



**Notice of Special Meeting of Shareholders
to be held on October 30, 2019**

A special meeting (the "**Meeting**") of the holders of common shares of Crown Point Energy Inc. (the "**Corporation**", "**Crown Point**" or "**our**") will be held at the offices of Burnet, Duckworth & Palmer LLP, 2400, 525 - 8th Avenue S.W., Calgary, Alberta T2P 1G1 on October 30, 2019, at 10:00 a.m. (Calgary time) for the following purposes:

1. to consider, and if deemed advisable, to pass, with or without variation, a special resolution authorizing the Board to reduce the stated capital account maintained by Crown Point in respect of its common shares by an amount to be determined by the Board, in its sole discretion, such amount not to exceed US\$0.185 multiplied by the number of common shares issued and outstanding at the time that the Board makes any such determination, for the purpose of permitting a special distribution to be made to shareholders of up to US\$0.185 per common share as a return of capital, all as more particularly described in the accompanying management information circular – proxy statement of the Corporation dated September 30, 2019 (the "**Information Circular**"); and
2. to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

Registered shareholders may vote in person at the Meeting or any adjournment or postponement thereof or they may appoint another person (who need not be a shareholder) as their proxy to attend and vote in their place. Registered shareholders unable to be present at the Meeting in person are requested to date and sign the enclosed form of proxy and mail it to or deposit it with our transfer agent, Computershare Investor Services Inc. ("Computershare"): (i) by mail using the enclosed return envelope or one addressed to Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1; (ii) by hand delivery to Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1; (iii) by facsimile to 1-866-249-7775 (inside North America) or (416) 263-9524 (outside North America); or (iv) you may vote by telephone at 1-866-732-8683 (inside North America) or (312) 588-4290 (outside North America). If you wish to vote through the Internet, please go to www.investorvote.com and follow the instructions. You will require your 15-digit control number found on your proxy form. In order to be valid and acted upon at the Meeting, forms of proxy must be received by Computershare not less than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) before the time of the Meeting or any adjournment or postponement thereof. The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion without notice.

Non-registered shareholders who hold shares through a broker, financial institution, trustee, nominee or other intermediary or otherwise should carefully follow the instructions found on their voting instructions form.

The board of directors of the Corporation has fixed the record date at the close of business on September 30, 2019 (the "**Record Date**"). Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote those shares included in the list of shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such shareholder transfers shares after the Record Date and the transferee of those shares, having produced properly endorsed certificates evidencing such shares or otherwise established that he owns such shares, demands, not later than ten (10) days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such shares at the Meeting.

Particulars of the foregoing matters are set forth in the accompanying Information Circular.

Dated at Calgary, Alberta this 30th day of September, 2019.

By order of the Board of Directors

(signed) "*Brian J. Moss*"

President and Chief Executive Officer



**Management Information Circular – Proxy Statement
dated September 30, 2019**

**For the Special Meeting
of Shareholders to be held on October 30, 2019**

PROXY MATTERS

Solicitation of Proxies

This information circular – proxy statement (the "**Information Circular**") is furnished in connection with the solicitation of proxies by the management of Crown Point Energy Inc. (the "**Corporation**" or "**Crown Point**") for use at the special meeting (the "**Meeting**") of the holders of common shares ("**Common Shares**") of the Corporation to be held at the offices of Burnet, Duckworth & Palmer LLP, 2400, 525 - 8th Avenue S.W., Calgary, Alberta T2P 1G1 on October 30, 2019 at 10:00 a.m. (Calgary time), and at any adjournment or postponement thereof, for the purposes set forth in the accompanying Notice of Special Meeting.

The board of directors of the Corporation (the "**Board**") has fixed the record date for the Meeting at the close of business on September 30, 2019 (the "**Record Date**"). Only shareholders of record on the Record Date are entitled to notice of, and to attend and vote at, the Meeting, unless a shareholder transfers the ownership of his or her Common Shares subsequent to that date and the transferee of those Common Shares establishes that he or she owns the Common Shares and demands not less than ten (10) days before the Meeting, that the transferee's name be included in the list of shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

Unless otherwise stated, the information in this Information Circular is given as at September 30, 2019. In this Information Circular, unless otherwise noted, all dollar amounts are expressed in United States dollars and references to "\$" and "US\$" are to United States dollars.

