CONSOLIDATED BALANCE SHEETS

			As at	
(UNAUDITED) ($000s)	Notes	**September 30, 2011**	December 31, 2010	January 1, 2010
ASSETS				
Accounts receivable		**252,704**	199,977	141,887
Investment in marketable securities		**477**	908	1,092
Prepaids and deposits		**6,381**	4,698	8,861
Derivative asset	20	**51,139**	7,087	1,675
Total current assets		**310,701**	212,670	153,515
Long-term investments	4	**122,967**	62,164	23,440
Investment in associate	5	**-**	-	206,315
Reclamation fund		**7,342**	3,001	3,422
Derivative asset	20	**95,611**	5,106	3,845
Other receivable	6	**9,210**	9,210	9,320
Exploration and evaluation	7, 8	**1,169,889**	1,115,371	586,467
Property, plant and equipment	8, 9	**6,618,899**	6,328,690	4,352,812
Goodwill	10	**207,672**	207,672	100,294
Total assets		**8,542,291**	7,943,884	5,439,430
LIABILITIES				
Accounts payable and accrued liabilities		**449,733**	343,691	210,515
Cash dividends payable		**26,036**	27,533	22,890
Derivative liability	20	**7,230**	78,707	20,080
Total current liabilities		**482,999**	449,931	253,485
Long-term debt	11	**996,881**	1,006,451	519,127
Derivative liability	20	**15,529**	74,630	42,243
Decommissioning liability	12	**357,457**	324,727	216,470
Deferred income tax		**691,753**	596,057	486,680
Total liabilities		**2,544,619**	2,451,796	1,518,005
SHAREHOLDERS' EQUITY				
Shareholders' capital	13	**7,619,100**	6,839,358	4,710,290
Contributed surplus		**103,340**	108,890	58,282
Deficit		**(1,737,685)**	(1,453,523)	(846,924)
Accumulated other comprehensive income (loss)		**12,917**	(2,637)	(223)
Total shareholders' equity		**5,997,672**	5,492,088	3,921,425
Total liabilities and shareholders' equity		**8,542,291**	7,943,884	5,439,430

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

		Three months ended September 30		Nine months ended September 30	
(UNAUDITED) ($000s, except per share amounts)	Notes	**2011**	2010	**2011**	2010
REVENUE AND OTHER INCOME					
Oil and gas sales		**517,156**	393,499	**1,560,816**	1,082,453
Royalties		**(94,874)**	(70,255)	**(267,979)**	(205,454)
Oil and gas revenue		**422,282**	323,244	**1,292,837**	876,999
Derivative gains (losses)	15, 20	**293,283**	(73,307)	**210,243**	18,847
Other income (loss)	16	**(14,966)**	31,122	**(6,471)**	25,197
		700,599	281,059	**1,496,609**	921,043
EXPENSES					
Operating		**70,723**	67,936	**217,317**	175,007
Transportation		**11,829**	8,991	**36,469**	26,367
General and administrative		**9,532**	8,806	**29,454**	29,662
Interest on long-term debt		**16,388**	15,605	**46,172**	45,063
Foreign exchange (gain) loss	17	**34,143**	(7,963)	**26,428**	2,685
Share-based compensation	18	**12,330**	15,644	**45,876**	47,623
Depletion, depreciation and amortization		**252,098**	186,357	**700,788**	470,115
Accretion on decommissioning liability		**2,511**	2,385	**7,427**	6,889
		409,554	297,761	**1,109,931**	803,411
Operating income (loss)		**291,045**	(16,702)	**386,678**	117,632
Share of profit of associate		**-**	-	**-**	673
Income (loss) before tax		**291,045**	(16,702)	**386,678**	118,305
Tax expense (recovery)					
Current		**2**	-	**(549)**	1
Deferred		**86,419**	(8,898)	**99,896**	16,478
Net income (loss)		**204,624**	(7,804)	**287,331**	101,826
Other comprehensive income (loss)					
Foreign currency translation on foreign operations		**17,077**	(1,263)	**15,554**	(720)
Comprehensive income (loss)		**221,701**	(9,067)	**302,885**	101,106
Net income (loss) per share	19				
Basic		**0.74**	(0.03)	**1.06**	0.45
Diluted		**0.74**	(0.03)	**1.05**	0.44

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(UNAUDITED) ($000s)	Notes	Shareholders' capital	Contributed surplus	Deficit	Accumulated other comprehensive income (loss)	Total shareholders' equity
December 31, 2010		**6,839,358**	**108,890**	**(1,453,523)**	**(2,637)**	**5,492,088**
Issued for cash	13	**392,588**				**392,588**
Issued pursuant to the DRIP [(1)]	13	**297,658**				**297,658**
To be issued pursuant to the DRIP [(1)]	13	**39,474**				**39,474**
Exercise of restricted shares	13	**61,869**	**(65,173)**			**(3,304)**
Share issue costs, net of tax		**(11,847)**				**(11,847)**
Share-based compensation	18		**58,612**			**58,612**
Forfeit of restricted shares	18		**1,011**			**1,011**
Net income				**287,331**		**287,331**
Dividends ($2.07 per share)				**(571,493)**		**(571,493)**
Foreign currency translation adjustment					**15,554**	**15,554**
September 30, 2011		**7,619,100**	**103,340**	**(1,737,685)**	**12,917**	**5,997,672**
January 1, 2010		4,710,290	58,282	(846,924)	(223)	3,921,425
Issued for cash		375,150				375,150
Issued on capital acquisitions		1,004,831				1,004,831
Issued pursuant to the DRIP [(1)]		236,636				236,636
To be issued pursuant to the DRIP [(1)]		33,839				33,839
Exercise of restricted shares		14,227	(26,156)			(11,929)
Share issue costs, net of tax		(12,139)				(12,139)
Share-based compensation			62,402			62,402
Forfeit of restricted shares			(449)			(449)
Net income				101,826		101,826
Dividends ($2.07 per share)				(472,832)		(472,832)
Foreign currency translation adjustment					(720)	(720)
September 30, 2010		6,362,834	94,079	(1,217,930)	(943)	5,238,040

(1) Dividend reinvestment plan

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Three months ended September 30		Nine months ended September 30	
(UNAUDITED) ($000s)	Notes	**2011**	2010	**2011**	2010
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Net income		**204,624**	(7,804)	**287,331**	101,826
Items not affecting cash					
Other (income) loss	16	**15,212**	(31,122)	**8,433**	(25,197)
Deferred tax expense (recovery)		**86,419**	(8,898)	**99,896**	16,478
Share-based compensation	18	**12,330**	15,644	**45,876**	47,623
Depletion, depreciation and amortization		**252,098**	186,357	**700,788**	470,115
Accretion on decommissioning liability		**2,511**	2,385	**7,427**	6,889
Unrealized (gains) losses on derivatives	15, 20	**(302,565)**	80,870	**(265,135)**	(8,216)
Unrealized (gain) loss on foreign exchange	17	**31,965**	(7,959)	**24,231**	2,734
Share of profit of associate		**-**	-	**-**	(673)
Decommissioning expenditures		**(651)**	(410)	**(2,400)**	(1,514)
Change in non-cash working capital	22	**7,679**	(24,480)	**30,248**	(29,075)
		309,622	204,583	**936,695**	580,990
INVESTING ACTIVITIES					
Development capital and other expenditures		**(352,801)**	(350,086)	**(789,523)**	(722,152)
Capital acquisitions, net	8	**(163,893)**	(3,765)	**(203,181)**	(553,995)
Reclamation fund net contributions		**(1,267)**	2,600	**(4,340)**	1,186
Long-term investments		**(40,676)**	4,022	**(73,829)**	1,465
Change in non-cash working capital	22	**113,458**	47,521	**30,289**	48,657
		(445,179)	(299,708)	**(1,040,584)**	(1,224,839)
FINANCING ACTIVITIES					
Issue of shares, net of issue costs		**376,741**	(8,250)	**373,186**	346,592
Increase (decrease) in long-term debt		**(163,007)**	175,028	**(33,439)**	498,180
Cash dividends		**(79,276)**	(74,809)	**(234,361)**	(202,357)
Change in non-cash working capital	22	**1,099**	3,156	**(1,497)**	1,434
		135,557	95,125	**103,889**	643,849
INCREASE IN CASH		**-**	-	**-**	-
CASH AT BEGINNING OF PERIOD		**-**	-	**-**	-
CASH AT END OF PERIOD		**-**	-	**-**	-

See accompanying notes to the consolidated financial statements.

Supplementary Information:

Cash taxes paid (recovered)	**267**	(335)	**(1,053)**	(317)
Cash interest paid	**20,725**	15,902	**41,957**	45,873

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2011 (UNAUDITED)

1. STRUCTURE OF THE BUSINESS

The principal undertakings of Crescent Point Energy Corp. (the “Company” or “Crescent Point”) are to carry on the business of acquiring, developing and holding interests in petroleum and natural gas properties and assets related thereto through a general partnership and wholly owned subsidiaries.

Crescent Point is the ultimate parent company and is incorporated in Alberta, Canada. The address of the principal place of business is 2800, 111 – 5th Ave S.W., Calgary, Alberta, Canada, T2P 3Y6.

These interim consolidated financial statements were approved and authorized for issue by the Company’s Board of Directors on November 9, 2011.

2. BASIS OF PREPARATION

a) Preparation

These financial statements represent the third interim consolidated financial statements of the Company prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). These interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim consolidated financial statements, including International Accounting Standard (“IAS”) 34, *Interim Financial Reporting,* and IFRS 1, *First-time Adoption of International Financial Reporting Standards*. Prior to 2011, the Company prepared its interim and annual consolidated financial statements in accordance with Canadian generally accepted accounting principles (“previous GAAP”).

The policies applied in these interim consolidated financial statements are based on IFRS issued and outstanding as of November 9, 2011, the date the Board of Directors approved the statements. Any subsequent changes to IFRS that are given effect in the Company’s annual consolidated financial statements for the year ending December 31, 2011 could result in restatement of these interim consolidated financial statements, including the transition adjustments recognized on change-over to IFRS.

The preparation of these interim consolidated financial statements resulted in changes to Crescent Point’s accounting policies as compared to those disclosed in the Company’s annual audited consolidated financial statements for the year ended December 31, 2010 issued under previous GAAP. A summary of the significant changes to Crescent Point’s accounting policies is disclosed in Note 24, including reconciliations presenting the impact of the transition to IFRS for the comparative periods as at January 1, 2010, as at and for the year ended December 31, 2010 and for the three and nine months ended September 30, 2010.

b) Basis of measurement, functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, unless otherwise indicated, which is the Company’s functional currency, and are prepared on the historical cost basis, except for the revaluation to fair value of certain financial assets and financial liabilities, as required.

c) Use of estimates and judgments

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected. Significant estimates and judgments made by management in the preparation of consolidated financial statements are outlined below.

