availability of such equipment and skilled personnel to Crown Point and may delay exploration and development activities. Other companies with greater financial resources, including YPF, may have greater access to drilling and related equipment which could affect the Corporation's ability to access such equipment. To the extent Crown Point is not the operator of its oil and gas properties, Crown Point will be dependent on such operators for the timing of activities related to such properties and will be largely unable to direct or control the activities of the operators.

Delays in Business Operations

In addition to the usual delays in payments by purchasers of oil and natural gas to Crown Point or to the operator, and the delays by operators in remitting payment to Crown Point, payments between these parties may be delayed due to restrictions imposed by lenders, accounting delays, delays in the sale or delivery of products, delays in the connections of wells to a gathering system, adjustment for prior periods, or recovery by the operator of expenses incurred in the operation of the properties. Any of these delays could reduce the amount of cash flow available for the business of Crown Point in a given period and expose Crown Point to additional third party credit risks.

Competition

The petroleum industry is competitive in all of its phases. The Corporation competes with numerous other entities in the exploration, development, production and marketing of oil and natural gas. The Corporation's competitors include oil and natural gas companies that have substantially greater financial resources, staff and facilities than those of the Corporation, including YPF. Some of these companies not only explore for, develop and produce oil and natural gas, but also carry on refining operations and market oil and natural gas on an international basis. As a result of these complementary activities, some of these competitors may have greater and more diverse competitive resources to draw on than the Corporation. The Corporation's ability to increase its reserves in the future will depend not only on its ability to explore and develop its present properties, but also on its ability to select and acquire other suitable producing properties or prospects for exploratory drilling. Competitive factors in the distribution and marketing of oil and natural gas include price, process, and reliability of delivery and storage.

Conflicting Interests with Partners

Joint venture, acquisition, financing and other agreements and arrangements must be negotiated with independent third parties and, in some cases, must be approved by governmental agencies. These third parties generally have objectives and interests that may not coincide with and may conflict with Crown Point's interests. Unless the parties

are able to resolve these conflicting objectives and interests in a mutually acceptable manner, agreements and arrangements with these third parties will not be consummated or maintained.

In certain circumstances, the concurrence of co-venturers may be required for various actions. Other parties influencing the timing of events may have priorities that differ from Crown Point's, even if they generally share Crown Point's objectives. Demands by or expectations of governments, co-venturers, customers and others may affect Crown Point's strategy regarding the various projects. Failure to meet such demands or expectations could adversely affect Crown Point's participation in such projects or its ability to obtain or maintain necessary licences and other approvals.

Changes in Legislation

The oil and natural gas industry in Argentina is subject to extensive controls and regulations imposed by various levels of government. All current legislation is a matter of public record and the Corporation is unable to predict what additional legislation or amendments may be enacted. Amendments to current laws, regulations and permits governing operations and activities of oil and natural gas companies, including environmental laws and regulations which are evolving in Argentina, or more stringent implementation thereof, could have a material adverse impact on the Corporation and cause increases in expenditures and costs, affect the Corporation's ability to expand or transfer existing operations or require the Corporation to abandon or delay the development of new oil and natural gas properties. See "*Industry Conditions*" above for information about recent changes in Argentinean legislation affecting the oil and gas industry.

Risk of Nationalization of Argentina Oil and Gas Assets

In 2012, the Argentine President submitted a bill to the Argentine Congress to expropriate 50.01% of energy company YPF's class D shares. The bill to renationalize YPF was signed into law in May 2012. Although the federal government of Argentina and Repsol subsequently settled their dispute with respect to the expropriation, the actions of the government have added to the uncertainty to foreign investment in the oil and gas industry in Argentina.

Although Crown Point has not received any notice that the federal government or any provincial government of Argentina has any intention of expropriating or nationalizing any of Crown Point's assets or properties, if such expropriation or nationalization were to occur there is no certainty that Crown Point would receive the fair market value of such properties or assets from such government body. If any government body were to expropriate or nationalize any of the properties or assets of Crown Point, it would have a material adverse effect on Crown Point.