The instrument appointing a proxy (the "**Instrument of Proxy**") must be in writing and must be executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation.

The persons named in the enclosed Instrument of Proxy are directors and/or officers of the Corporation. As a shareholder submitting a proxy you have the right to appoint a person or company (who need not be a shareholder) to represent you at the Meeting other than the person or persons designated in the Instrument of Proxy furnished by Crown Point. To exercise this right you should follow the instructions provided in the enclosed Instrument of Proxy or submit another appropriate proxy.

In order to be effective, the proxy must be deposited with Computershare Investor Services Inc. ("**Computershare**"): (i) by mail using the enclosed return envelope or one addressed to Computershare Investor Services Inc., Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1; (ii) by hand delivery to Computershare Investor Services Inc., 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1; (iii) by facsimile to 1-866-249-7775 (inside North America) or (416) 263-9524 (outside North America); or (iv) you may vote by telephone at 1-866-732-8683 (inside North America) or (312) 588-4290 (outside North America), not less than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Alberta) before the time of the Meeting or any adjournment or postponement thereof. The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion without notice. If you vote through the Internet, please go to

www.investorvote.com and follow the instructions. You will require your 15-digit control number found on your proxy form.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to you if you do not hold the Common Shares in your own name. If you hold Common Shares through a broker, financial institution, trustee, nominee or other intermediary or otherwise ("**Beneficial Holders**"), you should note that only proxies deposited by shareholders whose names appear on our records as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in your account statement provided by your broker, then in almost all cases those Common Shares will not be registered in your name on our records. Such Common Shares will likely be registered under the name of your broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co., the registration name for CDS Clearing and Depository Securities Inc., which acts as nominee for many Canadian brokerage firms. Common Shares held by your broker or their nominee can only be voted upon your instructions. Without specific instructions, your broker or their nominee is prohibited from voting your shares. You should ensure that an instruction regarding the voting of your shares is communicated to the appropriate person within the appropriate time frame.

Applicable regulatory policy requires your broker to seek voting instructions from you in advance of the Meeting. Every broker has its own mailing procedures and provides its own return instructions, which you should carefully follow in order to ensure that your shares are voted at the Meeting. Often, the form of voting instructions supplied by your broker is identical to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") or another intermediary. **If you receive a voting instruction form from Broadridge or another intermediary, it cannot be used as a proxy to vote Common Shares directly at the Meeting as the proxy must be returned (or otherwise reported) as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted.**

There are two kinds of Beneficial Holders: (i) those who object to their name being made known to the issuers of securities which they own, known as objecting beneficial owners or "OBOs"; and (ii) those who do not object to their name being made known to the issuers of securities which they own, known as non-objecting beneficial owners or "NOBOs". The Corporation may utilize Broadridge QuickVote™ service to assist Beneficial Holders that are NOBOs with voting their Common Shares. Management of the Corporation does not intend to pay for intermediaries to forward to OBOs under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*. OBOs will not receive the materials unless the OBO's intermediary assumes the cost of delivery.

Although you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your broker (or agent of the broker), you may attend at the Meeting as proxyholder for the registered shareholder and vote Common Shares in that capacity. If you wish to attend the Meeting and indirectly vote your Common Shares as proxyholder for the registered shareholder, you should enter your own name in the blank space on the form of proxy provided to you and return the same to your broker (or the broker's agent) in accordance with the instructions provided by your broker (or agent), well in advance of the Meeting.

Revocability of Proxy

You may revoke your proxy at any time prior to the Meeting. If you or the person to whom you give your proxy attends personally at the Meeting you or such person may revoke the proxy and you may vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation. To be effective the instrument in writing must be deposited either at the registered office of the Corporation at any time prior to 4:30 p.m. (Calgary time) on the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting, or any adjournment or postponement thereof.

Persons Making the Solicitation

This solicitation is made on behalf of the management of the Corporation. The costs incurred in the preparation and mailing of the Instrument of Proxy, Notice of Special Meeting and this Information Circular will be borne by the Corporation. In addition to mailing Instruments of Proxy, proxies may be solicited by personal interviews, or by other means of communication, by directors, officers and employees of the Corporation, who will not be remunerated therefor. All costs incurred by the Corporation in soliciting proxies will be paid by the Corporation.