Reserves estimates, although not reported as part of the Company’s consolidated financial statements, can have a significant effect on net income, assets and liabilities as a result of their impact on depletion, depreciation and amortization (“DD&A”), decommissioning liability, deferred taxes, asset impairments and business combinations. Independent petroleum reservoir engineers perform evaluations of the Company’s oil and gas reserves on an annual basis. The estimation of reserves is an inherently complex process requiring significant judgment. Estimates of economically recoverable oil and gas reserves are based upon a number of variables and assumptions such as geoscientific interpretation, production forecasts, commodity prices, costs and related future cash flows, all of which may vary considerably from actual results. These estimates are expected to be revised upward or downward over time, as additional information such as reservoir performance becomes available, or as economic conditions change.

For purposes of impairment testing, property, plant and equipment (“PP&E”) is aggregated into cash-generating units (“CGUs”), based on separately identifiable and largely independent cash inflows. The determination of the Company’s CGUs is subject to judgment.

Upon retirement of its oil and gas assets, the Company anticipates incurring substantial costs associated with decommissioning. Estimates of these costs are subject to uncertainty associated with the method, timing and extent of future decommissioning activities. The liability, the related asset and the expense are impacted by estimates with respect to the cost and timing of decommissioning.

Business combinations are accounted for using the acquisition method of accounting. The determination of fair value often requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of PP&E and exploration and evaluation ("E&E") assets acquired generally require the most judgment and include estimates of reserves acquired, forecast benchmark commodity prices, and discount rates. Changes in any of the assumptions or estimates used in determining the fair value of acquired assets and liabilities could impact the amounts assigned to assets, liabilities and goodwill. Future net earnings can be affected as a result of changes in future DD&A, asset impairment or goodwill impairment.

The determination of technical feasibility and commercial viability, based on the presence of reserves, results in the transfer of assets from E&E assets to PP&E.

The estimated fair value of derivative instruments resulting in derivative assets and liabilities, by their very nature, are subject to measurement uncertainty.

Compensation costs recorded pursuant to share-based compensation plans are subject to estimated fair values, forfeiture rates and the future attainment of performance criteria.

Tax regulations and legislation and the interpretations thereof are subject to change. In addition, deferred income tax liabilities recognize the extent that temporary differences will be payable in future periods. The calculation of the liability involves a significant amount of estimation including an evaluation of when the temporary differences will reverse, an analysis of the amount of future taxable earnings, the availability of cash flows and the application of tax laws. Changes in tax regulations and legislation and the other assumptions listed are subject to measurement uncertainty.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently by the Company and its subsidiaries to all periods presented in these interim consolidated financial statements.

a) Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries and any reference to the "Company" throughout these consolidated financial statements refers to the Company and its subsidiaries. All transactions between the Company and its subsidiaries have been eliminated.

Investments in associates are accounted for using the equity method. The Company used the equity method to account for its investment in Shelter Bay Energy Inc. ("Shelter Bay"). Refer to Note 5 "Investment in Associate" for additional information.

Interests in jointly controlled assets are accounted for using the proportionate consolidation method, whereby these consolidated financial statements include the Company's proportionate share of these jointly controlled assets, liabilities, and revenue and expenses.

b) Property, Plant and Equipment

Items of PP&E, which primarily consist of oil and gas development and production assets, are measured at cost less accumulated depletion, depreciation and any impairment losses. Development and production assets are accumulated into major area cost centres and represent the cost of developing the commercial reserves and initiating production.

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of PP&E are recognized as development and production assets only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in net income as incurred. Capitalized development and production assets generally represent costs incurred in developing reserves and initiating or enhancing production from such reserves. The carrying amount of any replaced or sold component is derecognized.

Depletion and Depreciation

Development and production costs accumulated within major areas are depleted using the unit-of-production method based on estimated proved plus probable reserves before royalties, as determined by independent petroleum reservoir engineers. Natural gas reserves and production are converted to equivalent barrels of oil based upon the relative energy content (6:1). The depletion base includes capitalized costs, plus future costs to be incurred in developing proved plus probable reserves.

Corporate assets are depreciated over 5 years on a straight-line basis.

Impairment

The carrying amounts of PP&E are grouped into CGUs and reviewed quarterly for indicators of impairment. Indicators are events or changes in circumstances that indicate the carrying amount may not be recoverable. If indicators of impairment exist, the recoverable amount of the CGU is estimated. If the carrying amount of the CGU exceeds the recoverable amount, the CGU is written down with an impairment recognized in net income.

Assets are grouped into CGUs based on separately identifiable and largely independent cash inflows considering geological characteristics, shared infrastructure and exposure to market risks. Estimates of future cash flows used in the calculation of the recoverable amount are based on reserve evaluation reports prepared by independent petroleum reservoir engineers. The recoverable amount is the higher of fair value less cost to sell and the value-in-use. Fair value less cost to sell is derived by estimating the discounted after-tax future net cash flows. Discounted future net cash flows are based on forecasted commodity prices and costs over the expected economic life of the reserves and discounted using market-based rates to reflect a market participant's view of the risks associated with the assets. Value-in-use is assessed using the expected future cash flows discounted at a pre-tax rate.

Impairments of PP&E are reversed when there has been a subsequent increase in the recoverable amount, but only to the extent of what the carrying amount would have been had no impairment been recognized.

c) Exploration and Evaluation

Exploration and evaluation assets are comprised of the accumulated expenditures incurred in an area where technical feasibility and commercial viability has not yet been determined. Exploration and evaluation assets include undeveloped land and any drilling costs thereon.

Technical feasibility and commercial viability are considered to be determinable when reserves are discovered. Upon determination of reserves, E&E assets attributable to those reserves are first tested for impairment and then reclassified from E&E assets to PP&E.

Costs incurred prior to acquiring the legal rights to explore an area are expensed as incurred.

Amortization

Undeveloped land classified as E&E is amortized by major area over the average primary lease term and recognized in net income. Drilling costs classified as E&E assets are not amortized but are subject to impairment.

Impairment

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) indicators suggest that the carrying amount exceeds the recoverable amount. Exploration and evaluation assets are tested for impairment at the operating segment level by combining E&E assets with PP&E. The recoverable amount is the greater of fair value less cost to sell or value-in-use. Fair value less cost to sell is derived by estimating the discounted after-tax future net cash flows as described in the PP&E impairment test, plus the fair market value of undeveloped land and seismic. Value-in-use is assessed using the present value of the expected future cash flows discounted at a pre-tax rate. Impairments of E&E assets are reversed when there has been a subsequent increase in the recoverable amount, but only to the extent of what the carrying amount would have been had no impairment been recognized.

d) Decommissioning Liability

The Company recognizes the present value of a decommissioning liability in the period in which it is incurred. The obligation is recorded as a liability on a discounted basis using the relevant risk free rate, with a corresponding increase to the carrying amount of the related asset. Over time, the liabilities are accreted for the change in their present value and the capitalized costs are depleted on a unit-of-production basis over the life of the underlying proved plus probable reserves. Accretion expense is recognized in net income. Revisions to the discount rate, estimated timing or amount of future cash flows would also result in an increase or decrease to the decommissioning liability and related asset.

e) Reclamation Fund

The Company established a reclamation fund to fund future decommissioning costs and environmental emissions reduction costs. Effective April 1, 2010, the Board of Directors approved contributions of $0.45 per barrel of oil equivalent ("boe") of production; prior to this, 2010 contributions were $0.30 per boe. Additional contributions are made at the discretion of management.

f) Goodwill

The Company records goodwill relating to a business combination when the purchase price exceeds the fair value of the net identifiable assets and liabilities of the acquired business. The goodwill balance is assessed for impairment annually or as events occur that could result in impairment. Goodwill is tested for impairment at an operating segment level by combining the carrying amounts of PP&E, E&E assets and goodwill and comparing this to the recoverable amount. The recoverable amount is the greater of fair value less cost to sell or value-in-use. Fair value less cost to sell is derived by estimating the discounted after-tax future net cash flows as described in the PP&E impairment test, plus the fair market value of undeveloped land and seismic. Value-in-use is assessed using the present value of the expected future cash flows discounted at a pre-tax rate. Any excess of the carrying amount over the recoverable amount is the impairment amount. Impairment charges, which are not tax affected, are recognized in net income. Goodwill is reported at cost less any impairment; impairments are not reversed.

g) Share-based Compensation

Restricted shares granted under the Restricted Share Bonus Plan are accounted for at fair value. Share-based compensation expense is determined based on the estimated fair value of shares on the date of grant. Forfeitures are estimated at the grant date and are subsequently adjusted to reflect actual forfeitures. The expense is recognized over the service period, with a corresponding increase to contributed surplus. The Company capitalizes the portion of share-based compensation directly attributable to development activities, with a corresponding decrease to share-based compensation expense. At the time the restricted shares vest, the issuance of shares is recorded as an increase to shareholders' capital and a corresponding decrease to contributed surplus.

h) Income Taxes

The Company follows the liability method of accounting for income taxes. Under this method, deferred income taxes are recognized for the estimated effect of any differences between the accounting and tax basis of assets and liabilities, using enacted or substantively enacted income tax rates expected to apply when the deferred tax asset or liability is settled. The effect of a change in income tax rates on deferred income taxes is recognized in net income in the period in which the change occurs.

Deferred income tax assets and liabilities are presented as non-current.

Tax on income in interim periods is accrued using the tax rate that would be applicable to expected total annual earnings.

i) Financial Instruments

The Company has early adopted IFRS 9*, Financial Instruments,* as issued in November 2009 and revised in October 2010 ("IFRS 9"), with a date of initial application of January 1, 2010. This new standard replaces the current multiple classification and measurement model for non-equity financial assets and liabilities with a single model that has only two classification categories: amortized cost and fair value. Classification depends on the entity's business model for managing financial instruments and the contractual cash flow characteristics of the financial instrument.

In addition, the fair value option for financial liabilities was amended. The changes in fair value attributable to a liability's credit risk will be recorded in other comprehensive income rather than through net income, unless this presentation creates an accounting mismatch. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to net income.

For investments in equity instruments which are not subject to control, joint control, or significant influence, on initial recognition IFRS 9 allows an entity to irrevocably elect classification at "fair value through profit or loss" or "fair value through other comprehensive income".

The Company uses financial derivative instruments and physical delivery commodity contracts from time to time to reduce its exposure to fluctuations in commodity prices, foreign exchange rates and interest rates**.** The Company also makes investments in companies from time to time in connection with the Company's acquisition and divesture activities.

<u>Financial derivative instruments</u>

Financial derivative instruments are included in current assets/liabilities except for those with maturities greater than 12 months after the end of the reporting period, which are classified as non-current assets/liabilities.

The Company has not designated any of its financial derivative contracts as effective accounting hedges and, accordingly, fair values its financial derivative contracts with the resulting gains and losses recorded in net income.