Enforcement of Civil Liabilities

Substantially all of the assets of the Corporation are located outside of Canada and certain of the directors and officers of the Corporation may be resident outside of Canada. As a result, it may be difficult or impossible to enforce judgments granted by a court in Canada against the assets of the Corporation or the directors and officers of the Corporation residing outside of Canada.

Reliance on Industry Partners and Operational Dependence

The Corporation relies on industry partners with respect to the evaluation, acquisition and development of, and future production from, its properties and a failure or inability to perform by such partners could materially affect the prospects of the Corporation. In addition, other companies operate certain of the assets in which the Corporation currently has or may in the future have interests. As a result, the Corporation has limited ability to exercise influence over the operation of those assets or their associated costs, which could adversely affect the Corporation's financial performance. The Corporation's return on assets operated by others therefore depends upon a number of factors that may be outside of the Corporation's control, including the timing and amount of capital expenditures, the operator's expertise and financial resources, the approval of other participants, the selection of technology and risk management practices.

In addition, due to the current low and volatile commodity price environment, many companies, including companies that may operate some of the assets in which the Corporation has an interest, may be in financial difficulty, which could impact their ability to fund and pursue capital expenditures, carry out their operations in a safe and effective

manner and satisfy regulatory requirements with respect to abandonment and reclamation obligations. If companies that operate some of the assets in which the Corporation has an interest fail to satisfy regulatory requirements with respect to abandonment and reclamation obligations the Corporation may be required to satisfy such obligations and to seek reimbursement from such companies. To the extent that any of such companies go bankrupt, become insolvent or make a proposal or institute any proceedings relating to bankruptcy or insolvency, it could result in such assets being shut-in, the Corporation potentially becoming subject to additional liabilities relating to such assets and the Corporation having difficulty collecting revenue due from such operators or recovering amounts owing to the Corporation from such operators for their share of abandonment and reclamation obligations. Any of these factors could have a material adverse affect on the Corporation's financial and operational results.

Reliance on Key Personnel

Crown Point's success will depend in large measure on certain key personnel. The loss of the services of such key personnel could have a material adverse effect on Crown Point's business, financial condition, results of operations and prospects. Crown Point does not have key person insurance in effect for management. The contributions of these individuals to the immediate and future operations of Crown Point are likely to be of central importance. In addition, the competition for qualified personnel in the oil and natural gas industry is intense and there can be no assurance that Crown Point will be able to continue to attract and retain all personnel necessary for the development and operation of its business. Investors must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of Crown Point.

Issuance of Debt and Borrowing

From time to time, Crown Point may enter into transactions to acquire assets or the securities of other entities. These transactions may be financed in whole or in part with debt, which may increase Crown Point's debt levels above industry standards for oil and natural gas companies of similar size. Depending on future exploration and development plans, Crown Point may require additional equity and/or debt financing that may not be available or, if available, may not be available on favorable terms. Neither Crown Point's articles nor its by-laws limit the amount of indebtedness that Crown Point may incur. The level of Crown Point's indebtedness from time to time could impair Crown Point's ability to obtain additional financing in the future on a timely basis to take advantage of business opportunities that may arise.

Hedging and Financial Instruments

From time to time, the Corporation may enter into agreements to receive fixed prices on its oil and natural gas production to offset the risk of revenue losses if commodity prices decline. However, to the extent that the Corporation engages in price risk management activities to protect itself from commodity price declines, it may also be prevented from realizing the full benefits of price increases above the levels of the derivative instruments used to manage price risk. In addition, the Corporation's hedging arrangements may expose it to the risk of financial loss in certain circumstances, including instances in which:

- production falls short of the hedged volumes or prices fall significantly lower than projected;
- there is a widening of price-basis differentials between delivery points for production and the delivery point assumed in the hedge arrangement;
- the counterparties to the hedging arrangements or other price risk management contracts fail to perform under those arrangements; or
- a sudden unexpected event materially impacts oil and natural gas prices.