Exercise of Discretion by Proxy

The Common Shares represented by proxy in favour of management nominees will be voted or withheld from voting on any ballot at the Meeting. Where you specify a choice with respect to any matter to be acted upon, the Common Shares will be voted on any ballot in accordance with your instructions. **If you do not provide instructions your Common Shares will be voted in favour of the matters to be acted upon as set out in this Information Circular.** The persons appointed under the Instrument of Proxy which we have furnished are conferred with discretionary authority with respect to amendments or variations of those matters specified in the Instrument of Proxy and Notice of Special Meeting and with respect to any other matters which may properly be brought before the Meeting or any adjournment or postponement thereof. At the time of printing this Information Circular, we know of no such amendment, variation or other matter.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of class A preferred shares (the "**Class A Preferred Shares**"), issuable in series. As at September 30, 2019, there were 72,903,038 Common Shares and no Class A Preferred Shares issued and outstanding.

The holders of Common Shares are entitled to: (i) one (1) vote per share held at any meeting of shareholders of the Corporation; (ii) receive any dividend declared by the Corporation; and (iii) receive the remaining property of the Corporation upon dissolution.

Other than as stated below, to the knowledge of the directors and executive officers of the Corporation, as at the date hereof, no person or company beneficially owns or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to all of the issued and outstanding Common Shares.

<u>Name of Shareholder and Country of Residence</u>	<u>Common Shares Owned, Controlled or Directed</u>	<u>Percentage of the Outstanding Common Shares of the Corporation</u>
Liminar Energía S.A. ⁽¹⁾ Argentina	43,384,482	59.5%
William Wheeler ⁽²⁾ Canada	11,063,823	15.2%

Notes:

- (1) Pablo Peralta, a director of Crown Point, controls 30% of the voting shares of Liminar Energía S.A. ("**Liminar**"). The remaining voting shares of Liminar are controlled by Roberto Dominguez (30%), Nelpinar S.A. (30%) and Eipor S.A. (10%). The foregoing information is based on Liminar's public filings.
- (2) Texada Capital Management Ltd., a company controlled by William Wheeler, together with accounts owned jointly by Mr. Wheeler and his wife Eileen Wheeler and the Wheeler Family Foundation, an entity under the direction of Mr. Wheeler, own these Common Shares. The foregoing information is based on Texada Capital Management Ltd.'s public filings.

MATTERS TO BE ACTED UPON AT THE MEETING

Reduction of Stated Capital

Summary

At the Meeting, shareholders will be asked to approve a special resolution (the "**Special Resolution**") authorizing the Board to reduce the stated capital of the Common Shares by up to US\$0.185 per Common Share (up to approximately US\$13.5 million in aggregate) (the "**Stated Capital Reduction**"). If the Special Resolution is approved by shareholders at the Meeting, the Board will have the discretion to declare and pay a distribution of up to US\$0.185 per Common Share as a return of capital (the "**Special Distribution**", and together with the Stated Capital Reduction, the "**Return of Capital**"). A distribution by Return of Capital is expected to be generally more tax advantageous to shareholders than a dividend. See "*Certain Canadian Federal Income Tax Considerations*" below.

If the Special Resolution is approved and any requisite regulatory approvals are obtained, the Board will have the discretion to determine the timing and amount of any such Return of Capital (subject to the limitations set out in the Special Resolution). The Board will also have the discretion to determine not to proceed with the Return of Capital and to rescind the Special Resolution.

Background to and Reasons for the Stated Capital Reduction

In June 2018, the Corporation closed the acquisition of all of the outstanding shares of Apco Austral S.A. (subsequently renamed St. Patrick Oil & Gas S.A.) ("**St. Patrick**"). At the time, St. Patrick held 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**").

However, St. Patrick's joint venture partners each had a right of first refusal ("**ROFR**") to acquire their proportionate share of St. Patrick's participating interest in the TDF Concessions, and each joint venture partner ultimately exercised its ROFR. As a result, in April 2019, St. Patrick sold a 16.8251% participating interest in the TDF Concessions to its joint venture partners pursuant to the ROFRs for US\$17.5 million of cash consideration (US\$13.5 million plus a US\$4 million income tax gross up) plus certain contingent consideration (collectively, the "**Disposition**").