The fair value of a financial derivative instrument on initial recognition is normally the transaction price. Subsequent to initial recognition, the fair values are based on quoted market prices where available from active markets, otherwise fair values are estimated based on market prices at the reporting date for similar assets or liabilities with similar terms and conditions, or by discounting future payments of interest and principal at estimated interest rates that would be available to the Company at the reporting date.

Financial assets and liabilities

Financial assets and liabilities are measured at fair value on initial recognition. For non-equity instruments, measurement in subsequent periods depends on the classification of the financial asset or liability as "fair value through profit or loss" or "amortized cost".

Financial assets and liabilities classified as fair value through profit or loss are subsequently carried at fair value, with changes recognized in net income.

Financial assets and liabilities classified as amortized cost are subsequently carried at amortized cost using the effective interest rate method.

Currently, the Company classifies all non-equity financial instruments which are not financial derivative instruments as amortized cost.

At each reporting date, the Company assesses whether there is objective evidence that a financial asset carried at amortized cost is impaired. If such evidence exists, the Company recognizes an impairment loss in net income. Impairment losses are reversed in subsequent periods if the impairment loss decrease can be related objectively to an event occurring after the impairment was recognized.

For investments in equity instruments, the subsequent measurement is dependent on the Company's election to classify such instruments as fair value through profit or loss or fair value through other comprehensive income. If the fair value through other comprehensive income classification is selected, the Company would recognize in net income dividends from the investment when the Company's right to receive payment is established and would recognize fair value re-measurements of the investment through other comprehensive income. If the fair value through profit or loss classification is elected, the Company would recognize period to period movements in the fair value of the investment (adjusted for dividends) within net income. Regardless of the classification, such investments are not subject to impairment testing.

Currently, the Company classifies all investments in equity instruments as fair value through profit or loss.

j) Business Combinations

Business combinations are accounted for using the acquisition method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured at their fair values at the acquisition date. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the acquisition date. The excess of the cost of the acquisition over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recorded as goodwill. If the cost of the acquisition is less than the fair value of the net assets acquired, the difference is recognized immediately in net income. Transaction costs associated with business combinations are expensed as incurred.

k) Foreign Currency Translation

Foreign operations

The Company has operations in the United States ("U.S.") transacted via U.S. subsidiaries. Transactions by foreign operations are translated to Canadian dollars at exchange rates in effect at the transaction date. The assets and liabilities of foreign operations are restated to Canadian dollars at exchange rates in effect at the balance sheet date; the resulting unrealized gain or loss is included in other comprehensive income. The income and expenses of foreign operations are restated to Canadian dollars using the average exchange rate for the period, the resulting unrealized gain or loss is included in other comprehensive income. Realized gains and losses are included in net income.

Foreign transactions

Transactions in foreign currencies not incurred by the Company's U.S. subsidiaries are translated to Canadian dollars at exchange rates in effect at the transaction dates. Foreign currency assets and liabilities are restated to Canadian dollars at exchange rates in effect at the balance sheet date and income and expenses are restated to Canadian dollars using the average exchange rate for the period. Both realized and unrealized gains and losses resulting from the settlement or restatement of foreign currency transactions are included in net income.

l) Revenue Recognition

Oil and gas revenue includes the sale of crude oil, natural gas and natural gas liquids and is recognized when the risks and rewards of ownership have been substantially transferred.

m) Cash and Cash Equivalents

Cash and cash equivalents include short-term investments with original maturities of three months or less.

n) Leases

Agreements under which payments are made to owners in return for the right to use an asset for a period are accounted for as leases. All of the Company's leases are treated as operating leases and the costs are recognized in net income on a straight-line basis.

o) Earnings Per Share

Basic earnings per share ("EPS") is calculated by dividing the net income (loss) for the period attributable to equity owners of the Company by the weighted average number of common shares outstanding during the period.

Diluted EPS is calculated by adjusting the weighted average number of common shares outstanding for dilutive instruments. The number of shares included with respect to dilutive instruments, being restricted shares issued under the Company's Restricted Share Bonus Plan, is computed using the treasury stock method. The treasury stock method assumes that the deemed proceeds related to unrecognized share-based compensation expense are used to repurchase shares at the average market price during the period.

p) Future Changes in Accounting Policies

Crescent Point will adopt all IFRS accounting standards in effect on December 31, 2011.

The following standards and amendments have not been adopted as they apply to future periods. They may result in future changes to our existing accounting policies and disclosures. Crescent Point is currently evaluating the impact that these standards will have on the Company's results of operations and financial position:

- IFRS 10 *Consolidated Financial Statements* – in May 2011, the IASB issued IFRS 10 which provides additional guidance to determine whether an investee should be consolidated. The guidance applies to all investees, including special purpose entities. The standard is required to be adopted for periods beginning January 1, 2013.

- IFRS 11 *Joint Arrangements* – in May 2011, the IASB issued IFRS 11 which presents a new model for determining whether an entity should account for joint arrangements using proportionate consolidation or the equity method. An entity will have to follow the substance rather than legal form of a joint arrangement and will no longer have a choice of accounting method. The standard is required to be adopted for periods beginning January 1, 2013.

- IFRS 12 *Disclosure of Interests in Other Entities* – in May 2011, the IASB issued IFRS 12 which aggregates and amends disclosure requirements included within other standards. The standard requires an entity to provide disclosures about subsidiaries, joint arrangements, associates and unconsolidated structured entities. The standard is required to be adopted for periods beginning January 1, 2013.

- IFRS 13 *Fair Value Measurement* – in May 2011, the IASB issued IFRS 13 to provide comprehensive guidance for instances where IFRS requires fair value to be used. The standard provides guidance on determining fair value and requires disclosures about those measurements. The standard is required to be adopted for periods beginning January 1, 2013.

- IAS 1 *Presentation of Items of Other Comprehensive Income* – in June 2011, the IASB issued amendments to IAS 1 Presentation of Financial Statements to separate items of other comprehensive income that may be subsequently reclassed to income. The standard is required to be adopted for periods beginning on or after July 1, 2012.

- IAS 27 *Separate Financial Statements* has been amended to conform to the changes made in IFRS 10 but retains the current guidance for separate financial statements.

- IAS 28 *Investments in Associates and Joint Ventures* has been amended to conform to the changes made in IFRS 10 and IFRS 11.

4. LONG-TERM INVESTMENTS

a) Public Companies

The Company holds common shares in publicly traded oil and gas companies. The investments are classified as financial assets at fair value through profit or loss and are fair valued with the resulting gain or loss recorded in net income. The investments are recorded at fair value which is $10.3 million less than the original cost of the investments.

b) Private Companies

The Company holds common shares in a private oil and gas company. The investment is classified as a financial asset at fair value through profit or loss and is fair valued with the resulting gain or loss recorded in net income. The investment is recorded at fair value which is equal to the cost of the investment.

5. INVESTMENT IN ASSOCIATE

During the first quarter of 2008, the Company invested in Shelter Bay Energy Inc. (“Shelter Bay”), a private oil company. At January 1, 2010, the Company’s investment of $200.4 million consisted of 173.9 million Class A Common Shares, representing an interest of 21 percent, plus the accumulated equity earnings of $5.9 million.

On July 2, 2010, the Company completed the acquisition, by plan of arrangement, of the remaining shares it did not already own in Shelter Bay. See Note 8 – “Capital Acquisitions and Dispositions”.

6. OTHER RECEIVABLE

At September 30, 2011, the Company had investment tax credits of approximately $12.5 million. The investment tax credits resulted from the plan of arrangement with Wild River Resources Ltd. completed on July 2, 2009. The after tax benefit associated with investment tax credits is approximately $9.2 million.

7. EXPLORATION AND EVALUATION ASSETS

($000s)	**September 30, 2011**	December 31, 2010
Exploration and evaluation assets at cost	**1,509,715**	1,270,380
Accumulated amortization	**(339,826)**	(155,009)
Net carrying amount	**1,169,889**	1,115,371
Reconciliation of movements during the period		
Cost, beginning of period	**1,270,380**	586,467
Accumulated amortization, beginning of period	**(155,009)**	-
Net carrying amount, beginning of period	**1,115,371**	586,467
Net carrying amount, beginning of period	**1,115,371**	586,467
Acquisitions through business combinations, net	**116,007**	469,253
Additions	**246,839**	351,878
Dispositions	**-**	(738)
Transfers to property, plant and equipment	**(136,666)**	(133,392)
Amortization	**(183,574)**	(155,221)
Foreign exchange	**11,912**	(2,876)
Net carrying amount, end of period	**1,169,889**	1,115,371

Exploration and evaluation assets consist of the Company’s undeveloped land and exploration projects which are pending the determination of technical feasibility. Additions represent the Company’s share of the cost of E&E assets during the period. At September 30, 2011, $1.2 billion remains in E&E assets after $136.7 million was transferred to PP&E following the determination of technical feasibility during the nine months ended September 30, 2011 (year ended December 31, 2010 - $1.1 billion and $133.4 million, respectively).

Impairment test of exploration and evaluation assets

There were no indicators of impairment at September 30, 2011 or December 31, 2010 and as such, an impairment test of E&E assets was not required.

The impairment test of E&E assets at January 1, 2010 concluded that the recoverable amount exceeded the combined net carrying amount of PP&E and E&E assets. As such, no E&E asset impairment existed.

8. CAPITAL ACQUISITIONS AND DISPOSITIONS

a) Corporate Acquisitions

Shelter Bay Energy Inc.

On July 2, 2010, Crescent Point completed the acquisition, by way of plan of arrangement, of all remaining issued and outstanding common shares of Shelter Bay, a private oil and gas company with properties contiguous with Crescent Point's existing core areas in southern Saskatchewan. Total consideration of approximately $1.2 billion included the issuance of approximately 24.4 million shares, assumed long-term debt, working capital, long-term investment and the historical cost of Crescent Point's previously held equity investment of $200.4 million (a combined $1.2 billion was allocated to PP&E and E&E assets). The goodwill recognized on acquisition is attributed to the expected future cash flows derived from unbooked possible reserves.

The carrying amount of Crescent Point's investment in Shelter Bay on July 2, 2010 was $207.0 million, and the fair value was estimated at $237.3 million, resulting in a gain of $30.3 million.

	($000s)
Fair value of net assets acquired	
Long-term investment	36,633
Accounts receivable	16,152
Derivative assets	11,987
Property, plant and equipment	1,052,769
Exploration and evaluation	196,753
Goodwill	107,378
Accounts payable and accrued liabilities	(45,771)
Long-term debt	(137,687)
Decommissioning liability	(11,091)
Deferred tax liability	(90,306)
Total net assets acquired	1,136,817
Consideration	
Crescent Point's previously held equity interest	206,987
Gain on Crescent Point's previously held equity interest	30,291
Shares issued (24,397,586 shares)	899,539
Total purchase price	1,136,817

Private Company

On July 5, 2010, Crescent Point completed the acquisition, by way of plan of arrangement, of all issued and outstanding common shares of a private oil and gas company with exploratory land in southern Alberta prospective for multi-zone light oil opportunities. Total consideration of approximately $95.6 million included the issuance of approximately 0.7 million shares, assumed long-term debt and working capital (a combined $107.6 million was allocated to PP&E and E&E assets).

