

Crown Point Announces US\$15 Million Investment by Strategic Investors

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CALGARY, ALBERTA -- (Marketwired - Nov. 17, 2014) - [Crown Point Energy Inc.](#) (TSX VENTURE:CWV) ("Crown Point" or the "Company") today announced that it has signed a US\$15 million investment agreement (the "Agreement") under which it will raise new capital through an issue of 51,724,138 common shares ("Shares") on a private placement basis at a price of US\$0.29 per Share (the "Investment") to two strategic investors based in Argentina. Crown Point also announced details of a new loan facility.

"This Agreement will strengthen our balance sheet with significant new capital and will reinforce our board of directors with two representatives of the investors joining as directors at closing" said Murray McCartney, CEO of Crown Point. "The funds will allow us to advance the exploration and development of our concessions in Argentina and the new directors will provide us with a strategic advantage due to their vast experience in the energy and banking industries in Argentina. This is a long term relationship geared to growing the Company into a significant player in the Argentine oil and gas sector."

The Investors

The investors are two closely held Argentinian companies, Liminar Energia S.A. and GORC S.A. (the "Investors"). The two proposed new Crown Point directors are Pablo Bernardo Peralta, President of Liminar, and Gabriel Dario Obrador, President of GORC.

Mr. Peralta, age 57, has more than 30 years of experience in financial services and activities, and jointly with Roberto Domínguez are the principal shareholders of an Argentinian diversified investment group with interests in the banking, finance, insurance, agricultural, real estate and energy sectors. He is a director and Vice-President of Banco de Servicios y Transacciones, S.A, which is registered with the Comisión Nacional de Valores. A resident of Buenos Aires, Mr. Peralta obtained a Public Accountant degree from the University of Buenos Aires.

Mr. Obrador, age 53, is a seasoned entrepreneur and manager operating in the oil and gas sector and several other industries, including renewable energy, energy commodity trading and agribusiness. Petrolera Piedra del Aguila S.A., which he co-founded in 2006, is an independent oil and gas operator focused on acquisition and development areas with exploratory and development potential in Argentina's Neuquen Basin, where Crown Point has a 100% interest in a promising exploration concession. Prior to 2006, Mr. Obrador was a senior manager with YPF S.A., the largest oil and gas company in Argentina. Mr. Obrador, a resident of Buenos Aires, obtained a Master of Science in Management from the Massachusetts Institute of Technology in 1996 and a Chemical Licentiate with an Organic Chemistry track from the University of Buenos Aires in 1989.

Details of the Investment

Under the terms of the Agreement, Crown Point will issue 51,724,138 Shares to the Investors at a price of US\$0.29 per Share (approximately C\$0.33 per Share based on the Bank of Canada's noon exchange rate on November 14). Crown Point currently has 104,515,222 Shares issued and outstanding. The issue price per Share under the Agreement represents approximately a 32% premium to the closing price of C\$0.25 per Share on the TSX Venture Exchange ("TSXV") on November 14, and represents approximately a 57% premium to the volume weighted average trading price of C\$0.21 per Share on the TSXV for the 10 and 20 trading days ended November 14.

The Initial Closing

The Investors and the Company have agreed to complete the Investment in two tranches. At the first closing (the "Initial Closing"), the Investors will purchase an aggregate of 25,965,704 Shares for aggregate gross proceeds of US\$7,530,054. Following the Initial Closing, the Investors will own approximately 19.9% of the outstanding Shares.

In connection with the Initial Closing, the Investors will pay the purchase price as follows: (i) US\$2,000,000 in

US dollars; and (ii) the balance, being US\$5,530,054, in Argentine pesos based on the US dollar - Argentine peso exchange rate of Banco de la Nación Argentina at the close of business on the business day immediately prior to the Initial Closing date.

The Second Closing

At the second closing (the "Second Closing"), the Investors will purchase an aggregate of 25,758,434 Shares for aggregate gross proceeds of US\$7,469,946. Following the Second Closing, the Investors will own approximately 33% of the outstanding Shares. In connection with the Second Closing, the Investors will pay the purchase price in Argentine pesos based on the US dollar - Argentine peso exchange rate of Banco de la Nación Argentina at the close of business on the business day immediately prior to the Second Closing date.

Pursuant to the TSXV's rules, if the issuance of Shares pursuant to a private placement will result in the creation of a new "control person", then the TSXV will require the company to obtain disinterested shareholder approval of the private placement. The completion of the Second Closing may result in the Investors becoming a "control person" of the Company. Accordingly, the Second Closing is conditional on the Company obtaining disinterested shareholder approval in accordance with the TSXV's rules. The Board intends to call and hold a special meeting of the Company's shareholders to consider the Second Closing in due course, and an information circular describing the Second Closing and the Investors will be prepared and mailed to the Company's shareholders for this purpose.

Use of proceeds

The net proceeds from the Investment will be used to fund the Company's exploration and development program in Argentina and for general corporate purposes. A portion of the net proceeds, together with funds flow from operations and working capital, will be used to complete the Company's ongoing 14-well development drilling, recompletion and exploration program in Argentina.

Governance Terms

In accordance with the terms of the Agreement, subject to all applicable legal and regulatory requirements, the Investors have the right to have two representatives serve on the Board as long as the Investors collectively own or control 10% or more of the issued and outstanding Shares. The Investors have agreed that the Board will continue to be comprised of a majority of directors who are independent of management and the Investors, which the Company believes demonstrates the Investors' commitment to good corporate governance practices. As noted above, Messrs. Peralta and Obrador are expected to be the Investors' representatives on the Board following the Initial Closing.

Provided the Second Closing occurs, the Investors have also agreed not to sell or otherwise transfer any Shares owned by them for a period of two years following closing, which the Company believes demonstrates their long-term commitment to Crown Point.