Similarly, from time to time the Corporation may enter into agreements to fix the exchange rate between Canadian dollars, United States dollars and/or Argentinean pesos in order to offset the risk of revenue losses due to fluctuating exchange rates; however, such agreements may also prevent Crown Point from receiving the benefit of favourable fluctuations in exchange rates.

Income Taxes

Crown Point will file all required income tax returns and believes that it will be in full compliance with the provisions of all applicable tax legislation in the jurisdictions in which it operates. However, such returns are subject to reassessment by the applicable taxation authority. In the event of a successful reassessment of Crown Point, such reassessment may have an impact on current and future taxes payable.

Income tax laws relating to the oil and natural gas industry, such as the treatment of resource taxation, may in the future be changed or interpreted in a manner that adversely affects the Corporation. Furthermore, tax authorities having jurisdiction over the Corporation may disagree with how the Corporation calculates its income for tax purposes or could change administrative practices to the Corporation's detriment.

Insurance

Crown Point's involvement in the exploration for and development of oil and gas properties may result in Crown Point becoming subject to liability for pollution, blow outs, leaks of sour natural gas, property damage, personal injury or other hazards. Although Crown Point maintains insurance in accordance with industry standards to address certain of these risks, such insurance has limitations on liability that may not be sufficient to cover the full extent of such liabilities. In addition, certain risks are not in all circumstances insurable or, in certain circumstances, Crown Point may elect not to obtain insurance to deal with specific risks due to the high premiums associated with such insurance or other reasons. The payment of such uninsured liabilities would reduce the funds available to Crown Point. The occurrence of a significant event that Crown Point is not fully insured against, or the insolvency of the insurer of such event, could have a material adverse effect on Crown Point's financial position, results of operations or prospects.

Regulatory

Oil and natural gas operations (including exploration, development, production, pricing, marketing and transportation) are subject to extensive controls and regulations imposed by various levels of government, which may be amended from time to time. See "*Industry Conditions*". Governments may regulate or intervene with respect to exploration and production activities, commodity prices, taxes, royalties and the exportation of oil and natural gas. Such regulations may be changed from time to time in response to economic or political conditions. The implementation of new regulations or the modification of existing regulations affecting the oil and natural gas industry could reduce demand for natural gas and crude oil and increase the Corporation's costs, any of which may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects. In order to conduct oil and gas operations, the Corporation will require regulatory permits, licenses, registrations, approvals and authorizations from various governmental authorities at the provincial and federal level. There can be no assurance that the Corporation will be able to obtain all of the permits, licenses, registrations, approvals and authorizations that may be required to conduct operations that it may wish to undertake.

Environmental

All phases of the oil and natural gas business present environmental risks and hazards and are subject to environmental regulation pursuant to a variety of federal, provincial and local laws and regulations. Environmental legislation provides for, among other things, restrictions and prohibitions on spills, releases or emissions of various substances produced in association with oil and gas operations. In addition, such legislation sets out the requirements with respect to oilfield waste handling and storage, habitat protection and the satisfactory operation, maintenance, abandonment and reclamation to the well and facility sites.

Compliance with environmental legislation can require significant expenditures and a breach of applicable environmental legislation may result in the imposition of fines and penalties, some of which may be material. Environmental legislation is evolving in a manner expected to result in stricter standards and enforcement, larger fines and liability and potentially increased capital expenditures and operating costs. The discharge of oil, natural gas or other pollutants into the air, soil or water may give rise to liabilities to governments and third parties and may require Crown Point to incur costs to remedy such discharge. Although Crown Point believes that it will be in material compliance with current applicable environmental laws and regulations no assurance can be given that environmental compliance requirements will not result in a curtailment of production or a material increase in the costs of production,

development or exploration activities or otherwise have a material adverse effect on Crown Point's business, financial condition, results of operations or prospects.

