



ANNUAL INFORMATION FORM

For the year ended December 31, 2019

Dated: April 27, 2020

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ABBREVIATIONS

Crude Oil and Natural Gas Liquids

Bbl	barrel
Bbls	barrels
Bbls/d	barrels per day
bopd	barrels of oil per day
Mbbl	thousand barrels
NGLs	natural gas liquids
BOE	barrels of oil equivalent, on the basis of 1 BOE for 6 Mcf of natural gas

Natural Gas

Mcf	thousand cubic feet
Mcf/d	thousand cubic feet per day
MMcf	million cubic feet
Bcf	Billion cubic feet
Bcf/d	billion cubic feet per day
Tcf	trillion cubic feet

Other

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 conversions between Standard Imperial units and 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
Bbl	m ³	0.159
m ³	Bbl	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 AIF (including the Appendices hereto):

"**2nd Macro Working Capital Loan**" has the meaning ascribed to such term under the heading "*General Development of the Business – Three Year History – Debt Financings*";

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

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

"**Acquisition**" has the meaning ascribed to such term under the heading "*General Development of the Business – Three Year History – Acquisition of SPOG and Subsequent ROFR Sales*";

"**Acquisition Agreements**" has the meaning ascribed to such term under the heading "*Interests of Management and Others in Material Transactions*";

"**Acquisition Loan**" has the meaning ascribed to such term under the heading "*General Development of the Business – Three Year History – Debt Financings*";

"**AIF**" means this annual information form, including the Appendices hereto and the documents incorporated by reference herein (if any);

"**Banco Saenz Overdraft**" has the meaning ascribed to such term under the heading "*General Development of the Business – Three Year History – Debt Financings*";

"**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;

"**Bridge Loan**" has the meaning ascribed to such term under the heading "*General Development of the Business – Three Year History – Debt Financings*";

"**BST**" has the meaning ascribed to such term under the heading "*Interests of Management and Others in Material Transactions*";

"**BST Commitment Letter**" has the meaning ascribed to such term under the heading "*Interests of Management and Others in Material Transactions*";

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

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

"**CMS Working Capital Loan**" has the meaning ascribed to such term under the heading "*General Development of the Business – Three Year History – Debt Financings*";

"**COGE Handbook**" means the "Canadian Oil and Gas Evaluation Handbook" prepared by the Society of Petroleum Evaluation Engineers (Calgary Chapter), as amended from time to time;

"**Common Shares**" means the common shares in the capital of Crown Point after giving effect to the Consolidation;

"**Consolidation**" means the consolidation of the Common Shares on the basis of a consolidation ratio of 10 pre-consolidation Common Shares to one post-consolidation Common Share effective December 31, 2017;

"**Corporation**", "**Crown Point**" or "**Company**" means Crown Point Energy Inc., and where the context permits or requires, includes Crown Point's wholly-owned subsidiaries and/or their predecessors at the relevant time;

"**GCA**" means Gaffney, Cline & Associates Limited;

"**GHGs**" means greenhouse gases;

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

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

"**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;

"**Las Violetas Concession**" means Crown Point's exploitation concession in the Las 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;

"**Macro Working Capital Loan**" has the meaning ascribed to such term under the heading "*General Development of the Business – Three Year History – Debt Financings*";

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

"**OPEC**" means the Organization of the Petroleum Exporting Countries;

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

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

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

"**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;

"**ROFR**" has the meaning ascribed to such term under the heading "*General Development of the Business – Three Year History – Acquisition of SPOG and Subsequent ROFR Sales*";

"**ROFR PSA**" has the meaning ascribed to such term under the heading "*General Development of the Business – Three Year History – Acquisition of SPOG and Subsequent ROFR Sales*";

"**ROFR Sales**" has the meaning ascribed to such term under the heading "*General Development of the Business – Three Year History – Acquisition of SPOG and Subsequent ROFR Sales*";

"**Royalty Agreement**" has the meaning ascribed to such term under the heading "*General Development of the Business – Three Year History – Acquisition of SPOG and Subsequent ROFR Sales*";

"**Royalty Period**" has the meaning ascribed to such term under the heading "*General Development of the Business – Three Year History – Acquisition of SPOG and Subsequent ROFR Sales*";

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

"**SPOG**" means St. Patrick Oil & Gas S.A. (formerly Apco Austral S.A.), a wholly-owned subsidiary of Crown Point;

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

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

"**UTE Agreement**" has the meaning ascribed to such term under the heading "*General Development of the Business – Three Year History – Acquisition of SPOG and Subsequent ROFR Sales*";

"**UTE Partner**" has the meaning ascribed to such term under the heading "*General Development of the Business – Three Year History – Acquisition of SPOG and Subsequent ROFR Sales*";

"**Vendor**" has the meaning ascribed to such term under the heading "*General Development of the Business – Three Year History – Acquisition of SPOG and Subsequent ROFR Sales*";

"**Working Capital Loan**" has the meaning ascribed to such term under the heading "*General Development of the Business – Three Year History – Debt Financings*"; and

"**YPF**" means YPF S.A., an energy company that operates in the oil and gas upstream and downstream business in Argentina.

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, including the Appendices hereto, unless otherwise noted, all dollar amounts are expressed in United States dollars and references to "\$" and "US\$" are to United States dollars, references to "MUS\$" are to thousands of United States dollars, and references to "MMUS\$" are to millions of United States dollars. References to "CDN\$" are to Canadian dollars and references to "ARSS\$" 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.

Effective December 31, 2017, the Company amended its Articles of Incorporation to consolidate the Company's Common Shares on the basis of a Consolidation ratio of 10 pre-Consolidation Common Shares to one post-Consolidation Common Share. The Consolidation has been retroactively applied throughout this AIF.

Unless otherwise specified, information in this AIF is presented as at December 31, 2019, being the end of the Corporation's most recently completed financial year.

FORWARD-LOOKING STATEMENTS

This AIF and the Appendices hereto 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", "budget" 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 Appendices hereto 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 and the Appendices hereto contains forward-looking information pertaining to, among other things: Crown Point's business strategy and focus and certain planned future operations of the Corporation in furtherance of the Corporation's business strategy and focus; the amount of the contingent royalty payment; the belief of management that the Corporation will be able to compete successfully with local and foreign competitors in Argentina; the Corporation's dividend program; expectation that Argentina will only need to import natural gas in the winter; the expected timing for government subsidization of natural gas to be eliminated; impact of regulations on the Corporation's business; the impact on the oil and gas industry and the Company from economic or other policies implemented by President Fernández and his Government; the required investment and work commitments in the Tierra del Fuego Concessions; the required investment and work commitments for the Cerro de Los Leones Permit; net acres of expiring unproved properties in 2020; expected timing for workover on LF-1029; the estimated completion date for the repairs on the YPF offshore loading buoy; estimated capital expenditures for fiscal 2020, the allocation of such capital expenditures between our Tierra del Fuego Concessions and CLL Permit and the operational activities that we expect to complete during fiscal 2020; the estimates of our future revenues, royalties, operating costs, development costs, abandonment and reclamation costs, income taxes, and future net revenues (before and after income taxes) attributable to our reserves and the estimates of future commodity prices and inflation rates in Argentina; the estimated timeline for developing our undeveloped reserves; the estimated future development costs associated with our reserves, including the expectation that funds for future development costs will be obtained from internally-generated cash flow and debt and/or equity financing and that the costs of obtaining such funding will not have a material effect on the reserves or future net revenues disclosed herein or the development thereof; our estimate regarding the future taxability of the Corporation; our future production estimates; and certain regulatory changes in Argentina and the potential effects on the Corporation and its business. In addition, information relating to reserves is deemed to be forward-looking information, as it involves the implied assessment, based on certain estimates and assumptions, that the reserves described can be economically produced in the future. 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;
- the impact of pandemics and epidemics;
- 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 (or hyperinflation), 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 and changes in provincial and federal governments;
- 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 and the repercussions of failing to do so;
- 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 enforcement of civil liabilities in Argentina;
- 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;
- 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;
- risks associated with social media;
- reputational risk associated with the Corporation's operations;
- changing investor sentiment in the oil and gas industry; 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 (and the duration thereof) that the COVID-19 (coronavirus) pandemic will have on (i) the demand for crude oil, NGLs and natural gas, (ii) the Corporation's supply chain, including Crown Point's ability to obtain the equipment and services it requires, and (iii) Crown Point's ability to produce, transport and/or sell its crude oil, NGLs and natural gas; the ability of OPEC+ nations and other major producers of crude oil to reduce crude oil production and thereby arrest and reverse the steep decline in world crude oil prices; when the Company will be able to resume shipments of crude oil via the offshore loading facilities at Cruz del Sur and via truck

to Enap and as a result restart production at the San Martin field; 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 continued suspension of the Company's quarterly dividend for the foreseeable future; the regulatory framework regarding royalties, taxes and environmental matters in Argentina; 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. Forward-looking information contained herein 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. Additionally, such rates may also include recovered "load oil" fluids used in well completion stimulation. While encouraging, readers are cautioned not to place reliance on such 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. Effective December 31, 2017, the Corporation amended its Articles of Incorporation to effect the Consolidation of the Common Shares on the basis of 10 pre-Consolidation Common Shares for one post-Consolidation Common Share.

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 Godoy Cruz 2769, 4th floor, C1425FQK Ciudad Autónoma de Buenos Aires, Argentina.

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 December 31, 2019:

	<u>Percentage of securities held (directly or indirectly)</u>	<u>Jurisdiction of Formation</u>
Crown Point Energía S.A.	100%	Argentina
St. Patrick Oil & Gas S.A. (formerly Apco Austral 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, 2017, 2018 and 2019 and during fiscal 2020 to the date of this AIF, with particular emphasis on events or conditions that have influenced the general development of the business.

Acquisition of SPOG and Subsequent ROFR Sales

In June 2018, Crown Point acquired all of the securities of SPOG (the "**Acquisition**") from a third party (the "**Vendor**") for US\$28.4 million of cash consideration plus up to US\$9 million of contingent royalty payments pursuant to a royalty agreement (the "**Royalty Agreement**") during a ten-year period commencing on January 1, 2018 (the "**Royalty Period**"). In addition, Crown Point paid US\$4.4 million of withholding taxes to Argentine tax authorities in connection with the Acquisition. Under the terms of the Royalty Agreement, the Company makes quarterly payments equal to 10% of the amount by which net revenue (oil and gas revenue less provincial royalties) received by SPOG from its participating interest in the TDF Concessions for the quarter exceeds certain base net revenue thresholds for such quarter. When the Acquisition was completed, SPOG held a 25.7796% participating interest in the TDF Concessions. Following the completion of the Acquisition, Crown Point and its subsidiaries collectively held a 51.56% participating interest in the TDF Concessions. The Acquisition doubled Crown Point's reserves and production.

Pursuant to the Joint Operating and Union Transitoria de Empresas Agreement governing the TDF Concessions (the "**UTE Agreement**"), SPOG's partners in the TDF Concessions (each an "**UTE Partner**") had a right of first refusal ("**ROFR**") to acquire SPOG's participating interest in the TDF Concessions. One of the UTE Partners disputed the validity of the ROFR notices issued to the UTE Partners and, among other things, commenced arbitration proceedings against SPOG and the Vendor under the UTE Agreement in order to have an arbitration tribunal consider and rule on the dispute. In December 2018, the arbitration tribunal ordered SPOG and the Vendor to comply with the provisions of the UTE Agreement that grant the ROFR to acquire SPOG's participating interest in the TDF Concessions to the other UTE Partners. In compliance with the arbitration tribunal's decision, SPOG and the Vendor subsequently provided notice to the UTE Partners of the indirect transfer of SPOG's participating interest in the TDF Concessions that resulted from Crown Point's acquisition of SPOG. All of SPOG's UTE Partners subsequently exercised their ROFRs to acquire their proportionate share of SPOG's participating interest in the TDF Concessions.

In April 2019, SPOG entered into a purchase and sale agreement with its UTE Partners (the "**ROFR PSA**") to sell them, in aggregate, a 16.8251% participating interest in the TDF Concessions (collectively, the "**ROFR Sales**") for (i) US\$13.5 million in cash (free and clear of any deduction, discounts, withholdings and any applicable taxes, other

than any stamp taxes that apply, which are to be shared equally between SPOG and the UTE Partners, and other than any applicable taxes arising from any amount payable on account of the contingent consideration payable), plus (ii) certain contingent consideration. The contingent consideration will be (x) equal to 65.2651% of all royalties accrued under the Royalty Agreement from the closing date of the ROFR Sales until the end of the Royalty Period, and (y) capped at US\$5,873,859 less 65.2651% of all royalties paid or payable by SPOG under the Royalty Agreement up to the closing date of the ROFR Sales. The ROFR Sales closed on April 26, 2019. Following the completion of the ROFR Sales, Crown Point's participating interest in the TDF Concessions decreased from 51.56% to 34.7349%.

Equity Financings

Circular Rights Offering

On October 23, 2017, Crown Point completed a rights offering (the "**Circular Rights Offering**") pursuant to which it issued 16,451,522 Common Shares at a price of US\$0.25 per Common Share for gross proceeds of US\$4,112,880. Following the closing of the Circular Rights Offering, Crown Point had 32,903,044 Common Shares issued and outstanding. Liminar acquired an aggregate of 10,717,815 Common Shares in connection with the Circular Rights Offering pursuant to its stand-by commitment. Following closing of the Circular Rights Offering, Liminar owned an aggregate of 16,717,815 Common Shares, which represented approximately 50.8% of the then issued and outstanding Common Shares.

Prospectus Rights Offering

On May 23, 2018, Crown Point completed a rights offering (the "**Prospectus Rights Offering**") pursuant to which it issued 40,000,000 Common Shares at a price of US\$0.30 per Common Share for gross proceeds of US\$12 million. Following the closing of the Prospectus Rights Offering, Crown Point had 72,903,038 Common Shares issued and outstanding. Liminar acquired an aggregate of 26,666,667 Common Shares in connection with the Prospectus Rights Offering pursuant to its stand-by commitment. Following closing of the Prospectus Rights Offering, Liminar owned an aggregate of 43,384,482 Common Shares, which represented approximately 59.5% of the then issued and outstanding Common Shares. The Company used the net proceeds of the Prospectus Rights Offering to fund a portion of the purchase price for the Acquisition of SPOG.

Debt Financings

On June 30, 2015, the Corporation obtained an ARS\$50 million loan facility with HSBC Bank Argentina S.A. Amounts advanced under the facility bore 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 was 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 was 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 was secured by a USD denominated GIC on deposit with a major Canadian financial institution. In April 2018, the Company repaid the balance owing under this loan facility in full and the balance of the GICs on deposit as security were released to the Company following the loan repayment.

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 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. After negotiations with Banco Industrial, the loan was repaid in two installments on December 26, 2017 (US\$438,962) and on January 19, 2018 (US\$461,036).

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.

On June 7, 2018, the Company obtained a US\$2.9 million loan facility from Banco Hipotecario (the "**Acquisition Loan**"). The Acquisition Loan was secured against certain accounts receivable to a maximum of US\$2.9 million that were applied against the loan when collected. The Acquisition Loan bore interest at a rate of 8% per annum, calculated and paid monthly, and was repaid in November and December 2018. The Acquisition Loan proceeds were used to pay a portion of the purchase price for the Acquisition of SPOG. Personal loan guarantees were provided by two individuals. See "*Interests of Management and Others in Material Transactions*".