Closing Matters

The Initial Closing and the Second Closing are subject to certain conditions and approvals customary for a transaction of this nature, including TSXV approval. In addition: (i) as described above, the Initial Closing is subject to the Board appointing two of the Investors' nominees to the Board and the Company and the Investors entering into a mutually acceptable area of mutual interest agreement; and (ii) the Second Closing is subject to the approval of the Company's shareholders. Subject to certain exceptions, the Company has agreed to work exclusively with the Investors to complete the Investment and to not pursue other sources of equity financing.

A copy of the Agreement will be made available under the Company's profile on SEDAR at www.sedar.com in due course.

Fenix Partners acted as sole financial advisor to the Investors.

New Loan Facility

Crown Point's wholly-owned subsidiary Antrim Argentina S.A. recently obtained and drew down in full a loan facility of 14.5 million Argentine pesos ("ARS") (US\$1.7 million) from HSBC Bank Argentina S.A. The loan

bears interest at a rate of 34% per annum for the ARS principal amount equivalent to US\$1 million and 31.5% per annum for the remaining ARS equivalent to US\$0.7 million, calculated and paid monthly.

The loan is secured by a guaranteed investment certificate ("GIC") in the amount of US\$1.7 million on deposit with a major Canadian financial institution. Of the US\$1.7 million principal amount of bank debt, US\$1.0 million is repayable on October 16, 2015 and the remaining US\$0.7 million is renewable on February 11, 2015 at the Company's option at the prevailing interest rate.

Antrim Argentina has an existing ARS\$26.8 million loan with HSBC Bank Argentina. This loan has been secured by a GIC in the amount of US\$2.31 million on deposit with a major Canadian financial institution. As a result of current exchange rate differences between the Argentine Peso and the US dollar, the amount of the GIC securing the loan has been reduced to US\$1.585 million. All other terms of this loan remain the same.

About Crown Point

Crown Point Energy Inc. is an international oil and gas exploration and development company headquartered in Calgary, Canada, incorporated in Alberta, Canada, trading on the TSX Venture Exchange and operating in South America. Crown Point's exploration and development activities are focused in the Austral and Neuquén basins in Argentina. Crown Point has a strategy that focuses on establishing a portfolio of producing properties, plus production enhancement and exploration opportunities to provide a basis for future growth.

Advisory

Forward looking information: Certain information set forth in this document, including: the statement that the agreement with the Investors will strengthen Crown Point's balance sheet with significant new capital and will reinforce Crown Point's board of directors with two representatives of the Investors joining as directors; the statement that the funds from the Investment will allow Crown Point to advance the exploration and development of its concessions in Argentina and that the new directors will provide Crown Point with a strategic advantage due to their vast experience in the energy and banking industries in Argentina and that the transitions contemplated by the Investment represent a long term relationship geared to growing the Company into a significant player in the Argentine oil and gas sector; the identity of the expected nominees of the Investors to the Board; matters with respect to describing the Initial Closing and the Second Closing, including the dollar amounts and currencies of payment; the statement that the Board intends to call and hold a special meeting of the Company's shareholders to consider the Second Closing in due course; statements with respect to the composition of the Board and the belief that the Board will continue to be comprised of a majority of directors who are independent of management and the Investors; that an information circular describing the Second Closing and the Investors will be prepared and mailed to the Company's shareholders for this purpose; the intended use of proceeds of the Investment; closing matters, including certain conditions to closing as described herein; and the statement that the Investors have agreed not to sell or otherwise transfer any Shares owned by them for a period of two years following closing (subject to certain conditions) are considered forward-looking information, and necessarily involve risks and uncertainties, certain of which are beyond our control.

Such risks include but are not limited to: failure to realize the anticipated benefits of the Investment, as described herein; failure to complete the Initial Closing and/or the Second Closing; the risk that the directors expected to be nominated by the Investors, as described herein, will change; regulatory risks including TSXV approval for the Investment and the related matters; failure to secure the requisite shareholder approval for the Second Closing; failure to complete the closings (as applicable) on the timelines the Company as planned; the risk that the Investment (or any part thereof) will not be completed at all if these approvals are not obtained or some other condition to the applicable closing is not satisfied; the risk that a meeting to approve the Second Closing (including the mailing of the related information circular) will be delayed or frustrated. Actual results, performance or achievements could differ materially from those expressed in, or implied by, the forward-looking information and, accordingly, no assurance can be given that any events anticipated by the forward-looking information will transpire or occur, or if any of them do so, what benefits that we will derive therefrom. With respect to forward-looking information contained herein, Crown Point has made assumptions regarding, among other things: the receipt of all regulatory (including TSXV) and shareholder approvals; that the director nominees of the Investors will not change; that the Company will be able to realize certain benefits from the Investment and related matters; that the Company will be able to hold a shareholder meeting to approve the Second Closing in due course; that the Investment will be completed in accordance with the terms set forth in the Agreement; the impact of increasing competition; the general stability of the economic and political environment in which the Company operates; the ability of the Company 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 Company's capital expenditure program; the ability of the operator of the projects which the Company has an interest in to operate the field in a safe, efficient and effective manner; 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 Company to secure adequate product transportation; future oil and natural gas prices; currency, exchange and interest rates; the regulatory framework regarding royalties, commodity price controls, import/export matters, taxes and environmental matters in Argentina; and the ability of the Company to successfully market its oil and natural gas products.

Additional information on these and other factors that could affect us are included in reports on file with Canadian securities regulatory authorities, including under the heading "Risk Factors" in our annual information form, and may be accessed through the SEDAR website (www.sedar.com). Furthermore, the forward-looking statements contained in this document are made as of the date of this document, and we do not undertake any obligation to update publicly or to revise any of the forward looking statements, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable securities law.

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