Climate Change

The Corporation's exploration and production facilities and other operations and activities emit greenhouse gases ("GHGs") which may require the Corporation to comply with GHG emissions legislation in Argentina that may be enacted. Climate change policy is evolving at regional, national and international levels, and political and economic events may significantly affect the scope and timing of climate change measures that are ultimately put in place. Argentina ratified the Kyoto Protocol ("**Kyoto Protocol**"), which required a reduction in GHG emissions by certain signatory countries between 2008 and 2012. Argentina is also a signatory to the *United Nations Framework Convention on Climate Change* (the "UNFCCC") and a participant to the Copenhagen Agreement (a non-binding agreement created by the UNFCCC), which reinforces the commitment to reducing GHG emissions contained in the Kyoto Protocol and promises funding to help developing countries mitigate and adapt to climate change. Argentina representatives have participated in a number of additional international meetings or conferences on climate change and GHG emissions since the meetings resulting in the Copenhagen Agreement; however, no binding GHG emission reduction targets resulted from these meetings or conferences. On December 12, 2015, the UNFCCC adopted the Paris Agreement, to which Argentina is a participant. The Paris Agreement mandates that all countries must work together to limit global temperature rise resulting from GHG emissions to a goal of less than 2° Celsius and to pursue efforts to limit temperature rise below 1.5° Celsius, through implementing successive nationally determined contributions. In anticipation of the UNFCCC adopting the Paris Agreement, Argentina submitted its climate action plan to the UNFCCC in October 2015. Some of the Corporation's significant facilities may ultimately be subject to future regional, provincial and/or federal climate change regulations to manage GHG emissions. The direct or indirect costs of compliance with these regulations may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects. In addition, concerns about climate change have resulted in a number of environmental activists and members of the public opposing the continued exploitation and development of fossil fuels. Given the evolving nature of the debate related to climate change and the control of GHGs and resulting requirements, it is not possible to predict the impact on the Corporation and its operations and financial condition.

Conflicts of Interest

Certain directors or officers of the Corporation may also be directors or officers of other oil and natural gas companies and as such may, in certain circumstances, have a conflict of interest. Conflicts of interest, if any, will be subject to and governed by procedures prescribed by the ABCA, which require a director or officer of a corporation who is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or proposed material contract with the Corporation to disclose his or her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the ABCA. See "*Directors and Officers – Conflicts of Interest*".

Volatility of Market Price of Common Shares

The market price of the Common Shares may be volatile. The volatility may affect the ability of holders to sell the Common Shares at an advantageous price. Market price fluctuations in the Common Shares may be due to the Corporation's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Corporation or its competitors, along with a variety of additional factors. In addition, the market price for securities on stock markets, including the TSXV, is subject to significant price and trading fluctuations. These fluctuations have resulted in volatility in the market prices of securities that often has been unrelated or disproportionate to changes in operating performance. These broad market fluctuations may adversely affect the market price of the Common Shares.

Dilution

Crown Point may make future property or corporate acquisitions or enter into financing or other transactions involving the issuance of securities of Crown Point which may be dilutive to shareholders.

Management of Growth

The Corporation may be subject to risks related to growth including capacity constraints and pressure on its internal systems and controls. The ability of the Corporation to manage growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Corporation to deal with this growth may have a material adverse effect on the Corporation's business, financial condition, results of operations or prospects.

Dividends

Crown Point has not paid any cash dividends to date on the Common Shares and there are no plans for such dividend payments in the foreseeable future. Payment of dividends in the future will be dependent on, among other things, the cash flow, results of operations and financial condition of the Corporation, the need for funds to finance ongoing operations and other considerations as the Board considers relevant.

Information Technology Systems and Cyber-Security

The Corporation has become increasingly dependent upon the availability, capacity, reliability and security of our information technology infrastructure and our ability to expand and continually update this infrastructure, to conduct daily operations. The Corporation depends on various information technology systems to estimate reserve quantities, process and record financial data, manage our land base, analyze seismic information, administer our contracts with our operators and lessees and communicate with employees and third-party partners.

