

**FORM 51-102F3  
MATERIAL CHANGE REPORT**

**1. Name and Address of Corporation:**

Crown Point Energy Inc. ("**Crown Point**" or the "**Company**")  
PO Box 1562 Station M  
Calgary, Alberta T2P 3B9

**2. Date of Material Change:**

June 7, 2018

**3. News Release:**

A press release was issued on June 8, 2018 by, or on behalf of, Crown Point and disseminated through GlobeNewswire.

**4. Summary of Material Change:**

On June 8, 2018, Crown Point announced the closing of its previously announced acquisition ("**Acquisition**") of all of the issued and outstanding shares of Apco Austral S.A. ("**Apco Austral**") from Pluspetrol Resources Corporation ("**Pluspetrol**") for consideration of US\$28.36 million.

**5. Full Description of Material Change:**

On June 8, 2018, Crown Point announced the closing of its previously announced Acquisition of all of the issued and outstanding shares of Apco Austral from Pluspetrol.

*Acquired Assets*

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% interest in the TDF Concessions, which includes the San Martin discovery well (SM x-1001) located on the La Angostura concession. The Acquisition doubles Crown Point's reserves and production – pro forma the Acquisition, the Company's average daily production volumes for the three months ended March 31, 2018 were 3,038 barrels of oil equivalent per day ("**boe/d**").

The Company's average daily production volumes for the month of May was 1,570 boe/d (3,140 boe/d pro forma the Acquisition), approximately 44% of which was crude oil and natural gas liquids and 56% of which was natural gas. During May, the SM x-1001 well produced an average of 2,005 boe/d gross (517 boe/d net and 1,034 boe/d net pro forma the Acquisition), approximately 96% of which was crude oil and natural gas liquids and 4% of which was natural gas.

Additional information in respect of Apco Austral and the TDF Concessions is set forth in the following sections of the Company's (final) short form prospectus dated April 17, 2018 (the "**Prospectus**"), which sections of the Prospectus are incorporated by reference into this document (including any documents or information specifically incorporated by reference into such sections of the Prospectus): "*Acquisition of Apco Austral – Acquisition Highlights*", "*Acquisition of Apco Austral – Acquisition Rationale*", and "*Acquisition of Apco Austral – Select 2017 Year-End Reserves Data for Apco Austral*". The Prospectus has been filed on SEDAR at [www.sedar.com](http://www.sedar.com).

### *Purchase Price*

The purchase price for the Acquisition was US\$28.36 million, US\$6.75 million of which was previously paid as a deposit. The additional US\$21.61 million payable at closing was funded using the net proceeds of the Company's recently closed rights offering, the proceeds of a new US\$2.9 million loan, the proceeds of a new US\$7.5 million bridge loan, and the Company's cash on hand. The Company must also pay withholding taxes incurred in connection with the Acquisition to the local tax authority in Argentina by the end of June 2018, which the Company currently estimates to be not more than US\$4.43 million. The Company is in negotiations with Argentine financial institutions regarding obtaining additional loans that, together with the Company's cash on hand, will be used to pay such taxes. Apco Austral does not have any debt other than normal course payables.

Crown Point has also agreed to make certain contingent royalty payments to Pluspetrol, payable quarterly, during the ten year period commencing January 1, 2018. Under the terms of the royalty agreement, Crown Point will make quarterly payments equal to 10% of the amount by which the net revenues received by Apco Austral from its interest in the TDF Concessions for the quarter exceeds certain net base revenue thresholds for such quarter. If in any quarter the net revenues received by Apco Austral do not exceed the net base revenue threshold, then no royalty payment will be payable. The contingent royalty payments are capped at a maximum payment of US\$9 million.

### *New Loan Facilities*

The Company has obtained a US\$2.9 million loan facility from Banco Hipotecario (the "**Acquisition Loan**"). The Acquisition Loan is secured against certain accounts receivable to a maximum of US\$2.9 million that will be applied against the loan when collected. The Acquisition Loan bears interest at a rate of 8% per annum, calculated and paid monthly, and is repayable in one installment on December 4, 2018. The Company paid a 1% fee (US\$29,000) to Banco Hipotecario for providing the Acquisition Loan. The Acquisition Loan proceeds were used to pay a portion of the purchase price for the Acquisition.

The Company has also obtained a US\$7.5 million bridge loan facility from Banco Macro (the "**Bridge Loan**"). The Bridge Loan is secured against certain accounts receivable to a maximum of US\$3.0 million that will be applied against the loan when collected. The Bridge Loan bears interest at a rate of 8% per annum, calculated and paid monthly, and is repayable in one installment on July 7, 2018. The Bridge Loan proceeds were used to pay a portion of the purchase price for the Acquisition. The Company intends to retire the Bridge Loan as soon as possible using cash deposits held by Apco Austral and the accounts receivable referred to above.