	($000s)
Fair value of net assets acquired	
Accounts receivable	2,337
Property, plant and equipment	43,430
Exploration and evaluation	64,195
Accounts payable and accrued liabilities	(22,159)
Long-term debt	(49,018)
Decommissioning liability	(7,418)
Deferred tax liability	(4,574)
Total net assets acquired	26,793
Consideration	
Shares issued (740,537 shares)	26,793
Total purchase price	26,793

Ryland Oil Corp.

On August 20, 2010, Crescent Point completed the acquisition, by way of plan of arrangement, of all remaining issued and outstanding common shares of Ryland Oil Corp. ("Ryland"), a public oil and gas company with properties primarily located in Crescent Point's Flat Lake area in southeastern Saskatchewan and North Dakota. Total consideration of approximately $116.3 million included the issuance of approximately 2.2 million shares, assumed long-term debt, working capital and the historical cost of Crescent Point's previously held equity investment of $7.6 million (a combined $122.4 million was allocated to PP&E and E&E assets).

The carrying amount of Crescent Point's investment in Ryland on August 20, 2010 was $7.8 million and the fair value was estimated at $7.6 million resulting in a loss of $0.2 million.

	($000s)
Fair value of net assets acquired	
Accounts receivable	356
Property, plant and equipment	7,273
Exploration and evaluation	115,159
Accounts payable and accrued liabilities	(22,376)
Long-term debt	(8,145)
Decommissioning liability	(1,050)
Deferred tax liability	(5,088)
Total net assets acquired	86,129
Consideration	
Crescent Point's previously held investment	7,833
Loss on Crescent Point's previously held investment	(203)
Shares issued (2,178,719 shares)	78,499
Total purchase price	86,129

b) Property Acquisitions and Dispositions

Property acquisitions and dispositions during the nine months ended September 30, 2011 amounted to additions to PP&E and E&E assets of $198.5 million ($199.7 million was allocated to PP&E and E&E assets). These property acquisitions were acquired with full tax pools and no working capital items.

9. PROPERTY, PLANT AND EQUIPMENT

($000s)	**September 30, 2011**	December 31, 2010
Development and production assets	**7,654,706**	6,847,972
Corporate assets	**16,703**	15,831
Property, plant and equipment at cost	**7,671,409**	6,863,803
Accumulated depletion and depreciation	**(1,052,510)**	(535,113)
Net carrying amount	**6,618,899**	6,328,690
Reconciliation of movements during the period		
Development and production assets		
Cost, beginning of period	**6,847,972**	4,343,663
Accumulated depletion, beginning of period	**(527,828)**	-
Net carrying amount, beginning of period	**6,320,144**	4,343,663
Net carrying amount, beginning of period	**6,320,144**	4,343,663
Acquisitions through business combinations, net	**84,093**	1,675,354
Additions	**582,015**	699,382
Dispositions	**(450)**	(3,643)
Transfers from exploration and evaluation assets	**136,666**	133,392
Depletion	**(515,573)**	(527,839)
Foreign exchange	**4,229**	(165)
Net carrying amount, end of period	**6,611,124**	6,320,144
Cost, end of period	**7,654,706**	6,847,972
Accumulated depletion, end of period	**(1,043,582)**	(527,828)
Net carrying amount, end of period	**6,611,124**	6,320,144
Corporate assets		
Cost, beginning of period	**15,831**	14,284
Accumulated depreciation, beginning of period	**(7,285)**	(5,135)
Net carrying amount, beginning of period	**8,546**	9,149
Net carrying amount, beginning of period	**8,546**	9,149
Additions	**865**	1,547
Depreciation	**(1,641)**	(2,150)
Foreign exchange	**5**	-
Net carrying amount, end of period	**7,775**	8,546
Cost, end of period	**16,703**	15,831
Accumulated depreciation, end of period	**(8,928)**	(7,285)
Net carrying amount, end of period	**7,775**	8,546

At September 30, 2011, future development costs of $3.2 billion (December 31, 2010 – $3.1 billion) are included in costs subject to depletion.

Direct general and administrative costs capitalized by the Company during the nine months ended September 30, 2011 was $22.5 million (year ended December 31, 2010 – $42.0 million), including $13.7 million of share-based compensation costs (year ended December 31, 2010 – $22.5 million).

Impairment test of property, plant and equipment

There were no indicators of impairment at September 30, 2011 or December 31, 2010 and, as such, an impairment test of PP&E was not required.

The impairment test of PP&E at January 1, 2010 concluded that the recoverable amount exceeded the net carrying amount. As such, no PP&E impairment existed. The discount rate applied at January 1, 2010 was based on an estimated industry average weighted average cost of capital of 10%.

10. GOODWILL

($000s)	**September 30, 2011**	December 31, 2010
Balance, beginning of period	**207,672**	100,294
Shelter Bay acquisition	**-**	107,378
Balance, end of period	**207,672**	207,672

Impairment test of goodwill

The impairment test of goodwill at December 31, 2010 and January 1, 2010 concluded that the estimated recoverable amount exceeded the carrying amount. As such, no goodwill impairment existed.

11. LONG-TERM DEBT

The following table reconciles long-term debt:

($000s)	**September 30, 2011**	December 31, 2010	January 1, 2010
Bank credit facilities	**455,347**	697,847	519,127
Senior guaranteed notes			
Cdn$50.0 million (Matures March 24, 2015)	**50,000**	50,000	-
US$37.5 million (Matures March 24, 2015)	**38,959**	37,299	-
US$52.0 million (Matures April 14, 2016)	**54,023**	-	-
US$67.5 million (Matures March 24, 2017)	**70,126**	67,137	-
US$31.0 million (Matures April 14, 2018)	**32,206**	-	-
US$155.0 million (Matures March 24, 2020)	**161,030**	154,168	-
Cdn$50.0 million (Matures April 14, 2021)	**50,000**	-	-
US$82.0 million (Matures April 14, 2021)	**85,190**	-	-
Total long-term debt	**996,881**	1,006,451	519,127

a) Bank Credit Facilities

The Company has a syndicated unsecured credit facility with twelve banks and an operating credit facility with one Canadian chartered bank, for a total amount available under the combined facilities of $1.6 billion.

The credit facilities bear interest at the prime rate plus a margin based on a sliding scale ratio of the Company's debt to EBITDA, adjusted for certain non-cash items. The syndicated unsecured credit facility matures on June 10, 2014 and can be extended upon agreement of Crescent Point and the lenders. The operating credit facility constitutes a revolving facility for a 364 day term which is extendible annually for a further 364 day revolving period. The current conversion date for the operating credit facility is June 8, 2012. The combined credit facilities have covenants based on the ratios of debt to EBITDA and debt to capital, adjusted for certain non-cash items; the Company is in compliance with all debt covenants at September 30, 2011.

The Company has letters of credit in the amount of $9.3 million outstanding at September 30, 2011.

The Company manages its credit facilities through a combination of bankers' acceptance loans and interest rate swaps.

b) Senior Guaranteed Notes

The Company has closed private offerings of senior guaranteed notes raising total gross proceeds of US$425.0 million and Cdn$100.0 million. The notes are unsecured and rank *pari passu* with the Company's bank credit facilities and carry a bullet repayment on maturity. The terms and rates of the Company's outstanding senior guaranteed notes are detailed below:

Principal	Coupon Rate	Interest Payment Dates	Maturity Date
Cdn$50.0 million	4.92%	September 24 and March 24	March 24, 2015
US$37.5 million	4.71%	September 24 and March 24	March 24, 2015
US$52.0 million	3.93%	October 14 and April 14	April 14, 2016
US$67.5 million	5.48%	September 24 and March 24	March 24, 2017
US$31.0 million	4.58%	October 14 and April 14	April 14, 2018
US$155.0 million	6.03%	September 24 and March 24	March 24, 2020
Cdn$50.0 million	5.53%	October 14 and April 14	April 14, 2021
US$82.0 million	5.13%	October 14 and April 14	April 14, 2021

Concurrent with the issuance of the US$425.0 million senior guaranteed notes on March 24, 2010 and April 14, 2011, the Company entered into cross currency interest rate swaps (''CCIRS'') with a syndicate of financial institutions. To manage the Company's foreign exchange risk, the CCIRS fix the US dollar amount of the notes for purposes of interest and principal repayments at a notional amount of $424.6 million. See additional information in Note 20 – "Financial Instruments and Derivatives".

12. DECOMMISSIONING LIABILITY

Upon retirement of its oil and gas assets, the Company anticipates incurring substantial costs associated with decommissioning. The estimated future cash flows have been discounted using an average risk free rate of approximately 2.5 percent and an inflation rate of 2 percent (December 31, 2010 - approximately 3 percent and 2 percent, respectively).

The following table reconciles the decommissioning liability:

($000s)	**September 30, 2011**	December 31, 2010
Decommissioning liability, beginning of period	**324,727**	216,470
Liabilities incurred	**11,525**	16,508
Liabilities acquired through capital acquisitions	**1,172**	42,979
Liabilities disposed through capital dispositions	**(69)**	(86)
Liabilities settled	**(2,400)**	(2,748)
Change in estimate [(1)]	**15,075**	42,052
Accretion expense	**7,427**	9,552
Decommissioning liability, end of period	**357,457**	324,727

(1) These amounts primarily relate to the change in discount rates used.

13. SHAREHOLDERS' CAPITAL

Crescent Point has an unlimited number of common shares authorized for issuance.

	September 30, 2011		December 31, 2010	
	Number of shares	**Amount ($000s)**	Number of shares	Amount ($000s)
Common shares, beginning of period	**266,911,154**	**6,956,216**	209,389,932	4,803,759
Issued for cash	**9,025,000**	**392,588**	19,400,000	750,300
Issued on capital acquisitions	**-**	**-**	27,316,842	1,004,831
Issued on exercised restricted shares [(1)]	**1,687,136**	**61,869**	774,497	20,354
Issued pursuant to the dividend reinvestment plan	**7,202,313**	**297,658**	9,204,120	343,306
Common shares, end of period	**284,825,603**	**7,708,331**	266,085,391	6,922,550
Cumulative share issue costs, net of tax	**-**	**(128,705)**	-	(116,858)
To be issued pursuant to the dividend reinvestment plan	**1,052,015**	**39,474**	825,763	33,666
Total shareholders' capital, end of period	**285,877,618**	**7,619,100**	266,911,154	6,839,358

(1) The amount of shares issued on exercise of restricted shares is net of any employee withholding taxes.