On June 7, 2018, the Company obtained a US\$7.5 million bridge loan facility from Banco Macro (the "**Bridge Loan**"). The Bridge Loan was secured against certain accounts receivable to a maximum of US\$3.0 million that were applied against the loan when collected. The Bridge Loan bore interest at a rate of 8% per annum, calculated and paid monthly, and was repaid in one installment on June 27, 2018. The Bridge Loan proceeds were used to pay a portion of the purchase price for the Acquisition of SPOG. Personal loan guarantees were provided by two individuals. See "*Interests of Management and Others in Material Transactions*".

On June 19, 2018, the Company obtained a US\$1.1 million loan facility from Banco Hipotecario (the "**Working Capital Loan**"). The Working Capital Loan bore interest at a rate of 8% per annum, calculated and paid monthly, and was repaid in one installment on December 19, 2018. Personal loan guarantees were provided by two individuals. See "*Interests of Management and Others in Material Transactions*".

On July 12, 2018, the Company obtained an ARS\$13 million (US\$0.5 million) working capital loan from CMS de Argentina S.A. (the "**CMS Working Capital Loan**"). The CMS Working Capital Loan bore interest at a rate of 63% per annum, calculated and paid monthly, and was repaid in one installment on August 31, 2018.

On July 27, 2018, the Company obtained a US\$2 million loan facility from Banco Macro (the "**Macro Working Capital Loan**") secured by certain of the Company's accounts receivable to a maximum of US\$2 million applied against the loan when collected. The Macro Working Capital Loan bore interest at a rate of 7% per annum from the disbursement date to August 24, 2018 and at a rate of 10.5% per annum from August 24, 2018 to the date of repayment, calculated and paid monthly. The Macro Working Capital Loan was repaid in two installments of US\$1.2 million on September 4, 2018 and US\$0.8 million on September 17, 2018. Personal loan guarantees were provided by two individuals. See "*Interests of Management and Others in Material Transactions*".

On August 30, 2018, the Company obtained an ARS\$13 million (US\$0.3 million) overdraft agreement with Banco Saenz (the "**Banco Saenz Overdraft**"). The Banco Saenz Overdraft bore interest at a rate of 65% per annum, calculated and paid monthly, and was repaid in one installment on September 26, 2018. A loan guarantee was provided by ST Inversiones S.A. See "*Interests of Management and Others in Material Transactions*".

On October 11, 2018, the Company obtained an ARS\$13 million (US\$0.3 million) overdraft agreement with Banco Saenz. The overdraft bore interest at a rate of 85% per annum, calculated and paid monthly, and was repaid in one installment on October 30, 2018.

On December 7, 2018, the Company obtained a US\$1.7 million loan facility from Banco Macro (the "**2nd Macro Working Capital Loan**") secured by certain of the Company's accounts receivable to a maximum of US\$1.7 million applied against the loan when collected. The 2nd Macro Working Capital Loan bore interest at a rate of 6.75% per annum, calculated and paid monthly, and was repayable on or before February 5, 2019. The loan was repaid on January 10, 2019. Personal loan guarantees were provided by two individuals. See "*Interests of Management and Others in Material Transactions*".

Common Share Consolidation

Crown Point filed articles of amendment on December 31, 2017 to effect the Consolidation of the Common Shares on the basis of a Consolidation ratio of 10 pre-Consolidation Common Shares to one post-Consolidation Common Share. Prior to the Consolidation, the Corporation had 329,030,044 Common Shares issued and outstanding. After giving effect to the Consolidation and rounding of fractional Common Shares, the Company had 32,903,038 Common Shares issued and outstanding.

Board and Management Changes

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.

Dividends and Distributions

In June 2019, the Board adopted a quarterly dividend policy. On July 15, 2019, the Company paid its first quarterly dividend in respect of Q2 2019 in the amount of US\$0.01 per Common Share. On September 30, 2019, the Company paid a regular quarterly dividend in respect of Q3 2019 in the amount of US\$0.01 per Common Share and a special dividend in the amount of US\$0.015 per Common Share. The regular quarterly dividends and the special dividend were each designated as an "eligible dividend" for Canadian income tax purposes.

In December 2019, Crown Point reduced the stated capital of the Common Shares in order to permit the Company to pay a special distribution to shareholders by way of return of capital. A special distribution in the amount of US\$0.185 per Common Share (approximately US\$13.5 million in total) was paid on December 9, 2019. The special distribution was funded from the Company's then existing cash reserves, the majority of which was derived from the ROFR Sales.

In light of the return of capital, the Board determined not to declare a Q4 2019 dividend on the Common Shares and suspended quarterly dividend payments until further notice.

Significant Acquisitions

Crown Point did not complete any acquisitions during the financial year ended December 31, 2019 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 the Province of Tierra del Fuego 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. Currently, the Corporation's production is derived entirely from its participating interest in the TDF Concessions where an active development and exploration program is in place to expand the Corporation's reserves and production.

Crown Point is also conducting an exploration program in its 100% interest in the Cerro de Los Leones Permit in the Province of Mendoza, an area surrounded by several large conventional oil pools.

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, 2019, the Corporation had fourteen full-time employees. As of the date of this AIF, the Corporation had fifteen 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* attached hereto as Appendix "A", 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 attached hereto as Appendix "A-1", and the Corporation's Form 51-101F3 – *Report of Management and Directors on Reserves Data and Other Information* in respect thereof attached hereto as Appendix "A-2", in each case as at and for the year ended December 31, 2019.

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 72,903,038 Common Shares and no Preferred Shares issued and outstanding.

There are also 2,175,000 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 information circular for its most recent annual meeting of shareholders that involved the election of directors, 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

Prior to June 2019, Crown Point had not declared or paid any cash dividends on the Common Shares in the prior three financial years. On June 10, 2019, the Board declared its first quarterly dividend, and second and third quarter dividends were subsequently paid in July 2019 and September 2019. The Board also declared a special dividend that was paid in September 2019. The regular quarterly dividends and special dividend were each designated as an "eligible dividend" for Canadian income tax purposes.

In December 2019, Crown Point reduced the stated capital of the Common Shares in order to permit the Company to pay a special distribution to shareholders by way of return of capital. In light of the return of capital, the Board determined not to declare a Q4 2019 dividend on the Common Shares and suspended quarterly dividend payments until further notice.

The following table discloses the amount of cash dividends or distributions declared per Common Share for each of the three most recently completed financial years:

Nature of Payment	Payment Date	Amount per Common Share
Regular Dividend	July 15, 2019	US\$0.01
Regular Dividend	September 30, 2019	US\$0.01
Special Dividend	September 30, 2019	US\$0.015
Return of Capital	December 9, 2019	US\$0.185

The amount of future cash dividends declared and paid by Crown Point, if any, will be subject to the discretion of the Board and may vary depending on a variety of factors and conditions existing from time to time, including fluctuations in commodity prices, production levels, capital expenditure requirements, debt service requirements, operating costs, royalty burdens, foreign exchange rates, interest rates, compliance with any restrictions on the declaration and payment of dividends contained in any agreements to which Crown Point or any of its subsidiaries is a party from time to time (including, without limitation, the agreements governing the credit facilities and other debt instruments of Crown Point and its subsidiaries from time to time), and the satisfaction of liquidity and solvency tests imposed by the ABCA for the declaration and payment of dividends.

MARKET FOR SECURITIES

Trading Price and Volume

The outstanding Common Shares are listed and posted for trading on the TSXV under the trading symbol "CWV". The following table sets forth the closing price range and trading volume of the Common Shares as reported by the TSXV for the periods indicated.

Date	High (CDN\$)	Low (CDN\$)	Trading Volume
2019			
January	0.66	0.40	45,252
February	0.60	0.30	508,761
March	0.76	0.52	347,357
April	0.63	0.55	54,408
May	0.59	0.53	68,759
June	0.76	0.52	284,225
July	0.71	0.58	15,796
August	0.62	0.50	99,178
September	0.80	0.52	344,331
October	0.75	0.67	42,865
November	0.80	0.70	39,970
December	0.75	0.55	72,394

Date	High (CDN\$)	Low (CDN\$)	Trading Volume
2020			
January	0.60	0.47	221,891
February	0.50	0.38	115,253
March	0.38	0.17	150,333
April (1 – 24)	0.35	0.17	260,689

ESCROWED SECURITIES

To the Company's knowledge, there are no securities of the Company currently held in escrow, subject to a pooling agreement, or subject to a contractual restriction on transfer.

DIRECTORS AND OFFICERS

The names, province or state and country of residence, positions with the Corporation and principal occupations during the five preceding years 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. See "*Interests of Management and Others in Material Transactions*".

Name and Residence	Director Since	Position Held	Principal Occupation for Past Five Years
Gordon Kettleon ⁽¹⁾⁽²⁾ British Columbia, Canada	December 2001	Non-Executive Chairman and Director	Chief Executive Officer of Interwest Petroleum Ltd. since 2001.
Dr. Brian J. Moss Alberta, Canada	From May 2012 to April 2015 Since December 2017	President, Chief Executive Officer and Director	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.
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.

Name and Residence	Director Since	Position Held	Principal Occupation for Past Five Years
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 2009), 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.
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) since September 2009. 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 43,812,415 Common Shares, or approximately 60.1% 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.

Mr. Keith Turnbull, a director of Crown Point, was formerly a director of Bellatrix Exploration Ltd. ("**Bellatrix**"), a public oil and gas company headquartered in Calgary, Alberta. Mr. Turnbull resigned as a director of Bellatrix on June 3, 2019. On October 2, 2019, Bellatrix filed for creditor protection under the Companies Creditors' Arrangement Act and on November 8, 2019 its common shares were de-listed from the Toronto Stock Exchange.

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 "*Interests of Management and Others in Material Transactions*", "*Risk Factors – Controlling Shareholder*" and "*Risk Factors – Conflicts of Interest*".

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Other than as set forth herein under "*General Development of the Business – Three Year History – Acquisition of SPOG and Subsequent ROFR Sales*", 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.

Crown Point and Liminar are parties to an investment agreement dated November 16, 2014, as amended and restated on December 19, 2014 (the "**Investment Agreement**"), pursuant to which, among other things, subject to all applicable legal and regulatory requirements, Liminar has the right to have two representatives serve on the Board of Crown Point as long as it owns or controls 10% or more of the issued and outstanding Common Shares. Messrs. Pablo Peralta and Gabriel Obrador are currently Liminar's nominees on the Board. Mr. Peralta is a director of the Corporation and is the President of Liminar and controls 30% of the voting shares of Liminar. Liminar has agreed that during the period of time that it is entitled to have a representative serve on the Board, the Board will be comprised of at least a majority of directors who are independent of management and of Liminar and its affiliates. Liminar has agreed that if it wishes to sell any Common Shares, it will cooperate with Crown Point to ensure an orderly market for the sale of such Common Shares, provided however that nothing will preclude Liminar from selling Common Shares through pre-arranged "block trades".

On October 23, 2017, Crown Point completed the Circular Rights Offering pursuant to which it issued 16,451,522 Common Shares at a price of US\$0.25 per Common Share for gross proceeds of approximately US\$4,112,881. In connection with the Circular Rights Offering, Crown Point and Liminar entered into a standby purchase 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 10,717,815 Common Shares pursuant to the standby purchase agreement for gross proceeds of approximately US\$2,679,454. Following closing of the Circular Rights Offering, Liminar owned an aggregate of 16,717,815 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 – Circular Rights Offering*" for further details.

On November 22, 2017, Crown Point announced that it had entered into acquisition agreements (the "**Acquisition Agreements**") with the Vendor pursuant to which it agreed to acquire all of the issued and outstanding securities of SPOG from the Vendor for a purchase price of US\$28.4 million. Crown Point also agreed to make certain contingent royalty payments to the Vendor, which royalty payments are capped at a maximum payment of US\$9 million. Liminar was a party to the Acquisition Agreements for the sole purpose of guaranteeing all of Crown Point's payment obligations thereunder. Liminar received a fee of US\$216,131 for its guarantee of the Company's payment obligations under the Acquisition Agreements. See "*General Development of the Business – Three Year History – Acquisition of SPOG and Subsequent ROFR Sales*" for further details.

On May 23, 2018, Crown Point completed the Prospectus Rights Offering pursuant to which it issued 40,000,000 Common Shares at a price of US\$0.30 per Common Share for gross proceeds of US\$12 million. In connection with the Prospectus Rights Offering, Crown Point and Liminar entered into a standby purchase agreement (the "**Prospectus Standby Agreement**") pursuant to which Liminar agreed to fully exercise its basic subscription privilege and partially exercise its additional subscription privilege to the extent necessary to subscribe for not less than the minimum offering. Liminar acquired an aggregate of 26,666,667 Common Shares pursuant to the Prospectus Standby Agreement for gross proceeds of US\$8 million. Following closing of the Prospectus Rights Offering, Liminar owned an aggregate of 43,384,482 Common Shares, which represented approximately 59.5% of the then issued and outstanding Common Shares. See "*General Development of the Business – Three Year History – Equity Financings – Prospectus Rights Offering*" for further details.

In connection with the Prospectus Rights Offering, Banco de Servicios y Transacciones S.A. ("**BST**"), a related party of the Company, provided a commitment letter (the "**BST Commitment Letter**") to the Company confirming that up to US\$14 million would be available to the Company under a new credit facility provided by BST and/or one or more lenders sourced by BST for the purposes of funding a portion of the purchase price for the Acquisition. Mr. Pablo Peralta, a director of Crown Point, owns (directly or indirectly) approximately 32% of the equity securities of BST and is a director and officer of BST. Mr. Peralta is also the President and a director of Liminar, and controls 30% of the voting shares of Liminar. Additionally, Mr. Roberto Dominguez, an individual who controls 30% of the voting shares of Liminar, also owns (directly or indirectly) approximately 32% of the equity securities of BST and is a director and officer of BST. The Company subsequently obtained the Acquisition Loan, the Bridge Loan, the Working Capital Loan and the Macro Working Capital Loan pursuant to the BST Commitment Letter.

Energía y Soluciones S.A., a company controlled by Gabriel Obrador, who is a director of the Company, owns a 1.46% overriding royalty on revenue earned from the CLL Permit. As of December 31, 2019, no revenue has been earned from the CLL Permit.

During 2019, the TDF UTE (of which the Company is a member) sold a portion of natural gas production to Energía y Soluciones S.A., a company controlled by Gabriel Obrador, who is a director of the Company, for which the Company recognized US\$118,429 (2018 – US\$233,663) of oil and gas revenue for its working interest share.

In 2018, Messrs. Peralta and Domínguez personally guaranteed the Company's payment obligations under the Acquisition Loan, the Bridge Loan, the Working Capital Loan, the Macro Working Capital Loan and the 2nd Macro Working Capital Loan. Mr. Peralta is a director of the Company and is the President and a director of Liminar and controls 30% of the voting shares of Liminar. Mr. Domínguez controls approximately 30% of the voting shares of Liminar. Liminar owns approximately 59.5% of the Company's outstanding Common Shares. In consideration for the provision of the guarantee of these loans, the Company agreed to pay to Messrs. Peralta and Domínguez an annual fee during the term of such loans equal to 1% of the principal amount outstanding under the loans on the date of such payment and annually thereafter on the anniversary date of the first payment. During 2019, the Company recognized US\$48,000 of a recovery of prior year loan guarantee fees due to the absence of loans outstanding on the anniversary date of the first payment. During 2018, the Company recognized US\$152,832 of loan guarantee fees.

