

## Arbitration Tribunal Releases Decision in respect of Apco Austral Acquisition

CALGARY, Alberta, Dec. 13, 2018 -- Crown Point Energy Inc. (TSX-V:CWV) ("**Crown Point**" or the "**Company**") announces that a decision has been released by the arbitration tribunal (the "**Tribunal**") formed to consider the claims made by Roch S.A. ("**Roch**") in respect of the Company's acquisition of Apco Austral S.A. ("**Apco Austral**").

### **Background Regarding Acquisition of Apco Austral and Related Litigation and Arbitration**

On June 7, 2018, the Company closed the acquisition (the "**Acquisition**") of all of the issued and outstanding shares of Apco Austral from Pluspetrol Resources Corporation ("**Pluspetrol**") for US\$28.4 million of cash consideration plus up to US\$9 million of contingent royalty payments. Apco Austral holds a 25.7796% participating interest in the Rio Cullen, Las Violetas and La Angostura hydrocarbon exploitation concessions located in the Tierra del Fuego region of the Austral basin in southern Argentina (the "**TDF Concessions**"). Following the completion of the Acquisition, Crown Point holds a 51.56% participating interest in the TDF Concessions. The Acquisition doubled Crown Point's reserves and production.

Pursuant to the joint venture agreement governing the TDF Concessions (the "**UTE Agreement**"), Crown Point's and Apco Austral's partners in the TDF Concessions (each an "**UTE Partner**") had a right of first refusal ("**ROFR**") that allowed them to participate in the Acquisition at a level that was equivalent to their participating interest in the TDF Concessions. Roch, one of the UTE Partners, disputed the validity of the ROFR notices issued by Pluspetrol to the UTE Partners and obtained an injunction (the "**Injunction**") from an Argentine court prohibiting Pluspetrol from selling the shares of Apco Austral to the Company. Both Pluspetrol and the Company successfully challenged the Injunction and the Argentine court ordered that the Injunction be revoked and that instead Roch's claim be recorded in Apco Austral's share registers to give notice of the claim to potential purchasers (a legal remedy known as "lis pendens" in Argentina) (the "**Lis Pendens Remedy**"). However, Roch immediately appealed this decision to an Argentine Court of Appeal, which had the effect of reinstating the lower court's initial decision (which kept the Injunction in place). The Argentine Court of Appeal subsequently rejected Roch's appeal, with the result that the lower court's decision to revoke the original Injunction and impose the Lis Pendens Remedy was restored. Roch did not appeal the Court of Appeal's decision by the applicable deadline, with the result that the Injunction was permanently revoked and the Lis Pendens Remedy remains in effect.

During the course of the ROFR litigation described above, Roch also commenced arbitration proceedings against Apco Austral and Pluspetrol under the UTE Agreement (the "**Arbitration**") in order to have the Tribunal consider and rule on the ROFR dispute. Pluspetrol has provided certain indemnities to the Company in connection with the Arbitration proceedings.

### **Arbitration Tribunal's Decision**

The Tribunal has now released its written decision (the "**Arbitral Award**"), in which it has made, among other things, the following conclusions and declarations:

- The Tribunal has determined that the Acquisition involved the indirect transfer of Apco Austral's participating interest in the TDF Concessions and that Apco Austral and Pluspetrol failed to properly comply with the procedures set out in the UTE Agreement that must be complied with in order for Roch to exercise its ROFR.
- As a result, the Tribunal has concluded that Roch was not required to respond to the ROFR notice provided to it by Apco Austral and Pluspetrol by the applicable deadline, and that Roch's ROFR has not been extinguished.
- The Tribunal has ordered Apco Austral and Pluspetrol to comply with the provisions of the UTE Agreement that grant a ROFR to Roch and the other UTE Partners to acquire their respective pro rata portions of Apco Austral's participating interest in the TDF Concessions. Apco Austral and Pluspetrol are required to commence the ROFR process by January 18, 2019. The Arbitral Award provides that the ROFR notices must otherwise comply with all of the requirements of the ROFR provisions of the UTE Agreement.

Crown Point is reviewing the Arbitral Award with counsel in order to, among other things, assess the alternatives available to Apco Austral and determine how the Arbitral Award would be implemented in light of the fact that, among other things, the Acquisition closed over six months ago and involved the acquisition of the shares of Apco Austral rather than the direct acquisition of Apco Austral's interest in the TDF Concessions. Crown Point will provide further updates regarding any material developments relating to the Arbitral Award and the Company's response thereto as they arise.

Website: [www.crownpointenergy.com](http://www.crownpointenergy.com)

### **About Crown Point**

Crown Point Energy Inc. is an international oil and gas exploration and development company headquartered in Calgary, Canada, incorporated in Canada, trading on the TSX Venture Exchange and operating in South America. Crown Point's

exploration and development activities are focused in two of the largest producing basins in Argentina, the Austral basin in the province of Tierra del Fuego and the Neuquén basin, in the province of Mendoza. Crown Point has a strategy that focuses on establishing a portfolio of producing properties, plus production enhancement and exploration opportunities to provide a basis for future growth.

## **Advisories**

### Forward-Looking Statements

Certain information regarding Crown Point set forth in this document may constitute forward-looking statements under applicable securities laws. The forward-looking information is based on certain key expectations and assumptions made by Crown Point, including expectations and assumptions concerning Crown Point's ability to rely on the indemnity provided by Pluspetrol in respect of the Arbitration proceedings. Although Crown Point believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because Crown Point can give no assurances that they will prove to be correct. Since forward-looking information addresses future events and conditions, by its very nature it involves inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These risks include, without limitation, the possibility that the Company incurs losses or damages in connection with the Arbitral Award that Pluspetrol is not obligated (or refuses) to indemnify the Company for. Readers are cautioned that the foregoing list of factors is not exhaustive. Crown Point's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurance can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits that the Company will derive therefrom. Additional information on these and other factors that could affect Crown Point's operations and financial results are included in reports on file with Canadian securities regulatory authorities and may be accessed through the SEDAR website ([www.sedar.com](http://www.sedar.com)) or Crown Point's website ([www.crownpointenergy.com](http://www.crownpointenergy.com)). The forward-looking statements contained in this document are made as at the date of this news release and Crown Point does not undertake any obligation to update publicly or to revise any such forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

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