As a result of receiving the cash proceeds of the Disposition, the Company had working capital of approximately US\$18 million at June 30, 2019. In light of the Corporation's strong cash flows, this is expected to be considerably more working capital than the Corporation requires to fund its ongoing business operations for the foreseeable future.

Although the Company has been reviewing opportunities to redeploy its excess working capital in Argentina and is continuing to do so, the Board has determined to seek shareholder approval for a Return of Capital. If the shareholders approve the Special Resolution authorizing the Return of Capital, this will provide the Board with the flexibility to return capital to shareholders if the Board ultimately determines that doing so is in the best interests of the Corporation and its shareholders, whether because the Corporation is not able to identify business development opportunities in Argentina that meet its investment criteria or otherwise.

In light of the foregoing, on September 17, 2019, the Corporation announced that it intended to seek shareholder approval to reduce the stated capital of the Common Shares by up to US\$0.185 per Common Share to permit the Company to pay the Special Distribution to shareholders.

If the Special Resolution is approved and any requisite regulatory approvals are obtained, the Board will have the discretion to determine the timing and amount of any such Return of Capital (subject to the limitations set out in the Special Resolution). The Board will also have the discretion to determine not to proceed with the Return of Capital and to rescind the Special Resolution.

Details of the Special Resolution

At the Meeting, shareholders will be asked to consider and, if deemed advisable, approve the Special Resolution authorizing the Board to reduce the stated capital of the Common Shares by up to US\$0.185 per Common Share. The Special Resolution must be approved by a majority of not less than two-thirds (66 2/3%) of the votes cast by shareholders present in person or voting by proxy at the Meeting.

The *Business Corporations Act* (Alberta), the Corporation's governing statute, allows a corporation to reduce its stated capital provided there are no reasonable grounds for believing that (i) the corporation is, or would after the reduction be, unable to pay its liabilities as they become due, or (ii) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities. The Board has concluded that the Corporation satisfies these tests.

If the Special Resolution is approved and the Board subsequently determines to reduce the stated capital account maintained by the Corporation in respect of the Common Shares to the maximum extent authorized by shareholders, the stated capital account will be reduced by an amount equal to US\$0.185 per Common Share multiplied by the number of Common Shares issued and outstanding at the time. The maximum aggregate amount of the reduction of stated capital is expected to be US\$13,487,062, based on the 72,903,038 Common Shares issued and outstanding as at the date of this Information Circular and the Corporation's expectation that no additional Common Shares would be issued from treasury before any such Stated Capital Reduction occurs.

The stated capital account of the Common Shares is currently approximately CAD\$51.4 million. If the Special Resolution is approved by shareholders and the Board subsequently determines to reduce the stated capital account of the Common Shares by the maximum amount authorized by shareholders, the stated capital account of the Common Shares will be approximately CAD\$33.5 million (assuming (i) a US\$ / CAD\$ exchange rate at the time that the Stated Capital Reduction is implemented of US\$1.00 equals CAD\$1.3243, and (ii) that no additional Common Shares are issued prior to the date that the Stated Capital Reduction is implemented).

The text of the Special Resolution that shareholders will be asked to consider at the Meeting is set forth below.

"BE IT RESOLVED as a special resolution of the holders of common shares of Crown Point Energy Inc. ("**Crown Point**") that:

1. the board of directors of Crown Point (the "**Board**") be and is hereby authorized to reduce the stated capital account maintained by Crown Point in respect of its common shares pursuant to paragraph 38(1)(b) of the *Business Corporations Act* (Alberta) by an amount to be determined by the Board, in its sole discretion, such amount not to exceed US\$0.185 multiplied by the number of common shares issued and outstanding at the time that the Board makes any such determination (the "**Stated Capital Reduction**"), for the purpose of permitting a special distribution to be made to holders of common shares of up to US\$0.185 per common share as a return of capital (the "**Return of Capital**");
2. notwithstanding that this special resolution has been duly passed by the shareholders of Crown Point, the Board is authorized to determine at any time, in its sole discretion, not to proceed with the Stated Capital Reduction and the Return of Capital contemplated hereby and to revoke this special resolution, without further approval of the shareholders of the Corporation;
3. if the Board has not completed the Stated Capital Reduction and the Return of Capital authorized by this special resolution by the close of Crown Point's next annual general shareholder meeting, this special resolution will be deemed to have been revoked by the Board at such time without any further action on the part of, or the receipt of approval from, the Board or shareholders; and
4. any one or more directors or officers of Crown Point are hereby authorized to execute and deliver, whether under corporate seal or otherwise, all such agreements, instruments,