14. CAPITAL MANAGEMENT

The Company's capital structure is comprised of shareholders' equity, long-term debt and working capital. The balance of each of these items is as follows:

($000s)	**September 30, 2011**	December 31, 2010	January 1, 2010
Long-term debt	**996,881**	1,006,451	519,127
Working (capital) deficiency [(1)]	**93,240**	103,477	(148,190)
Unrealized foreign exchange gain (loss) on translation of US dollar senior guaranteed notes	**(17,506)**	6,535	-
Net debt	**1,072,615**	1,116,463	370,937
Shareholders' equity	**5,997,672**	5,492,088	3,921,425
Total capitalization	**7,070,287**	6,608,551	4,292,362

(1) Working (capital) deficiency is calculated as current liabilities less current assets, excluding derivative asset and liability, less long-term investments and investment in associate.

Crescent Point's objective for managing capital is to maintain a strong balance sheet and capital base to provide financial flexibility, stability to dividends and to position the Company for future development of the business. Ultimately, Crescent Point strives to maximize long-term stakeholder value by ensuring the Company has the financing capacity to fund projects that are expected to add value to stakeholders and distribute any excess cash that is not required for financing projects.

Crescent Point manages and monitors its capital structure and short-term financing requirements using a non-GAAP measure, the ratio of net debt to funds flow from operations. Net debt is calculated as current liabilities plus long-term debt less current assets, less long-term investments and investment in associate, excluding derivative asset, derivative liability, and unrealized foreign exchange on translation of US dollar senior guaranteed notes. Funds flow from operations is calculated as cash flow from operating activities before changes in non-cash working capital, transaction costs and decommissioning expenditures. Crescent Point's objective is to maintain a net debt to funds flow from operations ratio of approximately 1.0 times. This metric is used to measure the Company's overall debt position and measure the strength of the Company's balance sheet. Crescent Point monitors this ratio and uses this as a key measure in making decisions regarding financing, capital spending and dividend levels.

Crescent Point strives to provide stability to its dividends over time by managing risks associated with the oil and gas industry. To accomplish this, the Company maintains a conservative balance sheet with significant unutilized lines of credit, manages its exposure to fluctuating interest rates and foreign exchange rates on its long-term debt, and actively hedges commodity prices using a 3½ year risk management program by hedging up to 65 percent of after royalty volumes using a portfolio of swaps, collars and put option instruments.

Crescent Point is subject to certain financial covenants in its credit facility agreements and is in compliance with all financial covenants as of September 30, 2011.

15. DERIVATIVE GAINS (LOSSES)

The following table reconciles derivative gains (losses):

	Three months ended September 30		Nine months ended September 30	
($000s)	**2011**	2010	**2011**	2010
Realized gains (losses)	**(9,282)**	7,563	**(54,892)**	10,631
Unrealized gains (losses)	**302,565**	(80,870)	**265,135**	8,216
Derivative gains (losses)	**293,283**	(73,307)	**210,243**	18,847

16. OTHER INCOME (LOSS)

The following table reconciles other income (loss):

	Three months ended September 30		Nine months ended September 30	
($000s)	**2011**	2010	**2011**	2010
Unrealized loss on investment in marketable securities	**(293)**	(108)	**(431)**	(277)
Unrealized gain (loss) on long-term investments	**(19,624)**	40	**(16,386)**	(5,716)
Gains on sale of long-term investments	**-**	31,190	**3,360**	31,190
Other income	**4,951**	-	**6,986**	-
Other income (loss)	**(14,966)**	31,122	**(6,471)**	25,197

17. FOREIGN EXCHANGE GAIN (LOSS)

The following table reconciles foreign exchange gain (loss):

	Three months ended September 30		Nine months ended September 30	
($000s)	**2011**	2010	**2011**	2010
Realized				
Foreign exchange gain (loss)	**(1,223)**	47	**(1,497)**	91
Unrealized				
Foreign exchange gain (loss) on translation of US dollar senior guaranteed notes	**(31,965)**	7,959	**(24,231)**	(2,734)
Other foreign exchange gain (loss)	**(955)**	(43)	**(700)**	(42)
Foreign exchange gain (loss)	**(34,143)**	7,963	**(26,428)**	(2,685)

18. RESTRICTED SHARE BONUS PLAN

The Company has a Restricted Share Bonus Plan. Under the terms of the Restricted Share Bonus Plan, the Company may grant restricted shares to directors, officers, employees and consultants which vest at 33⅓ percent on each of the first, second and third anniversaries of the grant date or on such other terms as the Board of Directors may determine.

Restricted shares have also been granted pursuant to the Company's Annual Performance Awards. The amounts and vesting profile of these awards are at the discretion of the Board of Directors.

Restricted shareholders are eligible for monthly dividends on their restricted shares, immediately upon grant.

A summary of the changes in the restricted shares outstanding under the plan is as follows:

	September 30, 2011	December 31, 2010
Restricted shares, beginning of period	**3,980,024**	2,308,844
Granted	**1,808,459**	2,830,675
Exercised	**(1,764,578)**	(1,084,350)
Forfeited	**(46,448)**	(75,145)
Restricted shares, end of period	**3,977,457**	3,980,024

For the nine months ended September 30, 2011, the Company calculated total share-based compensation, net of estimated forfeitures and forfeiture true-ups, of $59.6 million (September 30, 2010 - $61.9 million), of which $13.7 million was capitalized (September 30, 2010 – $14.3 million).

19. PER SHARE AMOUNTS

The following table summarizes the weighted average shares used in calculating net income per share:

	Three months ended September 30		Nine months ended September 30	
	2011	2010	**2011**	2010
Weighted average shares - basic	**275,323,628**	250,020,954	**271,598,309**	225,221,692
Dilutive impact of restricted shares	**2,539,982**	3,969,824	**2,565,997**	3,857,117
Weighted average shares - diluted	**277,863,610**	253,990,778	**274,164,306**	229,078,809

20. FINANCIAL INSTRUMENTS AND DERIVATIVES

The Company's financial assets and liabilities are comprised of accounts receivable, investment in marketable securities, long-term investments, the reclamation fund, derivative assets and liabilities, accounts payable and accrued liabilities, cash dividends payable and long-term debt.

Crescent Point's investment in marketable securities, the reclamation fund, and derivative assets and liabilities are transacted in active markets. Crescent Point's long-term investments are transacted in active markets and non-active markets. The Company classifies the fair value of these transactions according to the following fair value hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 – Values are based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.

- Level 2 – Values are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.
- Level 3 – Values are based on prices or valuation techniques that are not based on observable market data.

Accordingly, Crescent Point's investment in marketable securities, and the reclamation fund are classified as Level 1, derivative assets and liabilities as Level 2 and long-term investments as Level 1 or Level 3 depending on whether the company is publicly traded or private. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy.

Discussions of the fair values and risks associated with financial assets and liabilities, as well as summarized information related to derivative positions are detailed below:

a) Carrying Amount and Fair Value of Financial Instruments

Accounts Receivable and Reclamation Fund

Accounts receivable and the reclamation fund are classified as financial assets at amortized cost and are reported at amortized cost. At September 30, 2011, December 31, 2010 and January 1, 2010, the carrying amount of accounts receivable and the reclamation fund approximated their fair value.

Investment in marketable securities

Investment in marketable securities is classified as financial assets at fair value through profit or loss and is reported at fair value, with changes in fair value recorded in other income. At September 30, 2011, the Company reported investments in marketable securities at a fair value of $0.5 million (December 31, 2010 - $0.9 million, January 1, 2010 - $1.1 million). During the three and nine months ended September 30, 2011, the Company recorded an unrealized loss on marketable securities of $0.3 million and $0.4 million, respectively (September 30, 2010 – $0.1 million and $0.3 million, respectively).

Long-term investments

Long-term investments are classified as financial assets at fair value through profit and loss and are reported at fair value, with changes in fair value recorded in other income. At September 30, 2011, the Company reported long-term investments at a fair value of $123.0 million (December 31, 2010 - $62.2 million, January 1, 2010 - $23.4 million). During the three and nine months ended September 30, 2011, the Company recorded unrealized loss on long-term investments of $19.6 million and $16.4 million, respectively (September 30, 2010 – unrealized gains of less than $0.1 million and unrealized losses of $5.7 million, respectively).

In January 2011, the Company disposed of its investment in a publically traded company, which was reported at fair value of $51.2 million at December 31, 2010, for proceeds of $54.5 million, resulting in a realized gain of $3.3 million recognized in other income.

Accounts Payable and Accrued Liabilities and Cash Dividends Payable

Accounts payable and accrued liabilities and cash dividends payable are classified as financial liabilities at amortized cost and are reported at amortized cost. At September 30, 2011, December 31, 2010 and January 1, 2010, the carrying amount of these accounts approximated their fair values.

Long-term debt

Bank Credit Facilities

The bank credit facilities are classified as financial liabilities at amortized cost and are reported at amortized cost. At September 30, 2011, December 31, 2010 and January 1, 2010, the carrying amount approximated their fair value.

Senior Guaranteed Notes

The senior guaranteed notes are classified as financial liabilities at amortized cost and are reported at amortized cost. The notes denominated in US dollars are translated to Canadian dollars at the period end exchange rate. The fair value of the notes is calculated based on current interest rates and is not recorded in the financial statements. The following table details the amortized cost of the notes and their fair values expressed in Canadian dollars:

($000s)	Reported Amortized Cost	Fair Value
September 30, 2011	**541,534**	**617,608**
December 31, 2010	308,604	326,217
January 1, 2010	-	-

Derivative Assets and Liabilities

Derivative assets and liabilities arise from the use of derivative contracts. The Company's derivative financial instruments are classified as fair value through profit or loss and are reported at fair value with changes in fair value recorded in net income.

The following table summarizes the fair value as at September 30, 2011 and December 31, 2010 and the change in fair value for the period ended September 30, 2011 and year ended December 31, 2010.

($000s)	**September 30, 2011**	December 31, 2010
Derivative asset, beginning of period	**12,193**	5,520
Acquired through capital acquisitions	**-**	11,987
Unrealized change in fair value	**134,557**	(5,314)
Derivative asset, end of period	**146,750**	12,193
Less: current derivative asset, end of period	**(51,139)**	(7,087)
Long-term derivative asset, end of period	**95,611**	5,106

Derivative liability, beginning of period	**153,337**	62,323
Unrealized change in fair value	**(130,578)**	91,014
Derivative liability, end of period	**22,759**	153,337
Less: current derivative liability, end of period	**(7,230)**	(78,707)
Long-term derivative liability, end of period	**15,529**	74,630

The Company's physical power contracts, detailed in Note 20(c), have not been recorded at fair value as the power acquired is for the Company's own use.

b) Risks Associated with Financial Assets and Liabilities

The Company is exposed to financial risks from its financial assets and liabilities. The financial risks include market risk relating to commodity prices, interest rates and foreign exchange rates as well as credit and liquidity risk.

Market Risk

Market risk is the risk that the fair value or future cash flows of a derivative will fluctuate because of changes in market prices. Market risk is comprised of commodity price risk, interest rate risk and foreign exchange risk as discussed below.