During 2018, the Company paid a US\$3,340 loan guarantee fee to ST Inversiones S.A. in relation to the guarantee of the Banco Saenz Overdraft. Messrs. Peralta and Dominguez jointly control 100% of the voting shares of ST Inversiones S.A.

During 2018, the Company paid US\$30,342 of interest to CMS de Argentina S.A. in respect of the CMS Working Capital Loan. Messrs. Peralta and Dominguez jointly control 66% of the voting shares of CMS de Argentina S.A.

During 2019, the Company was charged US\$223,839 by Liminar for legal advisory services pursuant to a services agreement with an effective date of April 1, 2019.

REGISTRAR AND TRANSFER AGENT

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

MATERIAL CONTRACTS

Except for the UTE Agreement, the Investment Agreement, the Royalty Agreement and the ROFR PSA 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, 2019 and 2020, or before such financial years and that are still in effect.

INTERESTS OF EXPERTS

The auditors of the Corporation are PricewaterhouseCoopers LLP. PricewaterhouseCoopers 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, political 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 2017 Argentina was the largest dry gas producer and the fourth largest oil and other liquids producer in South America. As of January 2018, Argentina's proved oil and natural gas conventional and non-conventional reserves were estimated by the Argentina Ministry of Energy and Mining at approximately 2.0 billion Bbls and 12.6 Tcf, respectively. Argentina is a significant hydrocarbon producer with 2018 production of approximately 490,000 Bbls/d of oil and 4.2 Bcf/d of natural gas. However, Argentina is a net energy importer, primarily importing gas from Bolivia and Chile and liquefied natural gas from the Middle-East, the United States of America and Trinidad and Tobago.

Over the years, the federal government of Argentina has from time to time implemented controls for domestic fuel prices and/or imposed taxes on oil and natural gas exports. For example, in September 2018, the Government of Argentina imposed a 12% export tax on all goods exported from Argentina, to a maximum of ARS\$4 per US\$1 of export sales revenue, including crude oil and natural gas. Crown Point recognizes export taxes related to crude oil sales to the export market. As a result of market uncertainty due to the ever changing regulatory regime, energy reinvestment has been limited and overall hydrocarbon production has declined over time. See "*Commodity Pricing*" below.

The oil and gas sector has been investing heavily in the Vaca Muerta formation, which has increased domestic natural gas production considerably and in turn reduced domestic natural gas prices and the amount of natural gas that needs to be imported. Crown Point expect that Argentina will only need to import natural gas in the winter due to seasonal demand.

Exploration and 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 two major oil pipelines originate at Puerto Hernández, in the Neuquén Basin. The 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.

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. Oil (and related NGL) production from TDF may be either (i) stored then shipped for sale to the domestic market and/or international brokers for export, or (ii) trucked and sold to Chile. The sale of crude oil transported by ship from Tierra del Fuego can be impacted by intermittent shipments due to refinery storage levels and weather conditions and/or by delivery restrictions arising as a result of repair and maintenance activities at the shipping terminal. Oil and natural gas liquids sales volumes may include both previously inventoried volumes as well as current period production. On September 23, 2019, YPF announced that the offshore loading facilities at Cruz del Sur would be shut down for unscheduled maintenance and repairs, resulting in the cancellation of oil shipments. The repairs involve subsea inspection and work and are impacted by availability of replacement parts, weather and sea conditions. Repairs are ongoing with an estimated completion date of August 2020. In the interim, YPF is not accepting crude oil deliveries into storage. Work on constructing the Company's 24 km pipeline connecting the San Martin field with Cruz del Sur was completed during Q1 2020 but will remain offline until the terminal is reopened and shipping is resumed. Oil production during Q4 2019 and Q1 2020 has been restricted due to the closure of Cruz del Sur and the limited transportation capacity to truck oil across the Argentine - Chile border for sale to Enap, the Chilean state oil company. On March 23, 2020, Enap announced the indefinite suspension of all oil deliveries due to an outbreak of COVID-19 at its terminal located at San Gregorio, Magallanes Province, Chile. Due to limited storage capacity, the San Martin field was shut-in on March 24, 2020, and will remain so until the delivery suspension is lifted.

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/or the industrial spot market (industrial sales). Natural gas is delivered via the main pipeline that crosses the Strait of Magellan.

Commodity Pricing

Crude Oil

Crude oil from the Company's TDF Concessions is sold at a discount to the Brent price. During 2019, the Company received an average of US\$55.35 per Bbl for its TDF crude oil.

Natural Gas

Of the commodities produced from the TDF Concessions, only natural gas is subject to seasonal demand. Residential demand for natural gas in Argentina is higher during the colder months of April through October. Historically, sales to the residential market earned a lower price than sales to the industrial market. However, in 2019, non-conventional shale gas production by other companies increased dramatically and this increase in production, coupled with a lack of demand due to an economic recession, drove down the industrial market gas price considerably.

Crown Point can sell its natural gas production to both industrial and residential consumers. The price of natural gas earned by the Company varies with the composition of sales to the residential and industrial markets and price fluctuations within each market. During 2019, the Company received an average of US\$3.58 per Mcf for sales of its TDF natural gas, most of which was sold to the industrial market.

Government of Argentina Incentive Programs

From time to time, the Government of Argentina implements programs designed to encourage the exploration for, and development and production of, hydrocarbons in Argentina. The Company is not currently participating in any incentive programs.

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. Over the years, the federal government of Argentina has from time to time implemented controls for domestic fuel prices and/or imposed taxes 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 over time. 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.

Royalties, Turnover Taxes and 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.

The base royalty rate for revenue from the TDF Concessions is 15% plus other royalties at an average rate of 2% on revenues for which the base royalty is paid in cash rather than in-kind. Variances in TDF royalties are also impacted by commodity prices over certain thresholds which may increase the base rate by 0.5% increments and by the level of export sales volumes which bear an additional royalty of 2% compared to mainland Argentina sales which carry a 1% royalty.

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 "*Statement of Reserves Data and Other Oil and Gas Information*" attached as Appendix "A" hereto.

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. and SPOG.

The Argentine federal government, in a fiscal pact with the Provinces, passed tax reform Law 27,430 in December 2017 with an aim to redistribute tax revenues by way of amendments to income taxes, value added tax, tax procedural law, criminal tax law, social security contributions, tax on fuels and tax on the transfer of real estate. With respect to income taxes, the reforms reduced the corporate tax rate from 35% to 30% effective January 1, 2018. There will be a further reduction to 25% effective January 1, 2021. The corporate tax rate reductions have been offset by a newly established dividend withholding tax on shareholder distributions at a rate of 7% on distributions of after-tax profits accrued during fiscal years starting January 1, 2018 and 13% on distributions of after-tax profits accrued during fiscal years starting January 1, 2021. The dividend withholding tax is intended to promote the reinvestment of corporate profits. The federal government also announced that it will gradually increase the percentage by which bank taxes are deductible against corporate income tax. The tax reforms also include a commitment by the Provinces to a gradual reduction of the provincial "turnover tax" (tax on gross receipts) and the provincial stamp tax.

In September 2018, the Government of Argentina imposed a 12% export tax on all goods exported from Argentina, to a maximum of ARS\$4 per US\$1 of export sales revenue. In late December 2019, the maximum of ARS\$4 per US\$1 of export sales revenue was lifted and the export tax rate was reduced to 8%. The Company recognizes export taxes related to oil sales to the export market.

Inflation and Currency Devaluation

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, 2017, 2018 and 2019, the value of the Argentine peso declined by approximately 18%, 22%, 96% and 63%, respectively, against the US dollar.

Compared to Canada, Argentina has experienced high rates of inflation, and it is possible that Argentina will continue to experience high rates of inflation in the future, even with the 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.

Currency devaluation in Argentina affects the cost of ARS\$ denominated items which are translated to the US\$ functional currency of the Company's Argentine subsidiaries. A portion of TDF operating costs and general and

administrative expenses incurred in Argentina are denominated in ARS\$. During 2019, the devaluation of ARS\$ (i) resulted in lower TDF operating costs and general and administrative expenses incurred in Argentina by approximately 25% (2018 – devaluation of ARS\$; lower by approximately 33%); and (ii) since December 31, 2018 resulted in a reduction in the US\$ equivalent of ARS\$ denominated foreign currency denominated financial instruments by approximately US\$2,275,000 (2018– devaluation of ARS\$; reduction by approximately \$2.9 million).

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. 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.

Alberto Fernández was elected President of Argentina on October 27, 2019 and began his term on December 10, 2019. At the present time, the COVID-19 global pandemic is the main focus of the Government. In response, the Government has closed the country's borders to non-residents and established a national mandatory quarantine period until April 26, 2020, at which time the Government will evaluate what additional measures, if any, are required. During this time, economic activity has slowed substantially and inflation rates remain high. The Company is unable to predict what, if any, new economic or other policies that President Fernández and his Government might implement or how the change in Government might impact the oil and gas industry in Argentina, in general, and the Company, in particular.

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 YPF. In 2002, Petróleo Brasileiro S.A., the state owned oil corporation of Brazil, expanded its holdings in Argentina through the purchase of Perez Companc 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 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 Rio Cullen Concession and the Cerro de Los Leones Permit.

Environmental Regulations

Argentina has environmental standards for the oil and gas 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 carefully consider 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. The risks set out below are not an exhaustive list and should not be taken as a complete summary or description of all the risks associated with Crown Point's business and the oil and natural gas business generally. 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 on both its ability to explore and develop any properties it may have from time to time and its ability to select and acquire suitable producing properties or prospects. There is no assurance that Crown Point will be able to continue to find satisfactory properties to acquire and participate in. 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 also 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 geological and mechanical conditions. While diligent well supervision, effective maintenance operations and the development of enhanced oil recovery technologies 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 and the environment and cause personal injury or threaten wildlife. 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 geological and seismic risks, 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 and Volatility in the Oil and Natural Gas Industry

Various market events and conditions, including: the impact of regional and/or global health related events, such as the COVID-19 pandemic, on energy demand; global excess oil and natural gas supply; global energy policy, including the ability of OPEC (and in particular the Kingdom of Saudi Arabia) and other oil and gas exporting nations (and in particular Russia) to set and maintain production levels and influence prices for crude oil; sanctions against Iran and Venezuela; slowing growth in China and emerging economies; weakening global relationships; conflict between the U.S. and Iran; isolationist and punitive trade policies; increased U.S. shale production; sovereign debt levels; and political upheavals in various countries, including growing anti-hydrocarbon sentiment; have caused significant weakness and volatility in commodity prices. For instance, OPEC +, led by Saudi Arabia and Russia, recently failed to reach an agreement on constraining crude oil output to support global crude oil prices in the face of lower global demand arising from, among other things, the global response to the COVID-19 pandemic, which in turn resulted in certain OPEC member countries discounting prices on future crude oil deliveries and increasing crude oil supply in to the market (although an agreement to constrain crude oil output was subsequently reached after global crude oil prices plummeted). These events and conditions have caused a significant reduction in the valuation of oil and natural gas companies and a decrease in confidence in the oil and natural gas industry.

Global or national health concerns, including the outbreak of pandemic or contagious diseases, such as COVID-19 (coronavirus), may adversely affect us by (i) reducing global economic activity thereby resulting in lower demand for crude oil, NGLs and natural gas, (ii) impairing our supply chain (for example, by limiting the manufacturing of materials or the supply of services used in our operations), and (iii) affecting the health of our workforce, rendering employees unable to work or travel.

Lower commodity prices may also affect the volume and value of the Corporation's reserves, rendering certain reserves uneconomic. In addition, lower commodity prices restrict the Corporation's cash flow resulting in less funds from operations being available to fund the Corporation's 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. In addition to possibly resulting in a decrease in the value of the Corporation's economically recoverable reserves, lower commodity prices may also result in a decrease in the value of the Corporation's infrastructure and facilities, all of which could also have the effect of requiring a write down of the carrying value of the Corporation's oil and natural gas assets on its balance sheet and the recognition of an impairment charge in its income statement. Given the current market conditions and the lack of confidence in the oil and natural gas industry, the Corporation may have difficulty raising additional funds or if it is able to do so, it may be on unfavourable and highly dilutive terms. 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, and all of its reserves are currently located in, 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, transportation 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. 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 the Corporation's revenues or reserves decline, it may not have access to the capital necessary to undertake or complete future drilling programs. The conditions in, or affecting, the oil and natural gas industry have negatively impacted the ability of oil and natural gas companies, including the Corporation, to access additional financing and/or the cost thereof. 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 the Corporation. The Corporation may be required to seek additional equity financing on terms that are highly dilutive to existing shareholders. The inability of the Corporation to access sufficient capital for its operations could have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects.

Additional Funding Requirements

The Corporation's cash flow from its reserves may not be sufficient to fund its ongoing activities at all times and, from time to time, the Corporation may require additional financing in order to carry out its oil and natural gas acquisition, exploration and development activities. Failure to obtain financing on a timely basis could cause the Corporation to forfeit its interest in certain properties, miss certain acquisition opportunities and reduce or terminate its operations. Due to the conditions in the oil and natural 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 natural gas industry have negatively impacted the ability of oil and natural gas companies to access, or the cost of, additional financing.

If the Corporation's revenues from its reserves decrease as a result of lower oil and natural gas prices or otherwise, it will affect the Corporation's ability to expend the necessary capital to replace its reserves or to maintain its production. To the extent that external sources of capital become limited, unavailable or available on onerous terms, the Corporation's ability to make capital investments and maintain existing assets may be impaired, and its assets, liabilities, business, financial condition and results of operations may be affected materially and adversely as a result. In addition, the future development of the Corporation's petroleum properties may require additional financing and there are no assurances that such financing will be available or, if available, will be available upon acceptable terms. Alternatively, any available financing may be highly dilutive to existing shareholders. Failure to obtain any financing necessary for the Corporation's capital expenditure plans may result in a delay in development or production on the Corporation's properties.

Risks of Argentinean and Foreign Operations

As the Corporation's oil and natural 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 governments, 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. 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 Facility Arrangements

The Corporation has credit facilities from time to time. The Corporation may be required to comply with covenants under one or more of such credit facilities which may, in certain cases, include certain financial ratio tests, which, from time to time, may either affect the availability, or price, of additional funding, and in the event that the Corporation does not comply with these covenants, the Corporation's access to capital could be restricted or repayment could be required. Events beyond the Corporation's control may contribute to the failure of the Corporation to comply with any such covenants. A failure to comply with covenants could result in default under any such credit facility, which could result in the Corporation being required to repay amounts owing thereunder. The acceleration of the Corporation's indebtedness under one agreement may permit acceleration of indebtedness under other agreements that contain cross default or cross-acceleration provisions. In addition, the Corporation's credit facilities may impose operating and financial restrictions on the Corporation that could include restrictions on the payment of dividends, repurchase or making of other distributions with respect to the Corporation's securities, incurring of additional indebtedness, provision of guarantees, assumption of loans, making of capital expenditures, entering into of amalgamations, mergers, take-over bids or disposition of assets, among others.