Messrs. Pablo Peralta and Roberto Domínguez have personally guaranteed the Company's payment obligations under the Acquisition Loan and the Bridge Loan (collectively, the "**Loans**"). Mr. Peralta is a director of the Company and is the President and a director of Liminar Energía SA ("**Liminar**") and controls 30% of the voting shares of Liminar. Mr. Domínguez controls approximately 30% of the voting shares of Liminar. Liminar is a "control person" of the Company by virtue of owning approximately 59.5% of the outstanding common shares of the Company. As such, each of Messrs. Peralta and Domínguez is a "related party" (as such term is defined in Multilateral Instrument 61-101 ("**MI 61-101**")) of the Company. In consideration for the provision of the guarantee of the Loans, the Company has agreed to pay to Messrs. Peralta and Domínguez an annual fee during the term of the Loans equal to 1% of the principal amount outstanding under the Loans on the date of such payment. The first payment in the amount of US\$104,000 was due on the date that funds were disbursed to the Company under the Loans and subsequent payments will be made annually on the anniversary date of the disbursement date. The fee payable to Messrs. Peralta and Domínguez in consideration for the provision of the guarantees are exempt from: (i) the valuation requirements of Part 5 of MI 61-101 pursuant to section 5.5(b) of MI 61-101 because the Company does not have securities listed or quoted on any stock exchange other than the TSX Venture Exchange; and (ii) the minority approval requirements of Part 5 of MI 61-101 pursuant to section 5.7(1)(a) of MI 61-101 because at the time that the guarantees were agreed to, neither the fair market value of the subject matter of,

nor the fair market value of the consideration for, the guarantees, exceeded 25% of the Company's market capitalization.

*Update Regarding Acquisition Related Litigation / Arbitration*

Pursuant to the joint venture agreement governing the TDF Concessions (the "**JV Agreement**"), Crown Point's and Apco Austral's partners in the TDF Concessions (each a "**JV 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 S.A. ("**Roch**"), one of the JV Partners, disputed the validity of the ROFR notices issued by Pluspetrol to the JV Partners and obtained an injunction (the "**Injunction**") from an Argentine court prohibiting Pluspetrol from selling the shares of Apco Austral to the Company. Pluspetrol successfully challenged the Injunction and the Argentine court ordered that the Injunction be revoked and that 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" or "Anotación de Litis" 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 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.

Roch has also commenced arbitration proceedings against Pluspetrol and Apco Austral under the JV Agreement in order to have an arbitration panel consider and rule on the dispute (the "**Arbitration**"). Crown Point itself is not a party to the Arbitration proceedings. The Arbitration is currently in its early stages and is expected to take a considerable amount of time to complete. The Company is unable to predict when the Arbitration will be concluded or what the outcome of the Arbitration proceedings will be. Pluspetrol has provided certain indemnities to the Company in connection with the Arbitration proceedings.

**5.2 Disclosure for Restructuring Transactions:**

N/A

**6. Reliance on Subsection 7.1(2) of National Instrument 51-102:**

N/A

**7. Omitted Information:**

N/A

**8. Executive Officer:**

For further information, please contact

Brian J. Moss  
President and Chief Executive Officer  
Phone: (403) 232-1150

**9. Date of Report:**

June 15, 2018

## *Advisory*

### *Forward-Looking Statements*

Certain information regarding Crown Point set forth in this document, including: details of the amount of withholding taxes to be paid by the Company by the end of June 2018; the Company's intention to obtain a loan to finance such payment; the Company's intention to retire the Bridge Loan as soon as possible and the Company's plans to fund such repayment; and the Company's expectation that it will take a considerable amount of time for the Arbitration proceedings to be completed; 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: the ability of the Company to obtain a loan on acceptable terms to fund the payment of outstanding withholding taxes relating to the Acquisition; the ability of the Company to fund the timely repayment of the Bridge Loan; and the process and timeline that will be followed in connection with the Arbitration proceedings and the potential outcome thereof. 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 inability of the Company to obtain a loan on acceptable terms to fund the payment of withholding taxes owing in respect of the Acquisition, the inability of the Company to fund the repayment of the Bridge Loan, the inability of the Company to predict all possible outcomes of the Arbitration proceedings, and the possibility that the Company incurs losses or damages arising therefrom that Pluspetrol is not obligated 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 document and Crown Point does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

### *Barrels of Oil Equivalent*

Barrels of oil equivalent (boes) may be misleading, particularly if used in isolation. A boe conversion ratio of 6 thousand cubic feet (Mcf) to 1 barrel is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead. In addition, given that the value ratio based on the current price of crude oil in Argentina as compared to the current price of natural gas in Argentina is significantly different from the energy equivalency of 6:1, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.