Commodity Price Risk

The Company is exposed to commodity price risk on crude oil and natural gas revenues as well as power on electricity consumption. As a means to mitigate the exposure to commodity price volatility, the Company has entered into various derivative agreements. The use of derivative instruments is governed under formal policies and is subject to limits established by the Board of Directors.

Crude oil – To partially mitigate exposure to crude oil commodity price risk, the Company enters into option contracts and swaps, which manage the Cdn$ WTI price fluctuations.

Natural gas – To partially mitigate exposure to natural gas commodity price risk, the Company enters into AECO natural gas swaps, which manage the AECO natural gas price fluctuations.

Power – To partially mitigate exposure to electricity price changes, the Company enters into swaps and fixed price physical delivery contracts which fix the power price.

The following table summarizes the sensitivity of the fair value of the Company's derivative positions as at September 30, 2011 and September 30, 2010 to fluctuations in commodity prices, with all other variables held constant. When assessing the potential impact of these commodity price changes, the Company believes 10 percent volatility is a reasonable measure. Fluctuations in commodity prices potentially could have resulted in unrealized gains (losses) impacting income before tax as follows:

($000s)	Impact on Income Before Tax Three and nine months ended September 30, 2011		Impact on Income Before Tax Three and nine months ended September 30, 2010	
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Crude oil price	(183,592)	186,374	(182,178)	186,003
Natural gas price	(1,376)	1,376	(2,719)	2,719

Interest Rate Risk

The Company is exposed to interest rate risk on bank credit facilities to the extent of changes in the prime interest rate. For the three and nine months ended September 30, 2011, a one percent increase or decrease in the interest rate on floating rate debt would have amounted to a $0.6 million and $1.9 million, respectively, impact on income before tax.

The Company partially mitigates its exposure to interest rate changes by entering into both interest rate swap and bankers' acceptance transactions. The following sensitivities show the resulting unrealized gains (losses) and the impact on income

before tax of the respective changes in the applicable forward interest rates as at September 30, 2011 and September 30, 2010, with all other variables held constant:

($000s)	Impact on Income Before Tax Three and nine months ended September 30, 2011		Impact on Income Before Tax Three and nine months ended September 30, 2010	
	Increase 10% in forward interest rates	Decrease 10% in forward interest rates	Increase 10% in forward interest rates	Decrease 10% in forward interest rates
Interest rate swaps	831	(831)	1,176	(1,176)

Foreign Exchange Risk

Fluctuations in the exchange rates between the US and Canadian dollar can affect the Company's reported results. The Company's functional and reporting currency is Canadian dollars. The Company is exposed to foreign exchange risk in relation to its US dollar denominated senior guaranteed notes, investment in U.S. subsidiaries and in relation to its crude oil sales.

Concurrent with the issuance of US$425.0 million senior guaranteed notes the Company entered into CCIRS with a syndicate of financial institutions. Under the terms of the CCIRS, the US dollar amount of the notes was fixed for purposes of interest and principal repayments at a notional amount of $424.6 million.

To partially mitigate the foreign exchange risk relating to crude oil sales the Company has fixed crude oil contracts to settle in Cdn$ WTI.

The following sensitivities show the resulting unrealized gains (losses) and the impact on income before tax of the respective changes in the period end and applicable forward foreign exchange rates at September 30, 2011 and September 30, 2010 with all other variables held constant:

($000s)	Exchange Rate	Impact on Income Before Tax Three and nine months ended September 30, 2011		Impact on Income Before Tax Three and nine months ended September 30, 2010	
		Increase 10% in Cdn$ relative to US$	Decrease 10% in Cdn$ relative to US$	Increase 10% in Cdn$ relative to US$	Decrease 10% in Cdn$ relative to US$
US dollar senior guaranteed notes	Period End	44,153	(44,153)	26,775	(26,775)
Cross currency interest rate swaps	Forward	(53,146)	53,146	(33,252)	33,252

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. A substantial portion of the Company's accounts receivable are with customers in the oil and gas industry and are subject to normal industry credit risks. The Company monitors the creditworthiness and concentration of credit with customers of its physical oil and gas sales. The Company is authorized to transact derivative contracts with counterparties rated A (or equivalent) or better, based on the lowest rating of the three ratings providers. Should one of the Company's financial counterparties be downgraded below the A rating limit, the Chief Financial Officer will advise the Audit Committee and provide recommendations to minimize the Company's credit risk to that counterparty. The maximum credit exposure associated with accounts receivable is the total carrying amount and the maximum exposure associated with the derivative instruments approximates their fair value.

To further mitigate credit risk associated with its physical sales portfolio, Crescent Point has secured credit insurance from a global credit insurance provider. This policy provides credit coverage for approximately 30 percent of the Company's physical sales portfolio. Crescent Point believes this insurance policy is a prudent component of its formal Credit Policy and its detailed credit processes and controls.

Liquidity Risk

The timing of cash outflows relating to the financial liabilities is outlined in the table below:

($000s)	1 year	2 years	3 years	> 3 years	Total
Accounts payable and accrued liabilities	449,733	-	-	-	449,733
Cash dividends payable	26,036	-	-	-	26,036
Derivative liabilities[(1)]	6,840	5,048	3,826	1,848	17,562
Senior guaranteed notes [(2)]	29,608	29,608	29,608	653,631	742,455
Bank credit facilities	-	-	461,227	-	461,227

(1) These amounts are the undiscounted intrinsic value.

(2) These amounts include the notional principal and interest payments pursuant to the CCIRS, which fix the amounts due in Canadian dollars.

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages its liquidity risk through cash and debt management. As disclosed in Note 14, Crescent Point targets a net average net debt to funds flow from operations ratio of approximately 1.0 times.

In managing liquidity risk, the Company has access to a wide range of funding at competitive rates through capital markets and banks. At September 30, 2011, the Company had available unused borrowing capacity on bank credit facilities of approximately $1.1 billion including $9.3 million letters of credit drawn on the facility. Crescent Point believes it has sufficient funding to meet foreseeable spending requirements.

Included in the Company's bank credit facilities of $455.3 million at September 30, 2011 are obligations of $400.0 million of bankers' acceptances, obligations of $61.2 million for borrowings under the operating and syndicated prime loans, partially offset by prepaid credit facility renewal fees of $4.8 million and prepaid interest on bankers' acceptances of $1.1 million. These amounts are fully supported and management expects that they will continue to be supported by revolving credit and loan facilities that have no repayment requirements other than interest.

c) Derivative Contracts

The Company entered into fixed price oil, gas, power, cross currency interest rate and interest rate contracts to manage its exposure to fluctuations in the price of crude oil, gas, power, and interest on debt.

The following is a summary of the derivative contracts in place as at September 30, 2011**:**

Financial WTI Crude Oil Derivative Contracts - Canadian Dollar[(1)]

Term	Volume (bbls/d)	Average Swap Price ($/bbl)	Average Collar Sold Call Price ($/bbl)	Average Collar Bought Put Price ($/bbl)	Average Bought Put Price ($/bbl)	Average Put Premium ($/bbl)
2011 October - December	31,000	81.38	101.25	82.29	89.85	8.57
2012	28,500	88.75	98.97	82.16	93.80	7.36
2013	22,250	91.88	101.55	84.61	-	-
2014	10,978	98.17	109.38	87.96	-	-

(1) The volumes and prices reported are the weighted average volumes and prices for the period.

Financial AECO Natural Gas Derivative Contracts – Canadian Dollar

Term	Average Volume (GJ/d)	Average Swap Price ($/GJ)
2011 October – December	9,000	6.00
2012	8,000	5.98
2013 January - March	3,000	5.27

Financial Interest Rate Derivative Contracts – Canadian Dollar

Term	Contract	Notional Principal ($)	Fixed Annual Rate (%)
October 2011 – May 2015	Swap	25,000,000	2.90
October 2011 – May 2015	Swap	25,000,000	3.50
October 2011 – May 2015	Swap	50,000,000	3.09
October 2011 – June 2015	Swap	50,000,000	3.78
October 2011 – July 2015	Swap	50,000,000	3.63

Financial Cross Currency Interest Rate Derivative Contracts					
Term	Contract	Receive Notional Principal (US$)	Fixed Annual Rate (US%)	Pay Notional Principal (Cdn$)	Fixed Annual Rate (Cdn%)
October 2011 – March 2015	Swap	37,500,000	4.71	38,287,500	5.24
October 2011 – April 2016	Swap	52,000,000	3.93	50,128,000	4.84
October 2011 – March 2017	Swap	67,500,000	5.48	68,917,500	5.89
October 2011 – April 2018	Swap	31,000,000	4.58	29,884,000	5.32
October 2011 – March 2020	Swap	155,000,000	6.03	158,255,000	6.45
October 2011 – April 2021	Swap	82,000,000	5.13	79,048,000	5.83

Concurrent with the issuance of the US$425.0 million senior guaranteed notes the Company entered into CCIRS with a syndicate of financial institutions. Under the terms of the CCIRS, the Company pays fixed interest and principal amounts in Canadian dollars in exchange to receive fixed interest and principal amounts in US dollars; these US dollar proceeds will be used to settle the senior guaranteed note obligations. As a result, the amount of the notes was fixed for purposes of interest and principal repayments at a notional amount of Cdn$424.6 million.

Physical Power Contracts – Canadian Dollar			
Term	Contract	Volume (MW/h)	Fixed Rate ($/MW/h)
2011 October – December	Swap	3.0	55.25
2012	Swap	3.0	58.00
2013	Swap	3.0	53.00

21. RELATED PARTY TRANSACTIONS

All related party transactions are recorded at the exchange amount.

During the three and nine months ended September 30, 2011, Crescent Point recorded $0.1 million and $0.7 million, respectively (September 30, 2010 – $0.5 million and $1.3 million, respectively), of legal fees in the normal course of business to a law firm of which a partner is a director of the Company and, until July 31, 2011, a second partner was the Company’s Corporate Secretary.

During the three and nine months ended September 30, 2011, Crescent Point recorded $0.2 million and $0.2 million, respectively (September 30, 2010 – $nil and $nil, respectively), of legal fees in the normal course of business to a law firm of which, since August 1, 2011, a partner is the Company’s Corporate Secretary.

22. SUPPLEMENTAL CASH FLOW INFORMATION

The following table reconciles the changes in non-cash working capital as disclosed in the consolidated statement of cash flows:

	Three months ended September 30		Nine months ended September 30	
($000s)	**2011**	2010	**2011**	2010
Operating activities				
Changes in non-cash working capital:				
Accounts receivable	**(23,134)**	22,432	**(11,171)**	15,093
Prepaids and deposits	**(2,192)**	3,329	**(1,676)**	4,242
Accounts payable and accrued liabilities	**33,005**	(50,241)	**43,095**	(48,410)
	7,679	(24,480)	**30,248**	(29,075)
Investing activities				
Changes in non-cash working capital:				
Accounts receivable	**(37,051)**	(3,626)	**(41,043)**	(11,718)
Accounts payable and accrued liabilities	**150,509**	51,147	**71,332**	60,375
	113,458	47,521	**30,289**	(48,657)
Financing activities				
Changes in non-cash working capital:				
Cash dividends payable	**1,099**	3,156	**(1,497)**	1,434

23. GEOGRAPHICAL DISCLOSURE

As at September 30, 2011, Crescent Point's non-current assets related to the US foreign operations is $249.7 million (September 30, 2010 – $58.5 million). For the three and nine months ended September 30, 2011, Crescent Point's oil and gas revenue related to the US foreign operations is $3.6 million and $5.9 million, respectively (September 30, 2010 **–** $0.4 million and $1.4 million, respectively).