If the Corporation's lenders require repayment of all or a portion of the amounts outstanding under its credit facilities for any reason, including for a default of a covenant, there is no certainty that the Corporation would be in a position to make such repayment. Even if the Corporation is able to obtain new financing in order to make any required repayment under its 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 credit facilities, the lenders under its credit facilities could proceed to foreclose or otherwise realize upon the collateral granted to them to secure the indebtedness.

Commodity prices have fallen dramatically since 2014, and they remain volatile as a result of various factors, including sharply decreased demand for crude oil due to the COVID-19 pandemic, competition between OPEC, Russia and other petroleum producing nations for market share and their occasional inability to agree on crude oil production output constraints (resulting in certain OPEC member countries beginning to discount prices on future crude oil deliveries and increase crude oil supply in to the market), and increasing production by U.S. shale producers. These and other factors have recently resulted in crude oil experiencing its largest weekly price decline since 1991. Depressed commodity prices could impair the ability of the Corporation to obtain debt financing in the future in the amounts it requires or at all.

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. In late-2001, these conditions led to 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 high inflation rates. Following the election of the government of Mauricio Macri in 2019, currency controls were relaxed in December 2015 and the Argentine peso underwent a devaluation that continued into 2019, reflecting Argentina's purchasing power in the global economy.

Alberto Fernández was elected President of Argentina on October 27, 2019 and began his term on December 10, 2019. At the present time, the COVID-19 global pandemic is the main focus of the Government. In response, the Government has closed the country's borders to non-residents and established a national mandatory quarantine period until April 26, 2020, at which time the Government will evaluate what additional measures, if any, are required. During this time, economic activity has slowed substantially and inflation rates remain high. The Company is unable to predict what, if any, new economic or other policies that President Fernández and his Government might implement or how the change in Government might impact the oil and gas industry in Argentina, in general, and the Company, in particular.

See "*Industry Conditions*".

Controlling Shareholder

Liminar owns approximately 59.5% 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 controls and regulations imposed by legislation enacted by various levels of government relating to, among other things, land tenure, exploration, development, production, refining, transportation and marketing, and the pricing and taxation of crude oil and natural gas, all of which are subject to change and could have a material impact on the Corporation's business in Argentina. 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.

Over the years, the federal government of Argentina has from time to time implemented controls for domestic fuel prices and/or imposed taxes on oil and natural gas exports. For example, in September 2018, the Government of Argentina imposed a 12% export tax on all goods exported from Argentina, to a maximum of ARS\$4 per US\$1 of export sales revenue, including crude oil and natural gas. Crown Point recognizes export taxes related to crude oil sales to the export market. 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 have at times been effectively regulated and as a result have been at times substantially lower than those received in North America. See "*Industry Conditions*" above for information about recent changes in Argentinean legislation affecting the oil and gas industry.

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. Acquisitions could also result in disputes with third parties, including vendors and other parties with a working interest in the assets being acquired. Any such disputes could be costly and time consuming, thereby consuming financial and management resources that would otherwise be directed towards the development of the Corporation's business.

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 considers acquisitions and dispositions of businesses and assets in the ordinary course of business. Achieving benefits from any 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, assets and operations with those of the Corporation. The integration of acquired businesses and assets 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 market conditions for such non-core assets, certain non-core assets of the Corporation, if disposed of, may realize less on disposition than their carrying value on the financial statements of the Corporation.

Prices, Markets and Marketing

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 or contract for the delivery of crude oil by truck. 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, including: deliverability uncertainties related to the distance of the Corporation's reserves from pipelines and processing and storage facilities; operational problems affecting pipelines, offshore loading terminals and processing and storage facilities; and government regulation relating to prices, taxes, royalties, land tenure, allowable production and the export of oil and natural gas.

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 and other oil and natural gas exporting nations, 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. 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, increased growth of shale oil production in the United States, OPEC actions, political uncertainties, sanctions imposed on certain oil producing nations by other countries, conflicts in the Middle East 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 generally and of the Corporation's 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 renewable energy generation systems could reduce the demand for crude oil, natural gas and other hydrocarbons. Recently, certain jurisdictions have implemented policies or incentives to decrease the use of fossil fuels and encourage the use of renewable fuel alternatives, which may lessen the demand for petroleum products and put downward pressure on commodity prices. In addition, advancements in energy efficient products have a similar effect on the demand for oil and natural gas products. 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 by decreasing Crown Point's profitability, increasing its costs, limiting its access to capital and decreasing the value of its assets.

Reserves 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 reserves and associated cash flow information set forth in this document are estimates only. Generally, estimates of economically recoverable oil and natural gas reserves (including the breakdown of reserves by product type) 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 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 are often 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 and 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 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. For instance, the GCA Report notes the following:

- Since the effective date of the GCA Report, various events have resulted in a material downward movement in the current oil price and, if current oil prices remain low and the long term oil price outlook is revised downward, there may be a material revision to the oil and natural gas reserves volumes and net present value of future net revenues presented in the GCA Report and set out herein.
- After the December 31, 2019 effective date of the GCA Report and before its issuance on March 30, 2020, GCA was made aware of a significant change in the performance of the SM x-1001 well, which is the main oil producer in the San Martin field. As previously reported by Crown Point, in late January 2020 the well started producing large amounts of water with a notable decline in oil production. The GCA Report states that the full impact of this development has yet to be assessed, but it is clear that the reserves volumes reported in the GCA Report and set out herein as of December 31, 2019 did not consider this unexpected performance and therefore may overstate the reserves of the San Martin field.

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 and make dividends or distributions (if any) to its shareholders. 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. As a result, the Corporation's actual title to and interest in its properties, and its right to produce and sell the oil and natural gas therefrom, may vary from the Corporation's records. In addition, there may be valid legal challenges or legislative changes that affect the Corporation's title to and right to produce from its oil and natural gas properties, which could impair the Corporation's activities and result in a reduction of the revenue received by the Corporation.

If a defect exists in the chain of title or in the Corporation's right to produce, or a legal challenge or legislative change arises, it is possible that the Corporation may lose all, or a portion of, the properties to which the title defect relates and/or its right to produce from such properties. This may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects.

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.

Variations in Foreign 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. To the extent that the Corporation engages in risk management activities related to foreign exchange rates, there is credit risk associated with counterparties with which the Corporation may contract.

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, and if applicable, the cash available for dividends. Such an increase could also negatively impact the market price of the Common Shares.

Availability and Cost of Transportation

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, the need to repair facilities (such as offshore loading facilities), pandemics (such as the COVID-19 pandemic), strikes, lockouts, delays or other events could temporarily impair the ability to supply oil and natural gas to customers and may result in the Corporation having to shut-in production and losing sales and related revenues. 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, such as trucking.

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.

Availability and Cost of Material and Equipment

Oil and natural gas exploration, development and operating activities are dependent on the availability and cost of specialized materials and equipment (typically leased from third parties) as well as skilled personnel trained to use such equipment in the areas where such activities are conducted. The availability of such material, equipment and skilled personnel is limited. An increase in demand or cost, or a decrease in the availability of such materials, equipment and personnel, may impede the Corporation's exploration, development and operating activities. Other companies with greater financial resources, including YPF, may have greater access to specialized materials, equipment and personnel which could affect the Corporation's ability to access such materials, equipment and personnel. 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 it is involved in. 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.

Conflicts with partners and other third parties could result in disputes that lead to litigation, arbitration or other dispute resolution mechanisms. Any such disputes could be costly and time consuming, thereby utilizing financial and management resources that would otherwise be directed towards the development of the Corporation's business.

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 are 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.

Operational Dependence

Other companies operate some of the assets in which the Corporation has an interest, and in particular the TDF Concessions. 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 depends upon a number of factors that may be outside of the Corporation's control, including, but not limited to, 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 effect on the Corporation's financial and operational results.

Reliance on Key Personnel

The Corporation's success depends in large measure on certain key personnel. Losing the services of such key personnel could have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects. The Corporation does not have any key personnel insurance in effect. The contributions of the existing management team to the immediate and near term operations of the Corporation 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 the Corporation 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 the Corporation.

The Corporation requires a Skilled Workforce

The operations and management of the Corporation require the recruitment and retention of a skilled workforce, including engineers, technical personnel and other professionals. The loss of key members of such workforce, or a substantial portion of the workforce as a whole, whether for a limited period of time arising from an event such as the ongoing COVID-19 pandemic or permanently, could result in the failure to implement the Corporation's business plans, which could have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects.

The Corporation competes with other companies in the oil and natural gas industry, as well as other industries, for this skilled workforce. A decline in market conditions has led increasing numbers of skilled personnel to seek employment in other industries. In addition, certain of the Corporation's current employees are senior and have significant institutional knowledge that must be transferred to other employees prior to their departure from the workforce. If the Corporation is unable to: (i) retain current employees; (ii) successfully complete effective knowledge transfers; and/or (iii) recruit new employees with the requisite knowledge and experience, the Corporation could be negatively impacted. In addition, the Corporation could experience increased costs to retain and recruit these professionals.

Issuance of Debt

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 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

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 (or other currencies) 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 files all required income tax returns and believes that it is 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, whether by re-characterization of exploration and development expenditures or otherwise, 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 or dividends, 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 natural 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 and 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 any 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 business, financial condition, results of operations and prospects.

Regulatory

Various levels of government impose extensive controls and regulations on oil and natural gas operations (including exploration, development, production, pricing, marketing, transportation and infrastructure). Governments may regulate or intervene with respect to exploration and production activities, commodity prices, taxes, royalties, the exportation of oil and natural gas and infrastructure projects. Amendments to these controls and regulations may occur, 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 crude oil and natural gas and/or increase the Corporation's costs, either of which may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects. Further, third party challenges to regulatory decisions or orders may reduce the efficiency of regulatory regimes governing the oil and gas industry in Argentina, as the implementation of the decisions and orders may be delayed, resulting in uncertainty and interruption to the industry.

In order to conduct oil and natural gas operations, the Corporation will require regulatory permits, licenses, registrations, approvals and authorizations from various governmental authorities at the municipal, 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, the initiation and approval of new oil and natural gas projects and restrictions and prohibitions on the spill, release or emission of various substances produced in association with oil and natural gas industry 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 of well and facility sites. New environmental legislation at the federal and provincial levels may increase uncertainty among oil and natural gas industry participants as the new laws are implemented, and the effects of the new rules and standards are felt in the oil and natural gas industry.

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 and prospects.

Climate Change

Chronic Climate Change Risks

The Corporation's exploration and production facilities and other operations and activities emit GHGs which may require the Corporation to comply with federal and/or provincial greenhouse gas emissions legislation in Argentina. 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 to prevent climate change or mitigate its effects. The direct or indirect costs of compliance with GHG-related regulations may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects. 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.

Climate change has been linked to long-term shifts in climate patterns, including sustained higher temperatures. As the level of activity in the Argentine oil and natural gas industry is to some extent influenced by seasonal weather patterns, long-term shifts in climate patterns pose the risk of exacerbating operational delays and other risks posed by seasonal weather patterns. In addition, long-term shifts in weather patterns such as water scarcity, increased frequency of storm and fire and prolonged heat waves may, among other things, require the Corporation to incur greater expenditures (time and capital) to deal with the challenges posed by such changes to its premises, operations, supply chain, transport needs, and employee safety. Specifically, in the event of water shortages or sourcing issues, the Corporation may not be able to, or will incur greater costs to, carry out hydraulic fracturing operations.

Concerns about climate change have resulted in a number of environmental activists and members of the public opposing the continued exploitation and development of hydrocarbons which has influenced investors' willingness to invest in the oil and natural gas industry. Historically, political and legal opposition to the hydrocarbon industry focused on public opinion and the regulatory process. More recently, however, there has been a movement to more directly hold governments and oil and natural gas companies responsible for climate change through climate litigation.

Given the evolving nature of climate change policy and the control of GHGs and resulting requirements, it is expected that current and future climate change regulations will have the effect of increasing the Corporation's operating expenses and, in the long-term, reducing the demand for oil and natural gas production, resulting in a decrease in the Corporation's profitability and a reduction in the value of its assets or requiring asset impairments for financial statement purposes.

Acute Climate Change Risk

Climate change has been linked to extreme weather conditions. Extreme hot and cold weather, heavy snowfall, heavy rainfall and wildfires may restrict the Corporation's ability to access its properties and cause operational difficulties, including damage to machinery and facilities. Extreme weather also increases the risk of personnel injury as a result of dangerous working conditions. Certain of the Corporation's assets are located in locations that are proximate to forests and rivers and a wildfire and/or flood may lead to significant downtime and/or damage to such assets. Moreover, extreme weather conditions may lead to disruptions in the Corporation's ability to transport produced oil and natural gas as well as goods and services in its supply chain.

Carbon Pricing Risk

The majority of countries across the globe have agreed to reduce their carbon emissions in accordance with the Paris Agreement. As a result, some national and provincial / state governments throughout the world have implemented legislation aimed at incentivizing the use of alternative fuels and in turn reducing carbon emissions. If Argentina were to implement taxes on carbon emissions, they might have the effect of decreasing the demand for oil and natural gas products and at the same time, increasing the Corporation's operating expenses, each of which might have a material adverse effect on the Corporation's profitability and financial condition. Further, the imposition of carbon taxes would put the Corporation at a disadvantage with any of its counterparts who operate in jurisdictions where there are less costly carbon regulations.

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 trading price of securities of oil and natural gas issuers is subject to substantial volatility often based on factors related and unrelated to the financial performance or prospects of the issuers involved. Factors unrelated to the Corporation's performance could include macroeconomic developments in Argentina, within South or North America or globally, domestic and global commodity prices, and/or current perceptions of the oil and natural gas market. In recent years, the volatility of commodities has increased due, in part, to the implementation of computerized trading and the decrease of discretionary commodity trading. In addition, the volatility, trading volume and share price of some issuers have been impacted by increasing investment levels in passive funds that track major indices, as such funds only purchase securities included in such indices. Furthermore, in certain jurisdictions, institutions, including government sponsored entities, have determined to decrease their ownership in oil and natural gas entities which may impact the liquidity of certain securities and may put downward pressure on the trading price of those securities. Similarly, the market price of the Common Shares could be subject to significant fluctuations in response to variations in the Corporation's operating results, financial condition, liquidity and other internal factors. Accordingly, the price at which the Common Shares will trade cannot be accurately predicted and could be subject to volatility.

Dilution

The Corporation may make future acquisitions or enter into financings or other transactions involving the issuance of securities of the Corporation, which may be dilutive to shareholders.

Management of Growth

The Corporation may be subject to growth related risks 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. If the Corporation is unable to deal with this growth, it may have a material adverse effect on the Corporation's business, financial condition, results of operations and prospects.

Dividends

Prior to June 2019, Crown Point had not declared or paid any cash dividends on the Common Shares in the prior three financial years. On June 10, 2019, the Board declared its first quarterly dividend, and second and third quarter dividends were subsequently paid in July 2019 and September 2019. The Board also declared a special dividend that was paid in September 2019. In December 2019, Crown Point reduced the stated capital of the Common Shares in order to permit the Company to pay a special distribution to shareholders by way of return of capital. In light of the return of capital, the Board determined not to declare a Q4 2019 dividend on the Common Shares and suspended quarterly dividend payments until further notice.