notices, consents, acknowledgements, certificates and other documents (including any documents required under applicable laws or regulatory policies), and to perform and do all such other acts and things, as any such director or officer in his or her discretion may consider to be necessary or advisable from time to time in order to give effect to this special resolution."

Unless otherwise directed, the persons named in the form of proxy accompanying this Information Circular intend to vote proxies in favour of the Special Resolution.

Payment of a Special Distribution

If the Special Resolution is approved by shareholders at the Meeting, the Board will be authorized to declare and pay the Special Distribution of up to US\$0.185 per Common Share on each outstanding Common Share if the Board determines, in its sole discretion, that it is in the best interests of the Corporation and its shareholders to do so, having regard to such factors as the Board considers appropriate in the circumstances, including the Corporation's working capital requirements and business development opportunities.

If the Board determines to reduce the stated capital of the Common Shares and make a Special Distribution, the Corporation will issue a news release announcing the details of the Special Distribution, including the amount of the distribution per Common Share and the record date, ex-distribution date and anticipated payment date.

Payment of any such Special Distribution is anticipated to be a return of capital. Any such distribution by return of capital is expected to be generally more tax advantageous to shareholders than a dividend. See "*Certain Canadian Federal Income Tax Considerations*" below.

Effect on Outstanding Options

The Corporation's Share Option Plan (the "**Plan**") provides that if the Corporation fixes a date (the "**record date**") for the determination of holders of Common Shares entitled to receive a distribution to all or substantially all of the holders of Common Shares of cash or other assets (other than a dividend in the ordinary course of business), the Board may, in its sole discretion, but for greater certainty is not required to, adjust the exercise price of any options to purchase Common Shares ("**Options**") outstanding on the record date for such distribution and make such amendments to any option agreements outstanding under the Plan to give effect thereto as the Board may, in its sole discretion, consider appropriate in the circumstances.

If a Return of Capital is ultimately made by the Corporation, subject to the receipt of applicable regulatory approvals (including approval of the TSX Venture Exchange) and, if required by the TSX Venture Exchange, shareholder approval, the Board will consider adjusting the exercise price of Options outstanding under the Plan on the record date to reflect the impact of the Return of Capital on Option holders.

Recommendation of the Board

The Board has unanimously determined that having shareholders provide the Board with the flexibility to reduce the stated capital of the Common Shares for the purposes of making a Return of Capital is in the best interests of the Corporation and unanimously recommends that shareholders vote in favour of the Special Resolution at the Meeting.

In reaching its determination and recommendation, the Board considered, among other things, the following factors:

- the approval of the Special Resolution would give the Board the flexibility to return excess working capital to shareholders on a timely basis if the Board is not able to identify business development opportunities in Argentina that meet its investment criteria or if the Board otherwise determines that it is in the best interests of the Corporation and shareholders to do so;
- the Board's determination, based on its review of information concerning the financial condition, results of operations, business plans and prospects of the Corporation, that if the Board were to proceed with the

maximum Return of Capital permitted by the Special Resolution, the Corporation's remaining working capital and anticipated future cash flows are expected to be sufficient to fund the Corporation's ongoing business operations for the foreseeable future;

- if the Board were to determine that returning capital to shareholders was the best use of the Corporation's excess working capital, the Return of Capital would provide an opportunity for all shareholders to share on a pro rata basis in a portion of the proceeds from the Disposition; and
- if the Board were to determine that returning capital to shareholders was the best use of the Corporation's excess working capital, any such Return of Capital is expected to be generally more tax advantageous to shareholders than a dividend.