24. TRANSITION TO IFRS

The Company's consolidated financial statements for the year ending December 31, 2011 will be the first annual consolidated financial statements that comply with IFRS. These interim consolidated financial statements were prepared as described in Note 2, including the application of IFRS 1, *First-time Adoption of International Financial Reporting Standards*. Prior to the adoption of IFRS, the Company followed Canadian GAAP.

Comparative financial information is required on first time adoption of IFRS and therefore the Company has adopted IFRS as at January 1, 2010 (the "Transition Date"). IFRS generally requires full retrospective application of the standards in effect, however, IFRS 1 provides entities adopting IFRS for the first time with a number of optional exemptions and mandatory exceptions to this requirement.

The Company has applied the following optional exemptions:

1. **Business combinations** – IFRS 1 provides the option to apply IFRS 3, *Business Combinations*, retrospectively or prospectively from the Transition Date. The Company elected to value business combinations prior to January 1, 2010 at the amounts determined under previous GAAP, rather than applying IFRS rules retrospectively.
2. **Full cost oil and gas accounting** – IFRS 1 provides the option for entities using full cost accounting for oil and gas activities under previous GAAP to measure oil and gas assets at the Transition Date at the historical net book value or at fair value, rather than applying IFRS rules retrospectively. The Company elected to measure its oil and gas assets at the net book value determined under previous GAAP, resulting in undeveloped land costs being reclassified to exploration and evaluation assets. The remaining development and production assets that were accumulated in country cost centres under previous GAAP could be allocated to the cost centre's underlying assets pro-rata using reserve volumes or values. The Company elected to allocate these assets using reserve values.
3. **Decommissioning liabilities** – For entities taking the *Full cost oil and gas accounting* exemption above, IFRS 1 requires that entities measure decommissioning liabilities in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, as at the Transition Date and that any difference between this amount and the carrying amount of those liabilities determined under the Company's previous GAAP, be recognized directly in retained earnings.
4. **Share-based payments** – IFRS 2, *Share-based Payments*, requires retrospective application of its provisions to equity instruments granted after November 7, 2002. The IFRS 1 exemption allows first-time adopters to not apply IFRS 2 to equity instruments that were granted prior to November 7, 2002. It also allows the first-time adopter to not apply IFRS 2 to equity instruments granted after November 7, 2002 that vested before the Transition Date. The Company elected to use these exemptions provided under IFRS 1.
5. **Borrowing costs** – IAS 23, *Borrowing Costs*, requires an entity to capitalize the borrowing costs related to all qualifying assets for which the commencement date for capitalization is on or after January 1, 2009. IFRS 1 provides the option to adopt IAS 23 prospectively or to designate any date prior to the Transition Date as the effective date for this standard and apply to all qualifying assets subsequent to that date. The Company elected to adopt IAS 23 prospectively from the Transition Date.

The only mandatory exception in IFRS 1 applicable to the Company relates to estimates. Hindsight is not used to create or revise estimates. The estimates previously made by the Company under previous GAAP were not revised for application of IFRS except where necessary to reflect any difference in accounting policies.

The following are reconciliations of the consolidated financial statements presented under previous GAAP to the amended consolidated financial statements prepared under IFRS.

Reconciliation of Consolidated Balance Sheet as of January 1, 2010

($000s)		IFRS adjustments			
	Previous GAAP	Reclass	DL[2]	SBC[3]	IFRS
		(Note a,b)	*(Note d)*	*(Note e)*	
ASSETS					
Accounts receivable	141,887				141,887
Investment in marketable securities	1,092				1,092
Prepaids and deposits	8,861				8,861
Derivative asset[1]	1,675				1,675
Total current assets	153,515	-	-	-	153,515
Long-term investments	229,755	(206,315)			23,440
Investment in associate	-	206,315			206,315
Reclamation fund	3,422				3,422
Derivative asset[1]	3,845				3,845
Other receivable	9,320				9,320
Exploration and evaluation	-	586,467			586,467
Property, plant and equipment	4,939,279	(586,467)			4,352,812
Goodwill	100,294				100,294
Total assets	5,439,430	-	-	-	5,439,430
LIABILITIES					
Accounts payable and accrued liabilities	210,515				210,515
Cash dividends payable	22,890				22,890
Derivative liability[1]	20,080				20,080
Total current liabilities	253,485	-	-	-	253,485
Long-term debt	519,127				519,127
Derivative liability[1]	42,243				42,243
Decommissioning liability[1]	139,365		77,105		216,470
Deferred income tax[1]	506,732		(20,052)		486,680
Total liabilities	1,460,952	-	57,053	-	1,518,005
SHAREHOLDERS' EQUITY					
Shareholders' capital	4,710,290				4,710,290
Contributed surplus	38,029			20,253	58,282
Deficit	(769,618)		(57,053)	(20,253)	(846,924)
Accumulated other comprehensive loss	(223)				(223)
Total shareholders' equity	3,978,478	-	(57,053)	-	3,921,425
Total liabilities and shareholders' equity	5,439,430	-	-	-	5,439,430

(1) Caption has been renamed to comply with the financial statement presentation under IFRS.

(2) Decommissioning liability

(3) Share-based compensation

Reconciliation of Consolidated Statements of Income and Comprehensive Income for the three months ended September 30, 2010

($000s, except per share amounts)		IFRS adjustments				
	Previous GAAP	Reclass	DD&A	DL[2]	SBC[3]	IFRS
		(Note a)	*(Note c)*	*(Note d)*	*(Note e)*	
REVENUE AND OTHER INCOME						
Oil and gas sales	393,499					393,499
Royalties	(63,270)	(6,985)				(70,255)
Oil and gas revenue	330,229	(6,985)	-	-	-	323,244
Derivative losses	-	(73,307)				(73,307)
Realized gains	7,563	(7,563)				-
Unrealized losses	(80,870)	80,870				-
Equity and other income	31,122	(31,122)				-
Other income	-	31,122				31,122
	288,044	(6,985)	-	-	-	281,059
EXPENSES						
Operating	67,936					67,936
Transportation	8,991					8,991
General and administrative	8,806					8,806
Interest on long-term debt	15,605					15,605
Foreign exchange gain	(7,963)					(7,963)
Share-based compensation[1]	13,903				1,741	15,644
Depletion, depreciation and amortization	202,759		(16,402)			186,357
Accretion on decommissioning liability[1]	3,077			(692)		2,385
	313,114	-	(16,402)	(692)	1,741	297,761
Operating loss	(25,070)	(6,985)	16,402	692	(1,741)	(16,702)
Share of profit of associate	-					-
Loss before tax	(25,070)	(6,985)	16,402	692	(1,741)	(16,702)
Tax expense (recovery)						
Current[1]	6,985	(6,985)				-
Deferred	(15,419)		6,534	(13)		(8,898)
Net loss	(16,636)	-	9,868	705	(1,741)	(7,804)
Other comprehensive loss						
Foreign currency translation on foreign operations	(1,326)		52	11		(1,263)
Comprehensive loss	(17,962)	-	9,920	716	(1,741)	(9,067)
Net loss per share						
Basic	(0.07)					(0.03)
Diluted	(0.07)					(0.03)

(1) Caption has been renamed to comply with the financial statement presentation under IFRS.

(2) Decommissioning liability

(3) Share-based compensation

Reconciliation of Consolidated Statements of Income and Comprehensive Income for the nine months ended September 30, 2010

($000s, except per share amounts)		IFRS adjustments				
	Previous GAAP	Reclass	DD&A	DL[2]	SBC[3]	IFRS
		(Note a)	*(Note c)*	*(Note d)*	*(Note e)*	
REVENUE AND OTHER INCOME						
Oil and gas sales	1,082,453					1,082,453
Royalties	(186,149)	(19,305)				(205,454)
Oil and gas revenue	896,304	(19,305)				876,999
Derivative gains	-	18,847				18,847
Realized gains	10,631	(10,631)				-
Unrealized gains	8,216	(8,216)				-
Equity and other income	25,870	(25,870)				-
Other income	-	25,197				25,197
	941,021	(19,978)				921,043
EXPENSES						
Operating	175,007					175,007
Transportation	26,367					26,367
General and administrative	29,662					29,662
Interest on long-term debt	45,063					45,063
Foreign exchange loss	2,685					2,685
Share-based compensation[1]	44,182				3,441	47,623
Depletion, depreciation and amortization	508,994		(38,879)			470,115
Accretion on decommissioning liability[1]	8,856			(1,967)		6,889
	840,816	-	(38,879)	(1,967)	3,441	803,411
Operating income	100,205	(19,978)	38,879	1,967	(3,441)	117,632
Share of profit of associate	-	673				673
Income before tax	100,205	(19,305)	38,879	1,967	(3,441)	118,305
Tax expense						
Current[1]	19,306	(19,305)				1
Deferred	6,527		9,531	420		16,478
Net income	74,372	-	29,348	1,547	(3,441)	101,826
Other comprehensive loss						
Foreign currency translation on foreign operations	(721)	-	(5)	6		(720)
Comprehensive income	73,651	-	29,343	1,553	(3,441)	101,106
Net income per share						
Basic	0.33					0.45
Diluted	0.32					0.44

(1) Caption has been renamed to comply with the financial statement presentation under IFRS.