The payment of dividends in the future, if any, will be subject to the discretion of the Board and may vary depending on a variety of factors and conditions existing from time to time, including fluctuations in commodity prices, production levels, capital expenditure requirements, debt service requirements, operating costs, royalty burdens, foreign exchange rates, interest rates, compliance with any restrictions on the declaration and payment of dividends contained in any agreements to which Crown Point or any of its subsidiaries is a party from time to time (including, without limitation, the agreements governing the credit facilities and other debt instruments of Crown Point and its subsidiaries from time to time), and the satisfaction of liquidity and solvency tests imposed by the ABCA for the declaration and payment of dividends.

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, manage financial resources, 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. In addition, cyber phishing attempts, in which a malicious party attempts to obtain sensitive information such as usernames, passwords, and credit card details (and money) by disguising as a trustworthy entity in an electronic communication, have become more widespread and sophisticated in recent years. If the Corporation becomes a victim to a cyber-phishing attack it could result in a loss or theft of the Corporation's financial resources or critical data and information or could result in a loss of control of the Corporation's technological infrastructure or financial resources. The Corporation's employees are often the targets of such cyber phishing attacks, as they are and will continue to be targeted by parties using fraudulent "spoof" emails to misappropriate information or to introduce viruses or other malware through "Trojan horse" programs to the Corporation's computers. These emails appear to be legitimate emails, but direct recipients to fake websites operated by the sender of the email or request recipients to send a password or other confidential information through email or to download malware.

Despite the Corporation's efforts to mitigate such cyber phishing attacks, cyber phishing activities remain a serious problem that may damage our information technology infrastructure. The Corporation applies technical and process controls in line with industry-accepted standards to protect its information, assets and systems. However, these controls may not adequately prevent cyber-security breaches. 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, and any damages sustained may not be adequately covered by the Corporation's current insurance coverage, or at all. 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.

Social Media

Increasingly, social media is used as a vehicle to carry out cyber phishing attacks. Information posted on social media sites, for business or personal purposes, may be used by attackers to gain entry into the Corporation's systems and obtain confidential information. As social media continues to grow in influence and access to social media platforms becomes increasingly prevalent, there are significant risks that the Corporation may not be able to properly regulate social media use and preserve adequate records of business activities and client communications conducted through the use of social media platforms.

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 arbitration proceedings, regulatory proceedings, tax proceedings and legal actions. Potential litigation may develop in relation 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 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 effect 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 implement and benefit from technological advantages. 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. In addition, one or more of the technologies currently utilized by the Corporation or implemented in the future may become obsolete. 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 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 or even uneconomic.

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 and Extreme Weather Conditions

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 which may prevent, delay or make operations more difficult. 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, including damage to machinery or contribute to personnel injury because of dangerous working conditions. Seasonal factors and unexpected weather patterns may lead to declines in exploration and production activity.

Project Risks

The Corporation manages a variety of small and large projects in the conduct of its business. Project interruptions 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 and/or trucking capacity;
- the availability of storage capacity;
- the timing and availability of tanker ship capacity and the availability of offshore loading facilities;
- the availability of, and the ability to acquire, water supplies needed for drilling, hydraulic fracturing and waterfloods, 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 and severe weather events, including fire, drought, extreme cold and flooding;
- the availability of drilling and related equipment;
- unexpected cost increases;
- accidental events;
- currency fluctuations, interest rate increases and high inflation levels;
- 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 or at all.

Gathering and Processing Facilities, Pipeline Systems, Oil Tankers and Trucks

The Corporation delivers its products through gathering and processing facilities and pipeline systems and, in the case of crude oil, by oil tanker and truck. 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, oil tankers and trucks. The lack of availability of capacity in any of the gathering and processing facilities, pipeline systems, oil tankers or trucks 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. As a result of limited pipeline, storage and oil tanker capacity, the Corporation has increasingly relied on trucking its crude oil production to Chile for sale, which increases the Corporation's operating costs. Unexpected shut downs or curtailment of capacity of pipelines or offshore loading facilities 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 repairing existing (or 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 material adverse effect on the Corporation's ability to process its production and deliver the same to market. On September 23, 2019, YPF announced that the offshore loading facilities at Cruz del Sur would be shut down for unscheduled maintenance and repairs, resulting in the cancellation of oil shipments. The repairs involve subsea inspection and work and are impacted by availability of replacement parts, weather and sea conditions. Repairs are ongoing with an estimated completion date of August 2020. In the interim, YPF is not accepting crude oil deliveries into storage. Work on constructing the Company's 24 km pipeline connecting the San Martin field with Cruz del Sur was completed during Q1 2020 but will remain offline until the terminal is reopened and shipping is resumed. Oil production during Q4 2019 and Q1 2020 has been restricted due to the closure of Cruz del Sur and the limited transportation capacity to truck oil across the Argentine - Chile border for sale to Enap, the Chilean state oil company. On March 23, 2020, Enap announced the indefinite suspension of all oil deliveries due to an outbreak of COVID-19 at its terminal located at San Gregorio, Magallanes Province, Chile. Due to limited storage capacity, the San Martin field was shut-in on March 24, 2020, and will remain so until the delivery suspension is lifted.

In addition, midstream and pipeline companies may take actions to maximize their return on investment, which may in turn adversely affect producers and shippers, especially when combined with a regulatory framework that may not always align with the interests of particular shippers.

Political Uncertainty

In the last several years, the United States and certain European countries have experienced significant political events that have cast uncertainty on global financial and economic markets. Since the 2016 U.S. presidential election, the American administration has withdrawn the United States from the Trans-Pacific Partnership and the United States Congress has passed sweeping tax reform, which, among other things, significantly reduces U.S. corporate tax rates. This has affected the competitiveness of other jurisdictions, including Argentina. The U.S. administration has also taken action with respect to reduction of regulation, which may also affect relative competitiveness of other jurisdictions. It is unclear exactly what other actions the U.S. administration will implement, and if implemented, how these actions may impact Argentina and in particular the oil and natural gas industry. Any actions taken by the current U.S. administration may have a negative impact on the Argentina economy and on the businesses, financial conditions, results of operations and the valuation of Argentine oil and natural gas companies, including the Corporation.

In addition to the political disruption in the United States, the impact of the United Kingdom's exit from the European Union remains to be determined. Some European countries have also experienced the rise of anti-establishment political parties and public protests held against open-door immigration policies, trade and globalization. Conflict and political uncertainty also continues in the Middle East. To the extent that certain political actions taken in South or North America, Europe and elsewhere in the world result in a marked decrease in free trade, access to personnel and freedom of movement, it could have an adverse effect on the Corporation's ability to market its products internationally, increase costs for goods and services required for the Corporation's operations, reduce access to skilled labour and negatively impact the Corporation's business, operations, financial conditions and the market value of the Common Shares.

A change in federal, provincial or municipal governments in Argentina (including the recent change in the Argentine federal government) may have an impact on the directions taken by such governments on matters that may impact the oil and natural gas industry, including the balance between economic development and environmental policy.

The oil and natural gas industry has become an increasingly politically polarizing topic, which has resulted in a rise in civil disobedience surrounding oil and natural gas development – particularly with respect to infrastructure projects. Protests, blockades and demonstrations have the potential to delay and disrupt the Corporation's activities.

Non-Governmental Organizations and Eco-Terrorism Risks

The oil and natural gas exploration, development and operating activities conducted by the Corporation may, at times, be subject to public opposition. Such public opposition could expose the Corporation to the risk of higher costs, delays or even project cancellations due to increased pressure on governments and regulators by special interest groups including indigenous groups, landowners, environmental interest groups (including those opposed to oil and natural

gas production operations) and other non-governmental organizations, blockades, legal or regulatory actions or challenges, increased regulatory oversight, reduced support of the federal, provincial or municipal governments, delays in, challenges to, or the revocation of regulatory approvals, concessions, permits and/or licenses, and direct legal challenges, including the possibility of climate-related litigation. There is no guarantee that the Corporation will be able to satisfy the concerns of the special interest groups and non-governmental organizations and attempting to address such concerns may require the Corporation to incur significant and unanticipated capital and operating expenditures.

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 a 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.

Reputational Risk Associated with the Corporation's Operations

The Corporation's business, operations or financial condition may be negatively impacted as a result of any negative public opinion towards the Corporation or as a result of any negative sentiment toward, or in respect of, the Corporation's reputation with stakeholders, special interest groups, political leadership, the media or other entities. Public opinion may be influenced by certain media and special interest groups' negative portrayal of the industry in which the Corporation operates as well as their opposition to certain oil and natural gas projects. Potential impacts of negative public opinion or reputational issues may include delays or interruptions in operations, legal or regulatory actions or challenges, blockades, increased regulatory oversight, reduced support for, delays in, challenges to, or the revocation of regulatory approvals, concessions, permits and/or licenses and increased costs and/or cost overruns. The Corporation's reputation and public opinion could also be impacted by the actions and activities of other companies operating in the oil and natural gas industry, particularly other producers, over which the Corporation has no control. Similarly, the Corporation's reputation could be impacted by negative publicity related to loss of life, injury or damage to property and environmental damage caused by the Corporation's operations. In addition, if the Corporation develops a reputation of having an unsafe work site, it may impact the ability of the Corporation to attract and retain the necessary skilled employees and consultants to operate its business. Opposition from special interest groups opposed to oil and natural gas development and the possibility of climate related litigation against governments and fossil fuel companies may impact the Corporation's reputation.

Reputational risk cannot be managed in isolation from other forms of risk. Credit, market, operational, insurance, regulatory and legal risks, among others, must all be managed effectively to safeguard the Corporation's reputation. Damage to the Corporation's reputation could result in negative investor sentiment towards the Corporation, which may result in limiting the Corporation's access to capital, increasing the cost of capital, and decreasing the price and liquidity of the Corporation's securities.

Changing Investor Sentiment

A number of factors, including concerns regarding the effects of the use of fossil fuels on climate change, the impact of oil and natural gas operations on the environment, environmental damage relating to spills of petroleum products during production and transportation and indigenous rights, have affected certain investors' sentiments towards investing in the oil and natural gas industry. As a result of these concerns, some institutional, retail and governmental investors have announced that they no longer are willing to fund or invest in oil and natural gas properties or companies, or are reducing the amount thereof over time. In addition, certain institutional investors are requesting that issuers develop and implement more robust social, environmental and governance policies and practices. Developing and implementing such policies and practices can involve significant costs and require a significant time commitment from the Board, management and employees of the Corporation. Failing to implement the policies and practices, as requested by investors, may result in such investors reducing their investment in the Corporation, or not investing in the Corporation at all. Any reduction in the investor base interested or willing to invest in the oil and natural gas industry and more specifically, the Corporation, may result in limiting the Corporation's access to capital, increasing the cost of capital, and decreasing the price and liquidity of the Corporation's securities even if the Corporation's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause a decrease in the value of the Corporation's assets, which may result in an impairment charge.

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 and may acquire different energy related assets. As a result, the Corporation may face unexpected risks or, alternatively, its exposure to one or more existing risk factors may be significantly increased, which may in turn result in the Corporation's future operational and financial conditions being adversely affected.

Disposal of Fluids Used in Operations

The safe disposal of the hydraulic fracturing fluids (including the additives) and water recovered from oil and natural gas wells is subject to ongoing regulatory review by the federal and provincial governments, including its effect on fresh water supplies and the ability of such water to be recycled, amongst other things. While it is difficult to predict the impact of any regulations that may be enacted in response to such review, the implementation of stricter regulations may increase the Corporation's costs of compliance.

Breach of Confidentiality

While discussing potential business relationships or other transactions with third parties, the Corporation may disclose confidential information relating to its business, operations or affairs. Although confidentiality agreements are generally signed by third parties prior to the disclosure of any confidential information, a breach could put the Corporation at competitive risk and may cause significant damage to its business. The harm to the Corporation's business from a breach of confidentiality cannot presently be quantified, but may be material and may not be compensable in damages. There is no assurance that, in the event of a breach of confidentiality, the Corporation will be able to obtain equitable remedies, such as injunctive relief, from a court of competent jurisdiction in a timely manner, if at all, in order to prevent or mitigate any damage to its business that such a breach of confidentiality may cause.

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, 2019 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.

APPENDIX "A"

FORM 51-101F1 STATEMENT OF RESERVES DATA AND OTHER OIL AND GAS INFORMATION OF CROWN POINT ENERGY INC. FOR THE YEAR ENDED DECEMBER 31, 2019

April 27, 2020

Definitions, Abbreviations and Conventions

Unless the context otherwise requires, capitalized terms used in this Appendix "A" that are not otherwise defined in this Appendix "A" shall have the respective meanings set out in the Glossary of Terms in the AIF to which this Appendix "A" is attached. 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. In addition, certain abbreviations and conventions used in this Appendix "A" are defined or explained in the AIF. See "Abbreviations", "Conversion" and "Conventions" in the AIF.

Date of Statement and Statement Information

The effective date of this Statement of Reserves Data and Other Oil and Gas Information of Crown Point is December 31, 2019 and the preparation date, which is the most recent date to which information relating to the period ending on December 31, 2019 was considered in the preparation of the disclosure contained herein, is April 27, 2020.

Form 51-101F2 and Form 51-101F3

GCA's Form 51-101F2 – *Report on Reserves Data by Independent Qualified Reserves Evaluator or Auditor* and the Corporation's Form 51-101F3 – *Report of Management and Directors on Reserves Data and Other Information*, in each case as at and for the year ended December 31, 2019, are attached hereto as Appendix "A-1" and Appendix "A-2", respectively.

Disclosure of Reserves Data (Forecast Prices and Costs)

Gaffney, Cline & Associates Limited, an independent qualified reserves auditor, has prepared a report dated March 30, 2020 (the "**GCA Report**") in which it has audited, as at December 31, 2019, the oil and natural gas reserves attributable to all of the properties of the Corporation. As at December 31, 2019, the Corporation only had oil and gas properties in Argentina and the only properties of the Corporation which had any reserves were located in the Tierra del Fuego Concessions. The Corporation's reserves are comprised of conventional natural gas, light crude oil, medium crude oil and natural gas liquids. The Corporation does not have any bitumen, coal bed methane, gas hydrates, heavy crude oil, shale gas, synthetic crude oil, synthetic gas or tight oil reserves. The GCA Report also presents the estimated net present value of future net revenue of Crown Point's properties before and after taxes, at various discount rates.

The extent and nature of all information supplied by Crown Point and/or the operator of its properties, which may have included ownership data, well information, geological information, reservoir studies, timing of future production, current product prices, operating cost data, capital budget forecasts and future operating plans, have been relied upon by GCA in preparing the GCA Report and were for the most part accepted as represented but were independently verified where possible. In the absence of such information, GCA relied, with the concurrence of Crown Point, upon its opinion of reasonable practice in the industry.

All information provided to GCA was as at December 31, 2019 and, accordingly, certain of such information may not be representative of current conditions. In particular, the GCA Report notes the following:

- Since the effective date of the GCA Report, various events have resulted in a material downward movement in the current oil price and, if current oil prices remain low and the long term oil price outlook is revised

downward, there may be a material revision to the oil and natural gas reserves volumes and net present value of future net revenues presented in the GCA Report and set out below.