Further, the Corporation is subject to a variety of information technology and system risks as a part of its normal course operations, including potential breakdown, invasion, virus, cyber-attack, cyber-fraud, security breach, and destruction or interruption of the Corporation's information technology systems by third parties or insiders. Unauthorized access to these systems by employees or third parties could lead to corruption or exposure of confidential, fiduciary or proprietary information, interruption to communications or operations or disruption to our business activities or our competitive position. Further, disruption of critical information technology services, or breaches of information security, could have a negative effect on our performance and earnings, as well as on our reputation. The Corporation applies technical and process controls in line with industry-accepted standards to protect our information assets and systems; however, these controls may not adequately prevent cyber-security breaches. The significance of any such event is difficult to quantify, but may in certain circumstances be material and could have a material adverse effect on the Corporation's business, financial condition and results of operations.

Litigation

In the normal course of the Corporation's operations, it may become involved in, named as a party to, or be the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions, relating to personal injuries, including resulting from exposure to hazardous substances, property damage, property taxes, land and access rights, environmental issues, including claims relating to contamination or natural resource damages and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to the Corporation, and as a result, could have a material adverse effect on the Corporation's assets, liabilities, business, financial condition and results of operations. Even if the Corporation prevails in any such legal proceedings, the proceedings could be costly and time-consuming and may divert the attention of management and key personnel from business operations, which could have an adverse affect on the Corporation's financial condition.

Cost of New Technologies

The petroleum industry is characterized by rapid and significant technological advancements and introductions of new products and services utilizing new technologies. Other companies may have greater financial, technical and personnel resources that allow them to enjoy technological advantages and may in the future allow them to implement new technologies before the Corporation. There can be no assurance that the Corporation will be able to respond to such competitive pressures and implement such technologies on a timely basis or at an acceptable cost. If the Corporation does implement such technologies, there is no assurance that the Corporation will do so successfully. One or more of

the technologies currently utilized by the Corporation or implemented in the future may become obsolete. In such case, the Corporation's business, financial condition and results of operations could be affected adversely and materially. If the Corporation is unable to utilize the most advanced commercially available technology, or is unsuccessful in implementing certain technologies, its business, financial condition and results of operations could also be adversely affected in a material way.

Royalty Regimes

There can be no assurance that the federal government and/or the provincial governments of Argentina will not adopt new royalty regimes or modify the existing royalty regimes which may have an impact on the economics of the Corporation's projects. An increase in royalties would reduce the Corporation's earnings and could make future capital investments, or the Corporation's operations, less economic.

Hydraulic Fracturing

Hydraulic fracturing involves the injection of water, sand and small amounts of additives under pressure into rock formations to stimulate the production of oil and natural gas. Specifically, hydraulic fracturing enables the production of commercial quantities of oil and natural gas from reservoirs that were previously unproductive. Any new laws, regulations or permitting requirements regarding hydraulic fracturing could lead to operational delays, increased operating costs, third party or governmental claims, and could increase the Corporation's costs of compliance and doing business as well as delay the development of oil and natural gas resources from shale formations, which are not commercial without the use of hydraulic fracturing. Restrictions on hydraulic fracturing could also reduce the amount of oil and natural gas that the Corporation is ultimately able to produce from its reserves.

Seasonality

The level of activity in the Argentina oil and natural gas industry is influenced by seasonal weather patterns. Wet weather and in some areas spring thaw may make the ground unstable. Consequently, governments may enforce road bans that restrict the movement of rigs and other heavy equipment, thereby reducing activity levels. In addition, extreme cold weather, heavy snowfall and heavy rainfall may restrict the Corporation's ability to access its properties and cause operational difficulties. Seasonal factors and unexpected weather patterns may lead to declines in exploration and production activity and corresponding decreases in the demand for the goods and services of the Corporation.