The foregoing discussion of the information and factors considered by the Board is not intended to be exhaustive. In making its determinations and recommendations, the Board did not assign any relative or specific weights to the factors which were considered, and individual directors may have given different weights to different factors.

Certain Canadian Federal Income Tax Considerations

The following summary generally describes, as at the date of this Information Circular, the principal Canadian federal income tax considerations under the *Income Tax Act* (Canada) (the "**Tax Act**") in respect of the Return of Capital generally applicable to shareholders who, for the purposes of the Tax Act, deal at arm's length and are not affiliated with the Corporation and hold their Common Shares as capital property.

Generally, Common Shares will constitute capital property to a shareholder unless they are held in the course of carrying on a business of trading or dealing in Common Shares or otherwise as part of a business of buying and selling securities or such shareholder has acquired such Common Shares in a transaction or transactions considered to be an adventure or concern in the nature of trade. Shareholders who do not hold Common Shares as capital property should consult their own tax advisors regarding the Return of Capital in their particular circumstances.

This summary is not applicable to a shareholder (i) that is a "financial institution" for purposes of the mark-to-market provisions of the Tax Act, (ii) who has made an election under the functional currency rules in Section 261 of the Tax Act, (iii) an interest in which would be a "tax shelter investment" (as defined in the Tax Act), or (iv) who has entered into a "derivative forward agreement" (as defined in the Tax Act) in respect of their Common Shares, and any such shareholders should consult their own tax advisors with respect to the Canadian federal income tax considerations of the Return of Capital that are applicable to such shareholders.

This summary is based on the current provisions of the Tax Act and the published administrative practices and assessing policies of the Canada Revenue Agency (the "**CRA**") as of the date hereof, and also takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**"). However, no assurance can be given that the Tax Proposals will be enacted in their present form, if at all, or that changes to the CRA's administrative policies will not modify or change the statements expressed herein. Except for the Tax Proposals, this summary does not take into account or anticipate any changes in the law whether by legislative, regulatory, administrative or judicial action, nor does it take into account other federal tax legislation or provincial, territorial or foreign tax considerations, which may differ significantly from the Canadian federal income tax considerations described in this summary. No advance income tax ruling has been sought or obtained from the CRA to confirm the tax consequences of the Return of Capital to the shareholders.

This summary does not address tax matters of any jurisdiction outside of Canada and shareholders who are not resident in Canada under the laws of a country other than Canada, or who are citizens of a country other than Canada, or who otherwise may be subject to tax in a jurisdiction other than Canada, should consult their own tax advisors with respect to non-Canadian tax matters.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal, business or tax advice to any particular shareholder. No representations with respect to any tax consequences or considerations to any particular shareholder are made by virtue of this summary. This summary is not

exhaustive of all Canadian federal income tax considerations. The tax consequences and considerations to any particular shareholder will depend on a variety of factors, including the shareholder's own particular circumstances. Shareholders should consult their own tax advisors regarding the tax consequences and considerations applicable to them of the Return of Capital.

Treatment of the Return of Capital

Management has determined that the amount of the Return of Capital will be less than the "paid-up capital" ("PUC") of the Common Shares for purposes of the Tax Act. Subsection 84(4.1) of the Tax Act applies in certain circumstances to treat a return of capital by a public corporation (such as the Corporation) as a dividend. However, subsection 84(4.1) of the Tax Act does not apply to the Return of Capital, provided that (i) the Return of Capital can reasonably be considered to have been derived from proceeds of disposition realized by the Corporation (or by a person in which the Corporation had a direct or indirect interest at the time the proceeds were realized, such as St. Patrick) from a transaction (such as the Disposition) that occurred outside the ordinary course of the business of the Corporation (or St. Patrick) but within the period that commenced 24 months before the Return of Capital, and (ii) no other amount that may reasonably be considered to have derived from such proceeds was paid by the Corporation as a reduction of PUC prior to the Return of Capital. Therefore, the Return of Capital should be treated as a return of PUC (subject to the comments below concerning the reduction of the adjusted cost base of the Common Shares) and not as a deemed dividend pursuant to subsection 84(4.1) of the Tax Act.

Resident Shareholders

This portion of the summary is applicable to shareholders who, at all relevant times and for the purposes of the Tax Act, are or are deemed to be residents of Canada (each, a "**Resident Shareholder**").