- After the December 31, 2019 effective date of the GCA Report and before its issuance on March 30, 2020, GCA was made aware of a significant change in the performance of the SM x-1001 well, which is the main oil producer in the San Martin field. As previously reported by Crown Point, in late January 2020 the well started producing large amounts of water with a notable decline in oil production. The GCA Report states that the full impact of this development has yet to be assessed, but it is clear that the reserves volumes reported in the GCA Report and set out below as of December 31, 2019 did not consider this unexpected performance and therefore may overstate the reserves of the San Martin field. For additional information, see "Other Oil and Gas Information – Oil and Gas Properties – Tierra del Fuego Concessions – La Angostura Concession" below.

The definitions of the various categories of reserves are those set out in NI 51-101 and the COGE Handbook. The Corporation engaged GCA to provide an audit of the Corporation's proved, probable and possible reserves. The following are the definitions of proved, probable and possible reserves as set out in the COGE Handbook:

"**proved reserves**" are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves. At least a 90% probability that the quantities actually recovered will equal or exceed the estimated proved reserves is the targeted level of certainty.

"**probable reserves**" are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves. At least a 50% probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable reserves is the targeted level of certainty.

"**possible reserves**" are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves. At least a 10% probability that the quantities actually recovered will equal or exceed the sum of the estimated proved plus probable plus possible reserves is the targeted level of certainty.

In addition, the terms set forth below are defined in NI 51-101 and/or the COGE Handbook as follows:

"**conventional natural gas**" means natural gas that has been generated elsewhere and has migrated as a result of hydrodynamic forces and is trapped in discrete accumulations by seals that may be formed by localized structural, depositional or erosional geological features.

"**crude oil**" means a mixture consisting mainly of pentanes and heavier hydrocarbons that exists in the liquid phase in reservoirs and remains liquid at atmospheric pressure and temperature. Crude oil may contain small amounts of sulphur and other non-hydrocarbons but does not include liquids obtained from the processing of natural gas.

"**gross**" means (a) in relation to the Corporation's interest in production or reserves, its "company gross reserves", which are the Corporation's working interest (operating or non-operating) share before deduction of royalties and without including any royalty interests of the Corporation; (b) in relation to wells, the total number of wells in which the Corporation has an interest; and (c) in relation to properties, the total area of properties in which the Corporation has an interest.

"**light crude oil**" means crude oil with a relative density greater than 31.1 degrees API gravity.

"**medium crude oil**" means crude oil with a relative density that is greater than 22.3 degrees API gravity and less than or equal to 31.1 degrees API gravity.

"**natural gas**" means a naturally occurring mixture of hydrocarbon gases and other gases.

"**natural gas liquids**" or "**NGLs**" means those hydrocarbon components that can be recovered from natural gas as a liquid including, but not limited to, ethane, propane, butanes, pentanes plus and condensates.

"**net**" means (a) in relation to the Corporation's interest in production or reserves, the Corporation's working interest (operating or non-operating) share after deduction of royalty obligations, plus the Corporation's royalty interests in production or reserves; (b) in relation to the Corporation's interest in wells, the number of wells obtained by aggregating the Corporation's working interest in each of its gross well; and (c) in relation to the Corporation's interest in a property, the total area in which the Corporation has an interest multiplied by the working interest owned by the Corporation.

It should not be assumed that the present worth of estimated future net revenue represents the fair market value of the reserves. There is no assurance that the forecast price and cost assumptions contained in the GCA Report will be attained and variances could be material. The reserves and revenue estimates set forth below are estimates only and the actual reserves and realized revenue may be greater or less than those calculated.

Reserves Data (Forecast Prices and Costs)

The following table discloses, in the aggregate, the Corporation's gross and net proved, probable and possible reserves, estimated using forecast prices and costs, by product type.

**SUMMARY OF OIL AND GAS RESERVES AS OF DECEMBER 31, 2019
(Forecast Prices & Costs)**

Reserves Category	Light and Medium Crude Oil (Mbbl)		Conventional Natural Gas (MMcf)		Natural Gas Liquids (Mbbl)	
	Gross	Net	Gross	Net	Gross	Net
	Proved:					
Developed Producing	1,069	909	5,766	4,920	12	10
Developed Non-Producing	38	32	218	186	1	0
Undeveloped	859	730	1,212	1,038	3	2
Total Proved	1,966	1,671	7,196	6,145	15	13
Probable	858	730	256	218	0	0
Total Proved plus Probable	2,824	2,401	7,451	6,363	16	13
Possible ⁽¹⁾	915	778	2,406	2,055	2	2
Total Proved plus Probable plus Possible	3,739	3,178	9,858	8,418	17	15

Note:

- (1) Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of the proved plus probable plus possible reserves.

The following tables disclose, in the aggregate, the net present value of the Corporation's future net revenue attributable to the reserves categories in the previous table, estimated using forecast prices and costs, before and after deducting future income tax expenses, and calculated without discount and using discount rates of 5%, 10%, 15% and 20%.

**SUMMARY OF NET PRESENT VALUE OF FUTURE NET REVENUE
AS OF DECEMBER 31, 2019
(Forecast Prices & Costs)**

Reserves Category	Net Present Values of Future Net Revenue Before Income Taxes Discounted at (%/year)				
	0% MMUS\$	5% MMUS\$	10% MMUS\$	15% MMUS\$	20% MMUS\$
Proved:					
Developed Producing	29.1	27.1	25.4	23.9	22.6
Developed Non-Producing	1.5	1.4	1.3	1.2	1.1
Undeveloped	28.0	24.2	21.2	18.8	16.8
Total Proved	58.6	52.7	47.9	43.8	40.4
Probable	31.9	27.1	23.3	20.3	17.8
Total Proved plus Probable	90.5	79.8	71.2	64.1	58.2
Possible ⁽²⁾	46.4	37.7	31.1	26.0	22.0
Total Proved plus Probable plus Possible	136.9	117.5	102.3	90.1	80.2

Reserves Category	Net Present Values of Future Net Revenue After Income Taxes ⁽¹⁾ Discounted at (%/year)				
	0% MMUS\$	5% MMUS\$	10% MMUS\$	15% MMUS\$	20% MMUS\$
Proved:					
Developed Producing	22.6	21.0	19.6	18.4	17.4
Developed Non-Producing	1.1	1.0	0.9	0.8	0.8
Undeveloped	20.8	17.9	15.6	13.7	12.2
Total Proved	44.5	39.9	36.1	32.9	30.3
Probable	23.8	20.2	17.3	15.0	13.2
Total Proved plus Probable	68.3	60.0	53.4	48.0	43.4
Possible ⁽²⁾	34.4	27.9	23.0	19.2	16.2
Total Proved plus Probable plus Possible	102.7	88.0	76.5	67.2	59.7

Notes:

- (1) The after-tax net present values of Crown Point's oil and gas properties presented here reflects the income tax burden on the properties on a stand-alone basis. It does not consider any tax planning. It does not provide an estimate of the net present values at the level of the business entity, which may be significantly different. Crown Point's audited consolidated financial statements for the year ended December 31, 2019 and the related management's discussion and analysis should be consulted for information at the business entity level.
- (2) Possible reserves are those additional reserves that are less certain to be recovered than probable reserves. There is a 10% probability that the quantities actually recovered will equal or exceed the sum of the proved plus probable plus possible reserves.

The following table discloses as of December 31, 2019, in the aggregate, certain elements of the Corporation's future net revenue attributable to proved reserves, proved plus probable reserves and proved plus probable plus possible reserves, estimated using forecast prices and costs, and calculated without discount.

<u>Reserves Category</u>	<u>Revenue MUS\$</u>	<u>Royalties MUS\$(¹)</u>	<u>Operating Costs MUS\$</u>	<u>Development Costs MUS\$</u>	<u>Abandonment and Reclamation Costs MUS\$</u>	<u>Future Net Revenue Before Income Taxes MUS\$</u>	<u>Income Taxes MUS\$</u>	<u>Future Net Revenue After Income Taxes MUS\$</u>
Total proved	141,777	22,175	44,510	6,680	1,621	58,603	14,118	44,485
Total proved plus probable	195,432	30,669	48,908	13,228	1,621	90,487	22,193	68,698
Total proved plus probable plus possible	262,044	41,117	54,059	15,878	1,621	136,863	34,165	102,698

Note:

(1) Royalties do not include applicable local taxes on production (being MUS\$8,188 for proved reserves, MUS\$10,520 for proved plus probable reserves and MUS\$12,507 for proved plus probable plus possible reserves).

The following table discloses, by product type (in each case with associated by-products) and on a unit value basis for each product type (in each case with associated by-products), the net present value of the Corporation's future net revenue attributable to its proved reserves, its proved plus probable reserves and its proved plus probable plus possible reserves, before deducting future income tax expenses, estimated using forecast prices and costs, and calculated using a 10% discount rate.

**NET PRESENT VALUE OF FUTURE NET REVENUE BY PRODUCT TYPE
AS OF DECEMBER 31, 2019 (Forecast Prices & Costs)**

<u>Reserves Category</u>	<u>Product Type</u>	<u>Future Net Revenue Before Income Taxes (discounted at 10%/Year) (MUS\$)</u>	<u>Unit Value(¹) (US\$)</u>
Proved	Light Crude Oil and Medium Crude Oil (including solution gas and other by-products)	29,577	17.70/bbl
	Conventional Natural Gas (including by-products but excluding solution gas and by-products from oil wells)	18,045	2.94/Mcf
	Natural Gas Liquids	229	17.75/bbl
	Total	47,851	17.67/BOE
Proved plus Probable	Light Crude Oil and Medium Crude Oil (including solution gas and other by-products)	49,256	20.51/bbl
	Conventional Natural Gas (including by-products but excluding solution gas and by-products from oil wells)	21,660	3.40/Mcf
	Natural Gas Liquids	271	20.53/bbl
	Total	71,187	20.49/BOE
Proved plus Probable plus Possible	Light Crude Oil and Medium Crude Oil (including solution gas and other by-products)	70,856	22.30/bbl
	Conventional Natural Gas (including by-products but excluding solution gas and by-products from oil wells)	31,131	3.70/Mcf
	Natural Gas Liquids	331	22.21/bbl
	Total	102,318	22.26/BOE

Note:

(1) The unit values are based on net reserves volumes.

Forecast Prices Used in Estimates

The following table sets forth, for each product type, the pricing assumptions used by GCA in estimating the reserves data set out in the GCA Report and disclosed herein as at December 31, 2019. The pricing assumptions were provided by Crown Point to GCA, and represent Crown Point's forecast price assumptions as at the effective date of the GCA Report.

SUMMARY OF PRICING AND INFLATION RATE ASSUMPTIONS AS OF DECEMBER 31, 2019 (Forecast Prices & Costs)

Year	Brent Crude Oil Price⁽¹⁾ US\$/Bbl	TDF Crude Oil Price⁽¹⁾ US\$/Bbl	TDF NGL Price US\$/Bbl	TDF⁽²⁾ Natural Gas Price US\$/Mcf	Inflation Rate⁽³⁾ % / Year
2020	65.00	56.00	19.73	2.62	2
2021	68.00	59.00	19.92	2.72	2
2022	70.00	61.00	20.12	3.65	2
2023	71.40	62.40	20.32	3.74	2
2024	72.83	63.83	20.53	3.87	2
2025	74.28	65.28	20.73	3.86	2
2026	75.77	66.77	20.94	3.89	2
Thereafter	2%/year	2%/year	2%/year	2%/year	

Notes:

- (1) Forecast pricing for TDF crude oil is based on the forecast Brent crude oil benchmark reference pricing published by Sproule Associates Limited, less a discount of US\$9.00 per bbl.
- (2) Natural gas production from the TDF Concessions is sold to consumers located in TDF and mainland Argentina, all of which receive different prices as set by sales agreements from time to time. These forecast prices represent a blend of such prices.
- (3) Inflation rates used for forecasting costs.

During the financial year ended December 31, 2019, Crown Point received a weighted average price of US\$40.60/BOE, which was comprised of a weighted average price of US\$55.35/bbl for light crude oil and medium crude oil, US\$3.58/Mcf for conventional natural gas and US\$17.19/bbl for NGLs (before transportation and marketing fees). The Corporation did not hedge any production in the year ended December 31, 2019.

Reserves Reconciliation

The following table provides a reconciliation of Crown Point's gross reserves as at December 31, 2019 as compared to December 31, 2018 based on forecast prices and costs.

RECONCILIATION OF COMPANY GROSS RESERVES BY PRODUCT TYPE (Forecast Prices & Costs)

	Light and Medium Crude Oil (Mbbbl)			Conventional Natural Gas (MMcf)			Natural Gas Liquids (Mbbbl)		
	Gross Proved	Gross Probable	Gross Proved plus Probable	Gross Proved	Gross Probable	Gross Proved plus Probable	Gross Proved	Gross Probable	Gross Proved plus Probable
December 31, 2018⁽¹⁾	3,627	2,003	5,631	16,780	4,538	21,318	63	-	63
Extensions and improved recovery	-	-	-	-	-	-	-	-	-
Technical revisions ⁽²⁾	(413)	(808)	(1,221)	(141)	(272)	(413)	-	-	-
Discoveries	-	-	-	-	-	-	-	-	-
Acquisitions	-	-	-	-	-	-	-	-	-
Dispositions ⁽³⁾	(610)	(337)	(947)	(2,823)	(764)	(3,587)	(11)	-	(11)
Economic factors ⁽⁴⁾	-	-	-	(3,991)	(3,246)	(7,237)	(34)	-	(34)
Production	(638)	-	(638)	(2,629)	-	(2,629)	(4)	-	(4)
December 31, 2019^{(5) (6)}	1,966	858	2,825	7,196	256	7,451	15	-	15

Notes:

- (1) Based on the report prepared by GCA dated February 22, 2019 auditing the crude oil and natural gas reserves of the Corporation as at December 31, 2018.
- (2) Negative technical revisions are a result of a reduction in the oil recovery factor used and the elimination of a drilling location in the San Martin pool.
- (3) On April 26, 2019, Crown Point sold a 16.8251% participating interest in the TDF Concessions to its joint venture partners, following which Crown Point's participating interest in the TDF Concessions decreased from 51.56% to 34.7349%.
- (4) Economic factors are a result of a reduction in workover and drilling locations due to lower gas prices.
- (5) Based on the GCA Report dated March 30, 2020 auditing the crude oil and natural gas reserves of the Corporation as at December 31, 2019.
- (6) Totals may not add due to rounding.

Additional Information Relating to Reserves Data

Undeveloped Reserves

The following tables set forth the volumes of proved undeveloped gross reserves and probable undeveloped gross reserves, for each product type, that were first attributed to Crown Point's assets for the financial years ended December 31, 2019, 2018 and 2017 based on forecast prices and costs.

SUMMARY OF COMPANY GROSS UNDEVELOPED RESERVES (Forecast Prices & Costs)

	Light Crude Oil and Medium Crude Oil		Conventional Natural Gas		Natural Gas Liquids	
	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End	First Attributed	Cumulative at Year End
	(Mbbbl)	(Mbbbl)	(MMcf)	(MMcf)	(Mbbbl)	(Mbbbl)
Proved Undeveloped						
Year Ended December 31, 2017	-	102	-	4,582	-	7
Year Ended December 31, 2018	456	456	376	377	-	-
Year Ended December 31, 2019	-	859	-	1,212	-	3
Probable Undeveloped						
Year Ended December 31, 2017	-	476	-	3,365	-	3
Year Ended December 31, 2018	1,002	2,003	2,269	2,269	-	-
Year Ended December 31, 2019	-	858	-	256	-	-

Note:

- (1) The phrase "first attributed" refers to the initial allocation of an undeveloped volume of crude oil, natural gas or NGL reserves by Crown Point. Only previously unassigned undeveloped volumes of crude oil, natural gas or NGL reserves are included in the first attributed volumes for the applicable financial year.