Project Risks

The Corporation manages a variety of small and large projects in the conduct of its business. Project delays may delay expected revenues from operations. Significant project cost overruns could make a project uneconomic. The Corporation's ability to execute projects and market oil and natural gas depends upon numerous factors beyond the Corporation's control, including:

- the availability of processing capacity;
- the availability and proximity of pipeline capacity;
- the availability of storage capacity;
- the timing and availability of tanker ship capacity;
- the availability of, and the ability to acquire, water supplies needed for drilling and hydraulic fracturing, or the Corporation's ability to dispose of water used or removed from strata at a reasonable cost and in accordance with applicable environmental regulations;
- the effects of inclement weather;
- the availability of drilling and related equipment;
- unexpected cost increases;
- accidental events;
- currency fluctuations;
- regulatory changes;
- the availability and productivity of skilled labour; and

- the regulation of the oil and natural gas industry by various levels of government and governmental agencies.

Because of these factors, the Corporation could be unable to execute projects on time, on budget, or at all and may be unable to market the oil and natural gas that it produces effectively.

Gathering and Processing Facilities, Pipeline Systems and Oil Tankers

The Corporation delivers its products through gathering and processing facilities, pipeline systems and, in certain circumstances, by oil tanker. The amount of oil and natural gas that the Corporation can produce and sell is subject to the accessibility, availability, proximity and capacity of these gathering and processing facilities, pipeline systems and oil tankers. The lack of availability of capacity in any of the gathering and processing facilities, pipeline systems and oil tankers could result in the Corporation's inability to realize the full economic potential of its production or in a reduction of the price offered for the Corporation's production. Unexpected shut downs or curtailment of capacity of pipelines for maintenance or integrity work or because of actions taken by regulators could also affect the Corporation's production, operations and financial results. Any significant change in market factors or other conditions affecting these infrastructure systems and facilities, as well as any delays or uncertainty in constructing new infrastructure systems and facilities could harm the Corporation's business and, in turn, the Corporation's financial condition, operations and cash flows.

A portion of the Corporation's production may, from time to time, be processed through facilities owned by third parties and over which the Corporation does not have control. From time to time, these facilities may discontinue or decrease operations either as a result of normal servicing requirements or as a result of unexpected events. A discontinuation or decrease of operations could have a materially adverse effect on the Corporation's ability to process its production and deliver the same for sale.

Geopolitical Risks

Political events throughout the world that cause disruptions in the supply of oil continuously affect the marketability and price of oil and natural gas acquired or discovered by the Corporation. Conflicts, or conversely peaceful developments, arising outside of Argentina, including changes in political regimes or the parties in power, have a significant impact on the price of oil and natural gas. Any particular event could result in a material decline in prices and result in a reduction of the Corporation's net production revenue.

In addition, the Corporation's oil and natural gas properties, wells and facilities could be the subject of a terrorist attack. If any of the Corporation's properties, wells or facilities are the subject of terrorist attack it may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects. The Corporation does not have insurance to protect against the risk from terrorism.

Expansion into New Activities

The operations and expertise of the Corporation's management are currently focused primarily on oil and natural gas production, exploration and development in Argentina. In the future, the Corporation may acquire or move into new industry related activities or new geographical areas, may acquire different energy related assets and as a result may face unexpected risks or alternatively, significantly increase the Corporation's exposure to one or more existing risk factors, which may in turn result in the Corporation's future operational and financial conditions being adversely affected.

Forward-Looking Information May Prove Inaccurate

Shareholders and prospective investors are cautioned not to place undue reliance on the Corporation's forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. Additional information on the risks, assumptions and uncertainties are found under the heading "Forward-Looking Statements" in this AIF.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities and securities authorized for issuance under equity compensation plans, is included in the Corporation's information circular for its most recent annual meeting of shareholders that involved the election of directors. Additional financial information is contained in the Corporation's financial statements for the year ended December 31, 2016 and the Corporation's management's discussion and analysis for such financial year. Additional information relating to Crown Point may be found on SEDAR at www.sedar.com.