The amount of the Return of Capital will be paid to Resident Shareholders by the Corporation as a single distribution on a reduction of the stated capital of the Common Shares by the Corporation, which will reduce the PUC of the Common Shares, for purposes of the Tax Act, by an equivalent amount. A Resident Shareholder that receives its pro-rata portion of the Return of Capital should not be considered to have received a dividend in respect of such distribution and such distribution should not be included in the income of the Resident Shareholder.

However, the amount received by a Resident Shareholder on the Return of Capital must be deducted in computing the adjusted cost base to a Resident Shareholder of such Resident Shareholder's Common Shares. If the amount so required to be deducted from the adjusted cost base of Common Shares to a particular Resident Shareholder exceeds the adjusted cost base of such Common Shares to such Resident Shareholder immediately before such deduction, the excess will be deemed to be a capital gain of such Resident Shareholder from a disposition of such Common Shares, and the adjusted cost base of the Common Shares will be restored to nil.

One-half of any capital gain realized by a Resident Shareholder in connection with the Return of Capital will be included in the Resident Shareholder's income for the year of such distribution as a taxable capital gain.

A Resident Shareholder that is throughout the year a Canadian-controlled private corporation (as defined in the Tax Act) may be liable to pay an additional refundable tax on certain investment income, including taxable capital gains.

A capital gain realized by a Resident Shareholder that is an individual, including a trust (other than certain specified trusts), may give rise to a liability for alternative minimum tax. Resident Shareholders to whom these rules may be relevant should consult their own tax advisors in this regard.

Non-Resident Shareholders

This portion of the summary is applicable to shareholders who, at all relevant times and for the purposes of the Tax Act, are not and are not deemed to be residents of Canada and do not use or hold, and are not deemed to use or hold, their Common Shares in connection with carrying on a business in Canada (each, a "**Non-Resident Shareholder**"). Special rules not discussed in this summary may apply to an insurer carrying on an insurance business in Canada or

to an authorized foreign bank that carries on a Canadian banking business. Any such holders should consult their own tax advisors.

The amount of the Return of Capital will be paid to Non-Resident Shareholders by the Corporation as a single distribution on a reduction of the stated capital of the Common Shares by the Corporation, which will reduce the PUC of the Common Shares, for purposes of the Tax Act, by an equivalent amount. The portion of the Return of Capital paid to a Non-Resident Shareholder should not be considered to be a dividend and such distribution should not be subject to Part XIII withholding tax under the Tax Act.

However, the amount received by a Non-Resident Shareholder on the Return of Capital must be deducted in computing the adjusted cost base to a Non-Resident Shareholder of such Non-Resident Shareholder's Common Shares. If the amount required to be deducted from the adjusted cost base of Common Shares to a particular Non-Resident Shareholder exceeds the adjusted cost base of such Common Shares to such Non-Resident Shareholder immediately before such deduction, the excess will be deemed to be a capital gain of such Non-Resident Shareholder from a disposition of such Common Shares, and the adjusted cost base of the Common Shares will be restored to nil.

A Non-Resident Shareholder will not be subject to Canadian income tax under the Tax Act on any capital gain realized on any deemed disposition of Common Shares that results from the Return of Capital unless such Common Shares are "taxable Canadian property" (as defined by the Tax Act) to the Non-Resident Shareholder. Provided that the Common Shares are listed on a "designated stock exchange" (as defined in the Tax Act), which currently includes the TSX Venture Exchange, at the time of the Return of Capital, the Common Shares generally will not be taxable Canadian property to the Non-Resident Shareholder unless:

- (a) at any time during the 60-month period immediately preceding the Return of Capital, (i) the Non-Resident Shareholder and/or persons with whom the Non-Resident Shareholder did not deal at arm's length, held 25% or more of the issued shares of any class of the Corporation's capital stock, and (ii) more than 50% of the fair market value of the Common Shares was derived from real or immovable property situated in Canada, Canadian resource properties, timber resource properties, or options in respect of, or interests in (or for civil law purposes, rights in) such property; or
- (b) the Common Shares were acquired by the Non-Resident Shareholder in a transaction in which the Tax Act deemed the Common Shares to be taxable Canadian property.