The following discussion generally describes the basis on which Crown Point attributes proved and probable undeveloped reserves and its plans (including timing) for developing those undeveloped reserves.

Proved Undeveloped Reserves

Proved undeveloped reserves are generally those reserves related to wells that have been tested and not yet tied-in, wells drilled near the end of the fiscal year or wells further away from gathering systems. In addition, such reserves may relate to planned infill-drilling locations. The majority of these reserves are planned to be on stream within a two year timeframe.

Probable Undeveloped Reserves

Probable undeveloped reserves are generally reserves tested or indicated by analogy to be productive, infill drilling locations and lands contiguous to production. The majority of these reserves are planned to be on stream within a two year timeframe.

Significant Factors or Uncertainties Affecting Reserves Data

The following identifies and discusses the most significant economic factors or significant uncertainties that affect Crown Point's reserves data.

Uncertainty Regarding Commodity Prices

Prior to October 2017, the Corporation sold all of its crude oil and natural gas production into the Argentine market, which has from time to time been subject to price controls imposed by the national government. Since October 2017, Crown Point has sold all of its crude oil into the export market, while continuing to sell its natural gas production into the domestic Argentine market.

Crude Oil Prices

Crude oil from the Company's TDF Concessions is sold at a discount to the Brent price. During 2019, the Company received an average of US\$55.35 per bbl for its TDF crude oil.

The GCA Report notes that since the effective date of the GCA Report, various events (including the COVID-19 pandemic and the actions of Russia and OPEC, led by the Kingdom of Saudi Arabia) have resulted in a material downward movement in the current oil price and, if current oil prices remain low and the long term oil price outlook is revised downward, there may be a material revision to the crude oil reserve volumes and net present value of future net revenues presented in the GCA Report and disclosed herein.

Natural Gas Prices

Of the commodities produced from the TDF Concessions, only natural gas is subject to seasonal demand. Residential demand for natural gas in Argentina is higher during the colder months of April through October. Historically, sales to the residential market earned a lower price than sales to the industrial market. However, in 2019, non-conventional shale gas production by other companies increased dramatically and this increase in production, coupled with a lack of demand due to an economic recession, drove down the industrial market gas price considerably.

Crown Point can sell its natural gas production to both industrial and residential consumers. The price of natural gas earned by the Company varies with the composition of sales to the residential and industrial markets and price fluctuations within each market. During 2019, the Company received an average of US\$3.58 per Mcf for sales of its TDF natural gas, most of which was sold to the industrial market.

Uncertainty Regarding Reserves Estimates

GCA conducted its independent engineering audit on Crown Point's reserves as at December 31, 2019. The process of establishing reserves requires significant judgments and decisions based on available geological, geophysical, engineering and economic data. These estimates may change substantially as additional data from ongoing development activities and production performance becomes available and as economic conditions impacting oil and gas prices and costs change.

As circumstances change and additional data becomes available, reserves estimates also change. Estimates made are reviewed and revised, either upward or downward, as warranted by the new information. Revisions are often required due to changes in well performance, prices, economic conditions and governmental restrictions.

Although every reasonable effort is made to ensure that reserves estimates are accurate, reserves estimation is an inferential science. As a result, the subjective decisions, new geological or production information and a changing environment may impact these estimates. Revisions to reserves estimates can arise from changes in year-end oil and gas prices and reservoir performance.

For instance, the GCA Report notes that after the December 31, 2019 effective date of the GCA Report and before its

issuance on March 30, 2020, GCA was made aware of a significant change in the performance of the SM x-1001 well, which is the main oil producer in the San Martin field. As previously reported by Crown Point, in late January 2020 the well started producing large amounts of water with a notable decline in oil production. The GCA Report states that the full impact of this development has yet to be assessed, but it is clear that the reserves volumes reported in the GCA Report and disclosed herein as of December 31, 2019 did not consider this unexpected performance and therefore may overstate the reserves of the San Martin field. For additional information, see "Other Oil and Gas Information – Oil and Gas Properties – Tierra del Fuego Concessions – La Angostura Concession" below.

Future Development Costs

The following table provides information regarding the development costs deducted in the estimation of future net revenue attributable to the Corporation's reserves.

FUTURE DEVELOPMENT COSTS (UNDISCOUNTED)⁽¹⁾

Calendar Year	Forecast Prices and Costs		
	Proved Reserves (MUS\$)	Proved plus Probable Reserves (MUS\$)	Proved plus Probable plus Possible Reserves (MUS\$)
2020	4,075	4,075	4,075
2021	1,556	6,987	8,577
2022	306	1,423	2,482
2023	206	206	206
2024	121	121	121
Thereafter	416	416	416
TOTAL	6,680	13,227	15,877

Note:

- (1) Future development costs shown are associated with booked reserves in the GCA Report and do not necessarily represent the Corporation's full exploration and development budget.

The Corporation expects that future development costs will be funded from internally-generated cash flow and debt and/or equity financing. The Corporation does not anticipate that the cost of obtaining such funding will have a material effect on the reserves or future net revenues disclosed herein, nor does the Corporation expect that the cost of such funding could make the development of any of the Corporation's properties uneconomic.

Other Oil and Gas Information

Oil and Gas Properties

The following is a description of the Corporation's oil and gas properties, all of which are located onshore in Argentina, as at December 31, 2019.

Tierra del Fuego Concessions

Overview of TDF Concessions

Crown Point has an interest in oil and natural gas assets in the Tierra del Fuego region in southern Argentina. The assets consist of a 34.7349% working interest in approximately 489,000 acres (169,854 net acres) pursuant to three producing exploitation concessions, which include the Rio Cullen Concession, the La Angostura Concession and the Las Violetas Concession. As at December 31, 2019, all of the Corporation's production and reserves are derived from these concessions.

The main productive formations for the Tierra del Fuego Concessions are the Cretaceous Springhill and Tobífera formations. The Springhill formation consists of fluvial and shallow marine sandstones and shales interbedded with non-marine sandstones and shales that unconformably overlie volcanic and volcanoclastic rocks of the Tobífera

formation. The Springhill sandstones can range in thickness between 5 to 20 metres over the Tierra del Fuego Concessions and dip regionally from 1,700 metres to over 2,500 metres depth northeast to southwest across the Corporation's holdings. The Tobífera formation can exceed thicknesses of 300 metres and is present throughout the Tierra del Fuego Concessions. It is comprised of a series of volcanoclastic deposits dispersed with volcanic cones and occasional lacustrine sands and shales. The volcanoclastic sequence is on occasion naturally fractured, and when this occurs in a trap position the Tobífera can be a prolific reservoir.

The term of each of the Tierra del Fuego Concessions expires in August 2026. The key terms of the Tierra del Fuego Concessions include: (i) a base royalty rate of 15%; and (ii) an incremental variable royalty of between 0.5% and 2.5% (in 0.5% increments) with increasing oil and gas prices.

Except as described elsewhere herein, the Tierra del Fuego Concessions are not subject to any statutory or other mandatory relinquishments, surrenders, back-ins or changes in ownership.

Las Violetas Concession

The Las Violetas Concession comprises 299,244 gross (103,942 net) acres. Natural gas plus condensate and minor amounts of light gravity oil are produced from four fields all of which are connected via field gathering systems and batteries for processing at Company owned facilities at San Luis and Rio Chico. Some gas processed at Rio Chico is sent by pipeline to the San Luis gas plant, blended with the gas plant throughput and injected into a gas sales pipeline which delivers gas to Ushuaia for sale to residential and utility consumers on Tierra del Fuego. The remaining gas processed at the Rio Chico facility is compressed and injected into a Company owned high pressure gas pipeline, which is connected to the San Martin sales line, for export to mainland Argentina. Condensate produced with the gas is extracted at Rio Chico, stabilized, blended with light oil production, and trucked to Cruz del Sur for storage and subsequent sale via the offshore tanker loading facility. The San Luis gas plant is equipped with a turbo expander to extract propane which is sold locally to the bottled gas market on the island of Tierra del Fuego.

Recent Activity

No drilling was carried out on the Las Violetas concession during Q4 2019. The Q4 2019 workover scheduled for gas well LF-1029 has been deferred until the second half of 2020.

La Angostura Concession

The La Angostura Concession comprises 103,043 gross (35,792 net) acres. Production of crude oil and associated gas is exclusively from the San Martin oil field located on the central west edge of the concession. The field has three wells which produce oil and associated gas from a naturally fractured Tobífera reservoir. Oil is flowed to a field processing facility with onsite oil storage, a tanker truck loading station, gas separation, gas compression and tie in to a third party gas sales line. Produced oil is trucked to the YPF operated Cruz del Sur tank farm and offshore tanker loading facility for storage and subsequent sale into the export market, and to Chile for sale to the Chilean State Oil Company (Enap) refinery at San Gregorio, Magallanes Province. A 24 km, 6 inch oil pipeline has been built connecting the San Martin oil field to the Cruz del Sur tank farm and offshore tanker loading facility. The oil pipeline will be operational when repairs on the YPF offshore loading buoy are completed later this year, obviating the need to truck oil from the field (see below for further details).

Recent Activity

On September 23, 2019, YPF announced that the offshore tanker loading facilities at Cruz del Sur would be shut down for unscheduled maintenance and repairs, resulting in the cancellation of oil shipments. The repairs involve subsea inspection and work and are impacted by availability of replacement parts, weather and sea conditions. Repairs are ongoing with an estimated completion date of August 2020. In the interim, YPF is not accepting crude oil deliveries into storage. Work on constructing the Company's 24 km pipeline connecting the San Martin field with Cruz del Sur was completed during Q1 2020 but will remain offline until the terminal is reopened and shipping is resumed.

Oil production during Q4 2019 and Q1 2020 has been restricted due to the closure of Cruz del Sur and the limited transportation capacity to truck oil across the Argentine - Chile border for sale to Enap. On March 23, 2020, Enap announced the indefinite suspension of all oil deliveries due to an outbreak of COVID-19 at its terminal located at San Gregorio, Magallanes Province, Chile. Due to limited storage capacity, the San Martin field was shut-in on March 24, 2020, and will remain so until the delivery suspension is lifted.

In late January 2020, the water cut from the SM x-1001 oil well had reached approximately 50% of the well's total fluid production, which had averaged 1,470 (net 511) Bbls per day of oil from the upper Tobífera reservoir in December 2019. The well was shut-in and a workover to perforate and test the uppermost Tobífera section approximately 35 meters above the original perforated zone was performed in March 2020. During the 24 hour production test, the well flowed at an average rate of 2,010 (net 700) Bbls per day of 35 API gravity oil through a 25 mm choke at a flowing well head pressure of 232 psi with no reported water. SM x-1001 was placed back on restricted production on March 18, 2020 at an average rate of 724 (net 251) Bbls of oil per day through an 8 mm choke with negligible water cut and a flowing well head pressure of 587 psi. The well was shut-in again on March 24, 2020 as noted above.

A scheduled workover on oil well AS.x-1001 was completed during Q4 2019 and the well was placed back on production.

Rio Cullen Concession

The Rio Cullen Concession comprises 95,136 gross (33,045 net) acres. Gas production is from the Springhill formation. The producing wells are connected by pipeline to the YPF gas plant located 9 km to the south at Cañadon Piedra for processing and injection into the San Martin export gas sales line to mainland Argentina. The minor amounts of oil produced with the gas are extracted in the field and trucked to Cruz del Sur for storage and subsequent sale into the export market.

Recent Activity

No operations were conducted on the Rio Cullen concession during Q4 2019.

Summary of Expenditure Commitments on TDF Concessions

The Company's share of expenditure commitments as at December 31, 2019 with respect to the TDF Concessions are as follows:

<u>Concession</u>	<u>Term of Expenditure Period</u>	<u>Required Expenditure Commitment</u>
Rio Cullen	Until August 2026	US\$0.62 million, none of which was spent as of December 31, 2019.

Cerro de Los Leones

Overview of the Cerro de Los Leones Permit

The Corporation has a 100% working interest in the 100,907 acre Cerro de Los Leones Permit located in the northern portion of the Neuquén Basin in the Province of Mendoza, Argentina. The Corporation does not currently have any production from this area and no reserves were booked to this area as of December 31, 2019.

In October 2010, the Company acquired a 49.9% participating interest in the Cerro de Los Leones Permit from two vendors. A 2.5% overriding royalty on the proceeds from the marketing of hydrocarbons obtained from the assigned participating interest was granted by the Company to the vendors as partial consideration. Crown Point acquired the remaining 50.1% participating interest in the Cerro de Los Leones Permit pursuant to the acquisition of Antrim Argentina S.A. in May 2012.

The Cerro de Los Leones Permit confers upon its holders the exclusive right to explore for hydrocarbons during three successive exploration periods lasting three, two and one year(s), respectively. A minimum of fifty percent of the acreage of the Cerro de Los Leones Permit was to be relinquished at the end of each of the first two exploration periods or converted into an exploitation concession or evaluation block. Effective April 27, 2015, the Corporation entered into an agreement with the Province of Mendoza to relinquish 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) to Period 2, which period commenced in May 2015.

Recent Events

The Company was required to complete a 3-D seismic program and drill one exploration well by January 22, 2019. The Company received formal approval from the Province of Mendoza extending the January 22, 2019 deadline to complete its outstanding Period 2 work obligation (the drilling of one exploration well) by October 22, 2019. In doing so, the Company accepted an additional work obligation to drill a second exploration well before the new October 22, 2019 deadline. On October 18, 2019, the Company requested (and subsequently received) an extension to February 23, 2020 to accommodate the drilling and evaluation of both wells.

The Company acquired 214 km² of 3-D seismic in Q3 2018 in the northern CLL area at an aggregate budgeted cost of US\$4.5 million. The new seismic was used to finalize two exploration locations both of which were drilled during Q4 2019. The wells targeted Tertiary and upper Cretaceous sandstones.

The first gas discovery well, SRM x-1001D, was spud in on October 20, 2019 and cased on November 2, 2019, after encountering five meters of oil bearing sands in the Middle Tertiary Agua de Piedra formation. Extended production testing of SRM x-1001D was completed in late January 2020. Over a 7-day period, the well produced gas from the Agua de la Piedra Formation (Middle Tertiary) at an average rate of 3.5 MMcf per day at rates varying between 1.25 and 3.54 MMcf per day at flowing well head pressures ranging between 760 and 1,060 psi through choke sizes of 6 mm to 12 mm. The total volume of gas produced during the test period was 9.7 MMcf plus 150 barrels of formation water. Water production during the test period averaged 17 barrels per 1 MMcf of gas. The well remains suspended pending evaluation of commerciality.

The second well, SRM x-1002D, was drilled during the latter part of November 2019 and subsequently abandoned after finding no indications of hydrocarbons.