(2) Decommissioning liability

(3) Share-based compensation

Reconciliation of Consolidated Shareholders’ Equity as of September 30, 2010

($000s)		IFRS adjustments				
	Previous GAAP	Reclass	DD&A	DL[1]	SBC[2]	IFRS
			(Note c)	*(Note d)*	*(Note e)*	
SHAREHOLDERS’ EQUITY						
Shareholders' capital	6,362,834					6,362,834
Contributed surplus	70,385				23,694	94,079
Deficit	(1,168,078)		29,344	(55,502)	(23,694)	(1,217,930)
Accumulated other comprehensive loss	(944)		(5)	6		(943)
Total shareholders' equity	5,264,197	-	29,339	(55,496)	-	5,238,040

(1) Decommissioning liability

(2) Share-based compensation

Reconciliation of Consolidated Statements of Income and Comprehensive Income for the year ended December 31, 2010

($000s, except per share amounts)		IFRS adjustments				
	Previous GAAP	Reclass	DD&A	DL[2]	SBC[3]	IFRS
		(Note a)	*(Note c)*	*(Note d)*	*(Note e)*	
REVENUE AND OTHER INCOME						
Oil and gas sales	1,535,764					1,535,764
Royalties	(255,101)	(27,408)				(282,509)
Oil and gas revenue	1,280,663	(27,408)	-	-	-	1,253,255
Derivative gains (losses)	-	(90,810)				(90,810)
Realized gains	5,518	(5,518)				-
Unrealized losses	(96,328)	96,328				-
Equity and other income	38,886	(38,886)				-
Other income	-	38,213				38,213
	1,228,739	(28,081)	-	-	-	1,200,658
EXPENSES						
Operating	247,989					247,989
Transportation	37,120					37,120
General and administrative	40,851					40,851
Interest on long-term debt	59,244					59,244
Foreign exchange gain	(6,518)					(6,518)
Share-based compensation[1]	65,662				(5,323)	60,339
Depletion, depreciation and amortization	716,789		(31,579)			685,210
Accretion on decommissioning liability[1]	12,318			(2,766)		9,552
	1,173,455	-	(31,579)	(2,766)	(5,323)	1,133,787
Operating income	55,284	(28,081)	31,579	2,766	5,323	66,871
Share of profit of associate	-	673				673
Income before tax	55,284	(27,408)	31,579	2,766	5,323	67,544
Tax expense						
Current[1]	27,409	(27,408)				1
Deferred	7,854		8,211	557		16,622
Net income	20,021	-	23,368	2,209	5,323	50,921
Other comprehensive loss						
Foreign currency translation on foreign operations	(2,513)	-	91	8	-	(2,414)
Comprehensive income	17,508	-	23,459	2,217	5,323	48,507
Net income per share						
Basic	0.09					0.22
Diluted	0.08					0.21

(1) Caption has been renamed to comply with the financial statement presentation under IFRS.

(2) Decommissioning liability

(3) Share-based compensation

Reconciliation of Consolidated Balance Sheet as of December 31, 2010

($000s)		IFRS adjustments					
	Previous GAAP	Reclass	E&E	DD&A	DL[2]	SBC[3]	IFRS
		(Note b)	*(Note b)*	*(Note c)*	*(Note d)*	*(Note e)*	
ASSETS							
Accounts receivable	199,977						199,977
Investment in marketable securities	908						908
Prepaids and deposits	4,698						4,698
Derivative asset[1]	7,087						7,087
Total current assets	212,670	-	-	-	-	-	212,670
Long-term investments	62,164						62,164
Reclamation fund	3,001						3,001
Derivative asset[1]	5,106						5,106
Other receivable	9,210						9,210
Exploration and evaluation	-	1,403,772	(133,392)	(155,009)			1,115,371
Property, plant and equipment	7,369,201	(1,403,772)	133,392	186,763	51,177	(8,071)	6,328,690
Goodwill	204,750				2,922		207,672
Total assets	7,866,102	-	-	31,754	54,099	(8,071)	7,943,884
LIABILITIES							
Accounts payable and accrued liabilities	343,691						343,691
Cash dividends payable	27,533						27,533
Derivative liability[1]	78,707						78,707
Total current liabilities	449,931	-	-	-	-	-	449,931
Long-term debt	1,006,451						1,006,451
Derivative liability[1]	74,630						74,630
Decommissioning liability[1]	195,254				129,473		324,727
Deferred income tax[1]	616,371			8,295	(20,538)	(8,071)	596,057
Total liabilities	2,342,637	-	-	8,295	108,935	(8,071)	2,451,796
SHAREHOLDERS' EQUITY							
Shareholders' capital	6,839,358						6,839,358
Contributed surplus	93,960					14,930	108,890
Deficit	(1,407,117)			23,368	(54,844)	(14,930)	(1,453,523)
Accumulated other comprehensive loss	(2,736)			91	8		(2,637)
Total shareholders' equity	5,523,465	-	-	23,459	(54,836)	-	5,492,088
Total liabilities and shareholders' equity	7,866,102	-	-	31,754	54,099	(8,071)	7,943,884

(1) Caption has been renamed to comply with the financial statement presentation under IFRS.

(2) Decommissioning liability

(3) Share-based compensation

Reconciliation of Cash Flow Statement

The transition from previous GAAP to IFRS has had no effect on the cash flows generated by the Company. The reconciling items between the previous GAAP presentation and the IFRS presentation have no net impact on the reported operating, investing and financing cash flows.

Explanatory notes

a) Reclassifications

Investment in associate

The reclassification of $206.3 million from long-term investments to investment in associate at January 1, 2010 recognizes the Company's equity investment in Shelter Bay, including the Company's share of Shelter Bay's net income. Under IFRS, investments in associates are required to be separately disclosed on the balance sheet. There was no reclassification at December 31, 2010 because the Company acquired Shelter Bay through a plan of arrangement on July 2, 2010.

Royalties

Under IFRS, royalties include the Saskatchewan Corporation Capital Tax Resource Surcharge, which was classified as capital and other taxes under previous GAAP.

Derivative gains (losses)

To conform to the consolidated statement of income presentation under IFRS, the realized and unrealized derivatives gains (losses) are presented together on the consolidated statement of income and detailed in the notes to the consolidated financial statements.

Share of profit of associate

To conform to the consolidated statement of income presentation under IFRS, the Company's equity income earned from its investment in Shelter Bay was reclassified to share of profit of associate.

b) Exploration and evaluation

Exploration and evaluation assets consist of the Company's exploration projects which are pending the determination of reserves, and include undeveloped land and any drilling costs incurred thereon. The drilling costs are accumulated in cost centres by well pending determination of technical feasibility and commercial viability. Upon determination of reserves, E&E assets attributable to those reserves are first tested for impairment and then reclassified from E&E assets to PP&E.

At January 1, 2010, E&E assets were $586.5 million, representing the undeveloped land balance under previous GAAP. This resulted in a reclassification of $586.5 million from PP&E to E&E assets. At December 31, 2010, the Company's E&E assets before E&E asset transfers and DD&A was $1.4 billion.

During the year ended December 31, 2010, $133.4 million was transferred from E&E assets to PP&E.

c) Depletion, depreciation and amortization

Under IFRS, development and production assets are depleted at the major area level using the unit-of-production method based on the estimated proved plus probable reserves before royalties, whereas, under previous GAAP these assets were accumulated in country cost centres and depleted using the unit-of-production method based on the estimated proved reserves before royalties. As a result of depleting at the major area level based on proved plus probable reserves before royalties, DD&A decreased $52.1 million, $135.0 million and $186.8 million for the three and nine month periods ended September 30, 2010 and year ended December 31, 2010, respectively, with a corresponding increase to PP&E.

The Company's policy under IFRS is to amortize E&E undeveloped land by area over the average primary lease term; under previous GAAP undeveloped land was not amortized. Accordingly, DD&A increased $35.7 million, $96.1 million and $155.2 million for the three and nine month periods ended September 30, 2010 and year ended December 31, 2010, respectively, with a corresponding decrease to E&E assets.

d) Decommissioning liability

In accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and IFRS 1, the Company revalued its decommissioning liability, known as asset retirement obligation under previous GAAP, using a risk free discount rate at January 1, 2010 and recognized the difference directly in accumulated deficit. Under previous GAAP, the Company's asset retirement obligation was discounted using an average credit-adjusted risk free rate of 8 percent, whereas under IFRS, the Company discounted its decommissioning liability using an average risk free rate of approximately 4 percent. As a result, on transition, the value of the Company's decommissioning liability increased by $77.1 million, deferred income tax liability decreased by $20.1 million and accumulated deficit increased $57.0 million. In addition, as at December 31, 2010, the value of the Company's decommissioning liability increased by $129.5 million, including the January 1, 2010 adjustment and the accretion adjustment discussed below.

During 2010, the Company recorded goodwill on the acquisition of Shelter Bay, and as a result of revaluing the decommissioning liability using a risk free rate, goodwill increased by $2.9 million.

At December 31, 2010, the Company's average risk free rate was approximately 3 percent; the credit-adjusted risk free rate used was 8 percent.

Consistent with the change in discount rate applied above, accretion on decommissioning liability is calculated based on the relevant risk free rate. The Company recorded a decrease in accretion on decommissioning liability of $0.7 million, $2.0 million and $2.8 million for the three and nine months ended September 30, 2010 and year ended December 31, 2010, respectively.

e) Share-based compensation

In accordance with IFRS 2 *Share-based Payment*, as at the Transition Date the Company revalued its contributed surplus arising from share-based compensation to recognize an estimated forfeiture rate on restricted shares of 4 percent and a 4 year service period commencing January 1, 2009 for the restricted shares granted in January 2010 pursuant to the Company's APA. Under previous GAAP, forfeitures are recorded as they occur and the APA granted in January 2010 was amortized over the vesting period of 3 years.

Under previous GAAP, expense recognition generally cannot occur before the grant date. Under IFRS the grant date cannot be earlier than the date the awards are approved, however IFRS requires the entity to record an expense for employee's service as received, which may be earlier than the grant date.

Under IFRS, deferred income tax does not arise from capitalized share-based compensation. Therefore, amounts recorded under previous GAAP during 2010 were adjusted accordingly.

Directors

Peter Bannister, Chairman (1) (3)

Paul Colborne (2) (4)

Ken Cugnet (3) (4) (5)

Hugh Gillard (1) (2) (5)

Gerald Romanzin (1) (3)

Scott Saxberg (4)

Greg Turnbull (2) (5)

(1) Member of the Audit Committee of the Board of Directors

(2) Member of the Compensation Committee of the Board of Directors

(3) Member of the Reserves Committee of the Board of Directors

(4) Member of the Health, Safety and Environment Committee of the Board of Directors

(5) Member of the Corporate Governance and Nominating Committee

Officers

Scott Saxberg
President and Chief Executive Officer

Greg Tisdale
Chief Financial Officer

C. Neil Smith
Vice President, Engineering and
Business Development

Dave Balutis
Vice President, Exploration

Brad Borggard
Vice President, Corporate Planning

Derek Christie
Vice President, Geosciences

Ryan Gritzfeldt
Vice President, Engineering East

Ken Lamont
Vice President, Finance and Treasurer

Tamara MacDonald
Vice President, Land

Trent Stangl
Vice President, Marketing and Investor Relations

Steve Toews
Vice President, Engineering West

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Calgary, Alberta

Auditor

PricewaterhouseCoopers LLP
Calgary, Alberta

Legal Counsel

Macleod Dixon LLP
Calgary, Alberta

Evaluation Engineers

GLJ Petroleum Consultants Ltd.
Calgary, Alberta

Sproule Associates Ltd.
Calgary, Alberta

Registrar and Transfer Agent

Investors are encouraged to contact
Crescent Point's Registrar and Transfer
Agent for information regarding their security holdings:

Olympia Trust Company
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Stock Exchange

Toronto Stock Exchange – TSX

Stock Symbol

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