Where Common Shares represent taxable Canadian property to a Non-Resident Shareholder, any capital gains realized on any deemed disposition of the Common Shares resulting from the Return of Capital will be subject to taxation in Canada, except as otherwise provided in any tax treaty between Canada and the country in which the Non-Resident Shareholder is resident.

A Non-Resident Shareholder whose Common Shares are or may be taxable Canadian property should consult their own tax advisor regarding the tax consequences and considerations applicable to them of the Return of Capital.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except:

- (i) as described below;
- (ii) as disclosed in Note 24 (Related Party Transactions) to the Corporation's audited consolidated financial statements for the years ended December 31, 2018 and 2017 (the "**2018 Financial Statements**");
- (iii) as disclosed under the heading "Related Party Transactions" in the Corporation's management's discussion and analysis of the consolidated financial results of the Corporation as at and for the three months and year ended December 31, 2018 (the "**2018 MD&A**");

- (iv) as disclosed in Note 15 (Related Party Transactions) to the Corporation's unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2019 (the "**2019 Q2 Financial Statements**"); and
- (v) as disclosed under the heading "Related Party Transactions" in the Corporation's management's discussion and analysis of the consolidated financial results of the Corporation as at and for the three and six months ended June 30, 2019 (the "**2019 Q2 MD&A**");

there were no material interests, direct or indirect, of any Informed Persons (as defined in National Instrument 51-102) of the Corporation, any proposed director, or any known associate or affiliate of such persons, in any transaction since the commencement of the last completed financial year of the Corporation or in any proposed transaction which has materially affected or would materially affect the Corporation or any of the Corporation's subsidiaries.

On May 23, 2018, the Corporation closed a short form prospectus rights offering that was partially backstopped by Liminar pursuant to an amended and restated standby purchase agreement dated April 6, 2018 entered into between Liminar and the Corporation. Liminar acquired 26,666,667 Common Shares pursuant to the rights offering and the standby purchase agreement, with the result that it now owns approximately 59.5% of the Corporation's issued and outstanding Common Shares. Pablo Peralta, a director of Crown Point, controls 30% of the voting shares of Liminar and is the President of Liminar.

Note 24 to the 2018 Financial Statements, the disclosure under the heading "Related Party Transactions" in the 2018 MD&A, Note 15 to the 2019 Q2 Financial Statements, and the disclosure under the heading "Related Party Transactions" in the 2019 Q2 MD&A are each incorporated by reference herein. The 2018 Financial Statements, the 2018 MD&A, the 2019 Q2 Financial Statements and the 2019 Q2 MD&A have each been filed on SEDAR under the Corporation's profile at www.sedar.com. Upon request, the Corporation will promptly provide a copy of such documents free of charge to a shareholder of the Corporation.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Corporation at any time since the beginning of our last financial year, or of any associate or affiliate of any of the foregoing persons, in respect of any matter to be acted on at the Meeting, other than as set forth below:

1. Such individuals may own, control or direct, directly or indirectly, Common Shares that would entitle them to receive their pro rata share of any Return of Capital distributed to shareholders. As of the date hereof, the directors and executive officers of the Corporation and their associates and affiliates own, control or direct, directly or indirectly, approximately 60.1% of the outstanding Common Shares.
2. Such individuals may own Options to purchase Common Shares. As indicated above, if a Return of Capital is ultimately made by the Corporation, subject to the receipt of applicable regulatory and shareholder approvals, the Board will consider adjusting the exercise price of Options outstanding under the Plan on the record date to reflect the impact of the Return of Capital on Option holders. As of the date hereof, the directors and executive officers of the Corporation own Options to purchase a total of 2,100,000 Common Shares which are exercisable at a price of \$0.75 (Canadian) per Common Share.

OTHER MATTERS

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Special Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person voting the proxy.

ADDITIONAL INFORMATION

Financial information in respect of the Corporation is contained in the audited financial statements and management's discussion and analysis of the Corporation for the years ended December 31, 2018 and December 31, 2017.

Additional information relating to the Company, including the documents noted in the preceding paragraph, may be found on SEDAR at www.sedar.com. Shareholders of the Corporation may contact the Corporation to request a copy of our financial statements and management's discussion and analysis at:

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