In February 2020, having completed the Period 2 work obligations, the Company elected to commit to the Period 3 one year term, and in doing so committed to drilling one exploration well on the CLL Permit before February 23, 2021. Under the terms of the CLL Permit, the Company is obliged to relinquish 50% of the acreage outstanding at the end of the Period 2 term at the request of the Province. As at the date hereof, the Province had not yet made a relinquishment request.

Summary of Expenditure Commitments on the Cerro de Los Leones Permit

The following provides details of the work commitments as at December 31, 2019 required to be completed during the remaining exploration period:

Period	Term of Exploration Period	Required Work Commitment⁽¹⁾
Period 3	February 23, 2021 ⁽²⁾	1 exploration well at an estimated cost of US\$2.5 million.

Notes:

- (1) The required work commitments are expressed as work units in the CLL Permit. Each work unit has an approximate dollar value of US\$5,000, however, other factors may be considered when determining whether work units have been satisfied.

- (2) Should the Company fail to complete its work commitments within the specified time period, it must surrender the concession exploration lands and will be obligated to make a payment equal to the value of the Company's outstanding Period 3 work commitments.

If a commercial discovery is made by Crown Point, it will be entitled to obtain an exclusive 25-year exploitation concession to produce hydrocarbons from the relevant discovery and shall also be granted the right to freely market and dispose of the hydrocarbons lifted from the area, after paying the standard monthly 16% production royalties to the Province of Mendoza. The Cerro de Los Leones Permit is also subject to the payment of yearly surface rent per square kilometre on the acreage.

Except as described above and elsewhere herein, the Cerro de Los Leones Permit is not subject to any statutory or other mandatory relinquishments, surrenders, back-ins or changes in ownership.

2020 Capital Expenditures

The Company's capital spending for fiscal 2020 is budgeted at US\$1.4 million in TDF based on expenditures for the following proposed activities:

- Perform five well workovers: two in the Los Flamencos field and one in the San Luis field of the Las Violetas Concession; one in the La Angostura Concession; and one in the Rio Chico concession;
- Improve water handling facilities at the San Martin field to increase production capacity; and
- Other improvements to facilities in TDF.

Investment in TDF has been significantly reduced and investment in the CLL Permit has been postponed due to a sharp decline in capital investment in Argentina as a consequence of the impact of the COVID-19 virus on both the Argentina and the global economy.

Oil and Natural Gas Wells

All of Crown Point's oil and gas properties and wells are located onshore Argentina. The following table summarizes Crown Point's interest, as at December 31, 2019, in producing and non-producing crude oil, natural gas and other wells:

OIL AND GAS WELLS

	Oil Wells				Gas Wells				Other Wells⁽¹⁾	
	Producing		Non-Producing		Producing		Non-Producing		Gross	Net
	Gross	Net	Gross	Net	Gross	Net	Gross	Net		
Argentina	13	4.52	12	4.17	35	12.16	10	4.13	67	23.27

Note:

- (1) Includes service, disposal, injection and standing wells.

Properties with No Attributed Reserves

The following table sets forth information respecting Crown Point's undeveloped lands as at December 31, 2019.

PROPERTIES WITH NO ATTRIBUTED RESERVES

LOCATION	Unproved Properties ⁽¹⁾		Expiring Unproved Properties ⁽²⁾
	Gross Acres	Net Acres	Net Acres During Fiscal Year Ended December 31, 2020
Argentina			
Cerro de Los Leones	100,907	100,907	-(3)
Tierra del Fuego	195,000	67,733	-
TOTAL	295,907	168,640	-(3)

Notes:

- (1) Unproved properties are properties or parts of properties to which no reserves have been specifically attributed as of December 31, 2019.
- (2) Represents the net acres of unproved property for which the Corporation expects its rights to explore, develop and exploit to expire in 2020 (absent any extensions to the applicable concession(s)).
- (3) In February 2020, having completed the Period 2 exploration work obligations, the Company elected to commit to the Period 3 one year term, and in doing so committed to drilling one exploration well on the CLL Permit before February 23, 2021. Under the terms of the CLL Permit, the Company is obliged to relinquish 50% of the acreage outstanding at the end of the Period 2 term at the request of the Province. As at the date hereof, the Province had not yet made a relinquishment request.

For a description of the Corporation's work commitments on its proved and unproved properties, see "*Other Oil and Gas Information - Oil and Gas Properties*". Should the Corporation fail to make the necessary expenditures during the applicable periods it may be required to surrender some or all of its unproved properties.

Significant Factors or Uncertainties Relevant to Properties with No Attributed Reserves

For a discussion of certain significant economic factors or significant uncertainties that have affected or are reasonably expected to affect the anticipated development or production activities on the Corporation's properties with no attributed reserves, see "*Significant Factors or Uncertainties Affecting Reserves Data*" and the description of the Corporation's oil and gas properties under "*Other Oil and Gas Information - Oil and Gas Properties*".

Although there are no existing production facilities on the CLL Permit, should the Corporation achieve commercial levels of production on the CLL Permit it expects to be able to truck such production to facilities in relatively close proximity to the CLL Permit. If the cost of trucking production from the CLL Permit is more expensive than expected, the development of the CLL Permit may be delayed. The Corporation may consider the construction of pipelines or other facilities on the CLL Permit if discoveries on the CLL Permit warrant such expenditures.

Forward Contracts

As of December 31, 2019, Crown Point was not bound by an agreement (including a transportation agreement), directly or through an aggregator, under which it may be precluded from fully realizing, or may be protected from the full effect of, future market prices for oil or gas.

As of December 31, 2019, Crown Point's transportation obligations or commitments for future physical deliveries of oil or gas do not exceed Crown Point's expected related future production from its proved reserves, estimated using forecast prices and costs, as disclosed elsewhere herein.

Tax Horizon

The Corporation was not required to pay income taxes during the year ended December 31, 2019, although the Corporation's Argentine subsidiaries were required to pay income taxes in Argentina during the year ended December 31, 2019. The Corporation estimates that it will not be required to pay income taxes in 2020 or 2021, although the Corporation anticipates that its remaining Argentine subsidiary will be required to pay income taxes in Argentina again in 2020.

Costs Incurred

The following table summarizes certain expenditures incurred by the Corporation during the year ended December 31, 2019.

PROPERTY ACQUISITION COSTS AND CAPITAL EXPENDITURES FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Amount</u> <u>(millions of US\$)</u>
Property Acquisition	
Proved Properties	-
Unproved Properties	-
Capital Expenditures	
Exploration Costs	2.75
Development Costs	5.74
Total	<u>8.49</u>

Exploration and Development Activities

The following table sets forth the gross and net exploration and development wells that Crown Point completed during the year ended December 31, 2019.

	<u>Exploration Wells</u>		<u>Development Wells</u>	
	<u>Gross</u>	<u>Net</u>	<u>Gross</u>	<u>Net</u>
Natural Gas	1.00	1.00	-	-
Oil	-	-	-	-
Service	-	-	-	-
Stratigraphic Test	-	-	-	-
Dry	1.00	1.00	-	-
Total	<u>2.00</u>	<u>2.00</u>	<u>-</u>	<u>-</u>

For details of the Corporation's most important current and likely exploration and development activities, see "*Other Oil and Gas Information – Oil and Gas Properties*".

Production Estimates

The following table summarizes, for each product type, the volume of production estimated for the year ended December 31, 2020 which is reflected in the estimates of gross proved reserves, gross probable reserves and gross possible reserves disclosed elsewhere herein. The Tierra del Fuego Concessions account for all of the estimated production disclosed below.

**SUMMARY OF PRODUCTION ESTIMATES
FOR THE YEAR ENDED DECEMBER 31, 2020
(Forecast Prices & Costs)**

	Summary of Production Estimates		
	Light Crude Oil and Medium Crude Oil (Mbbl)	Conventional Natural Gas (MMcf)	Natural Gas Liquids (Mbbl)
Gross Proved			
Tierra del Fuego	552	1,832	3
Total	552	1,832	3
Gross Probable			
Tierra del Fuego	20	6	-
Total	20	6	-
Gross Possible			
Tierra del Fuego	24	23	-
Total	24	23	-

Notes:

- (1) Estimates are calculated based on the GCA Report.
- (2) Represents estimated production from January 1, 2020 to December 31, 2020.

Production History

The following table summarizes certain information in respect of our share of average gross daily production volumes, product prices received, royalties paid, production costs and resulting netback for the periods indicated.

	Quarter Ended			
	Mar. 31, 2019	June 30, 2019	Sept. 30, 2019	Dec. 31, 2019
Light Crude Oil and Medium Crude Oil⁽¹⁾⁽⁴⁾				
Average gross production volumes (Bbls/d)	1,612	2,163	1,556	956
Average price received (US\$/Bbl)	54.91	57.12	53.83	54.62
Average royalties paid (US\$/Bbl)	10.90	13.32	11.30	11.15
Average production costs (US\$/Bbl) ⁽²⁾	8.12	9.40	10.42	15.71
Netback Received (US\$/Bbl) ⁽³⁾	35.89	34.40	32.11	27.76
Conventional Natural Gas (excluding NGLs)				
Average gross production volumes (Mcf/d)	11,036	6,530	5,741	5,579
Average price received (US\$/Mcf)	4.05	4.19	3.56	2.00
Average royalties paid (US\$/Mcf)	0.73	0.75	0.64	0.36
Average production costs (US\$/Mcf) ⁽²⁾	1.76	2.45	2.14	3.19
Netback Received (US\$/Mcf) ⁽³⁾	1.56	0.99	0.78	(1.55)
Natural Gas Liquids⁽⁴⁾				
Average gross production volumes (Bbls/d)	18	10	6	5
Average price received (US\$/Bbl)	14.58	20.15	18.93	18.75
Average royalties paid (US\$/Bbl)	2.19	3.02	2.84	2.81
Average production costs (US\$/Bbl) ⁽²⁾	3.42	4.70	5.72	7.50
Netback Received (US\$/Bbl) ⁽³⁾	8.97	12.43	10.37	8.44

Notes:

- (1) Represents production of light crude oil. During the periods indicated Crown Point did not produce any medium crude oil.
- (2) Includes field operating expenses.
- (3) Totals may not add due to rounding.
- (4) Represents crude oil / NGL production volumes. Crude oil / NGL production volumes may differ from crude oil / NGL sales volumes as Crown Point may, from time to time, retain certain crude oil / NGL production volumes in inventory.

The following table summarizes the Corporation's production volumes during the year ended December 31, 2019 for each important field, and in total, by product type.

PRODUCTION VOLUMES BY IMPORTANT FIELD AND IN TOTAL – YEAR ENDED DECEMBER 31, 2019

FIELD	Light Crude Oil and Medium Crude Oil ⁽¹⁾ (Bbls)	Conventional Natural Gas (MMcf)	Natural Gas Liquids ⁽¹⁾ (Bbls)
Tierra del Fuego Concessions	638,330	2,629	3,692
TOTAL	638,330	2,629	3,692

Note:

- (1) As at December 31, 2019, the Corporation had inventoried volumes of 40,849 Bbls of light crude oil and medium crude oil and 1,884 Bbls of NGLs.

APPENDIX "A-1"

**FORM 51-101F2
REPORT ON RESERVES DATA
BY INDEPENDENT QUALIFIED RESERVES EVALUATOR OR AUDITOR**

To the board of directors of Crown Point Energy Inc. (the "**Corporation**"):

1. We have audited the Corporation's reserves data as at December 31, 2019. The reserves data are estimates of proved reserves and probable reserves and related future net revenue as at December 31, 2019, estimated using forecast prices and costs.
2. The reserves data are the responsibility of the Corporation's management. Our responsibility is to express an opinion on the reserves data based on our audit.
3. We carried out our audit in accordance with standards set out in the Canadian Oil and Gas Evaluation Handbook, as amended from time to time (the "**COGE Handbook**") maintained by the Society of Petroleum Evaluation Engineers (Calgary Chapter).
4. Those standards require that we plan and perform an audit to obtain reasonable assurance as to whether the reserves data are free of material misstatement. An audit also includes assessing whether the reserves data are in accordance with principles and definitions presented in the COGE Handbook.
5. The following table shows the net present value of future net revenue (before deduction of income taxes) attributed to proved plus probable reserves, estimated using forecast prices and costs and calculated using a discount rate of 10 percent, included in the reserves data of the Corporation audited for the year ended December 31, 2019, and identifies the respective portions thereof that we have audited and reported on to the Corporation's board of directors:

Independent Qualified Reserves Evaluator or Auditor	Effective Date of Audit Report	Location of Reserves (Country or Foreign Geographic Area)	Net Present Value of Future Net Revenue (before income taxes, 10% discount rate)			
			Audited ¹	Evaluated	Reviewed	Total ¹
Gaffney, Cline & Associates Limited	December 31, 2019	Argentina	\$71,187	Nil	Nil	\$71,187

Note:
(1) Expressed in thousands of U.S. dollars.

6. N/A
7. In our opinion, the reserves data audited by us have, in all material respects, been determined and are in accordance with the COGE Handbook, consistently applied. We express no opinion on the reserves data that we reviewed but did not audit or evaluate.
8. We have no responsibility to update our report referred to in paragraph 5 for events and circumstances occurring after the effective date of our report.
9. Because the reserves data are based on judgements regarding future events, actual results will vary and the variations may be material.

EXECUTED as to our report referred to above:

Gaffney, Cline & Associates Limited
Houston, Texas, USA
April 27, 2020

Per: *"Gustavo Ritondale"*
Name: Gustavo Ritondale
Title: Project Manager, Reservoir Engineer

APPENDIX "A-2"

FORM 51-101F3

REPORT OF MANAGEMENT AND DIRECTORS ON RESERVES DATA AND OTHER INFORMATION

Management of Crown Point Energy Inc. (the "**Corporation**") are responsible for the preparation and disclosure of information with respect to the Corporation's oil and gas activities in accordance with securities regulatory requirements. This information includes reserves data.

An independent qualified reserves auditor has audited the Corporation's reserves data. The report of the independent qualified reserves auditor is presented above and will be filed with securities regulatory authorities concurrently with this report.

The Audit, Reserves and HS&E Committee of the board of directors of the Corporation has:

- (a) reviewed the Corporation's procedures for providing information to the independent qualified reserves auditor;
- (b) met with the independent qualified reserves auditor to determine whether any restrictions affected the ability of the independent qualified reserves auditor to report without reservation; and
- (c) reviewed the reserves data with management and the independent qualified reserves auditor.

The Audit, Reserves and HS&E Committee of the board of directors has reviewed the Corporation's procedures for assembling and reporting other information associated with oil and gas activities and has reviewed that information with management. The board of directors has, on the recommendation of the Audit, Reserves and HS&E Committee, approved:

- (a) the content and filing with securities regulatory authorities of Form 51-101F1 containing reserves data and other oil and gas information;
- (b) the filing of Form 51-101F2 which is the report of the independent qualified reserves auditor on the reserves data; and
- (c) the content and filing of this report.

Because the reserves data are based on judgments regarding future events, actual results will vary and the variations may be material.

DATED as of this 27th day of April, 2020.

Signed "*Dr. Brian J. Moss*"
Dr. Brian J. Moss
President and Chief Executive Officer

Signed "*Marisa Tormakh*"
Marisa Tormakh
Vice-President, Finance and Chief Financial Officer

Signed "*Keith Turnbull*"
Keith Turnbull
Director

Signed "*Gordon Kettleston*"
Gordon Kettleston
Director