



## PRESS RELEASE

# **CRESCENT POINT ENERGY TRUST ANNOUNCES A STRATEGIC BAKKEN CONSOLIDATION THROUGH ACQUISITION OF INNOVA EXPLORATION LTD. AND A \$165 MILLION BOUGHT DEAL FINANCING TO PAY DOWN DEBT**

September 05, 2007. CALGARY, ALBERTA. Crescent Point Energy Trust ("Crescent Point" or the "Trust") (TSX: CPG.UN) is pleased to announce that it has entered into an agreement (the "Acquisition Agreement") with Innova Exploration Ltd. ("Innova") (TSX: IXL) pursuant to which Crescent Point will make an offer to acquire all of the issued and outstanding shares of Innova for cash consideration of \$360.1 million (or \$7.55 per share). Crescent Point will also assume Innova's net debt of approximately \$39.9 million, for a total transaction value of approximately \$400.0 million. The Board of Directors of Innova have unanimously agreed to support the offer, which represents a 22 percent premium over Innova's September 4, 2007 closing price.

In connection with the offer, officers, directors and shareholders of Innova holding approximately 27 percent of the outstanding shares of Innova (on a fully diluted basis) have entered into hard lock-up agreements with Crescent Point pursuant to which they have agreed to tender their Innova shares to the Crescent Point offer and cannot tender their shares of Innova to any competing proposal so long as the Acquisition Agreement remains in force. The Acquisition Agreement provides that Innova will pay to Crescent Point a break fee of \$20 million in certain circumstances. The agreement also contains customary non-solicitation covenants and Innova has reserved the right to respond to superior proposals, which Crescent Point has the right to match. Innova's Board of Directors has received a fairness opinion from its financial advisor, and has unanimously resolved to recommend that all Innova shareholders tender their common shares in accordance with Crescent Point's offer.

Upon completion of the Innova consolidation acquisition, Crescent Point will acquire approximately 4,300 boe/d of high quality, high netback light oil and natural gas production, 65 percent of which is in the Viewfield Bakken resource play. Innova's production and land base consolidate the majority of the Trust's core Viewfield Bakken resource play in southeast Saskatchewan to a 100 percent working interest. The Innova consolidation acquisition will also increase Crescent Point's dominant Bakken land position, adding more than 97 net sections of undeveloped land and 380 net low risk development locations to the Trust's development drilling inventory.

Crescent Point is also pleased to announce it has entered into an agreement, on a bought deal basis, with a syndicate of underwriters co-led by BMO Capital Markets and Scotia Capital Inc., and including CIBC World Markets Inc., RBC Capital Markets, FirstEnergy Capital Corp., TD Securities Inc., GMP Securities L.P., and Tristone Capital Inc., for an offering of 8.9 million trust units at \$18.55 per trust unit to raise gross proceeds of \$165 million. Closing is expected to occur on or about September 25, 2007 and is subject to customary regulatory approvals.

The financing is not conditional upon completion of the transaction to acquire Innova. Net proceeds of the financing will be used to reduce Crescent Point's outstanding indebtedness as at October 31, 2006, as permitted under the guidelines announced by the federal government regarding the expansion of existing income trusts prior to the year 2011.

## **STRATEGIC RATIONALE**

Crescent Point continues to execute its business plan of creating sustainable value added growth in reserves, production and cash flow through management's integrated strategy of acquiring, exploiting and developing high quality, long life, light oil and natural gas properties in western Canada.

The Innova consolidation acquisition will significantly increase the Trust's dominance in the Viewfield Bakken light oil resource play in southeast Saskatchewan, adding tremendous flexibility and control in the play with reduced costs. Approximately 2,800 boe/d of Innova's current production is from the Viewfield Bakken resource play, making Innova the second largest producer in the play next to Crescent Point. As more than 90 percent of Innova's Bakken production is operated by Crescent Point, the acquisition will increase the majority of the Trust's Bakken working interest to 100 percent. The Innova consolidation acquisition increases Crescent Point's current Bakken production to more than 8,000 boe/d.

Through the acquisition of Mission Oil & Gas Inc. ("Mission") in February of this year and the consolidation acquisition of Innova, the Trust has positioned itself to provide its unitholders with strong production and cash flow sustainability and significant reserves and value growth over the next several years. In combination with the Mission acquisition, the Innova consolidation acquisition will increase the Trust's low risk development drilling inventory to 1,250 net locations providing ten years of inventory with significant production additions. Upon completion of the Innova consolidation acquisition, the Trust will have more than \$1.8 billion of capital projects in inventory.

"We acquired a dominant operated position in the Viewfield Bakken resource play in February through our acquisition of Mission and the results to date have exceeded our expectations," commented Scott Saxberg, President & CEO of Crescent Point. "The acquisition of Innova, our largest partner in the Bakken play, is a logical next step in the sustainable development and control of this 1.5 billion barrel resource play. It will provide Crescent Point with the flexibility and control to either grow or sustain production levels over the long term."

The Bakken resource play over the last year has expanded from 1.0 billion barrels to more than 1.5 billion barrels original oil in place ("OOIP") and is over 750 square kilometres in size. Crescent Point estimates that the Viewfield Bakken resource play is the third largest conventional light oil pool discovered in western Canada and the largest discovered in more than 50 years. The Bakken light oil play is characterized by light sweet, 42 degree API crude and high heat content, liquids rich associated natural gas with low operating costs and royalty rates. Crescent Point's netbacks from the Bakken play averaged \$56.19 per boe in the second quarter of 2007.

To date, over 200 wells have been drilled on the Trust's Bakken lands with a 100 percent success rate. Over the past year, completion and drilling techniques have improved significantly and Crescent Point expects to see continued refinement and improvement of these techniques over time. All-in costs per well are estimated between \$1.6 and \$1.8 million, with average initial production and proved plus probable reserves estimates of 175 boe/d and 116,000 boe, respectively. This has provided higher than expected rates of return, recycle ratios of greater than 3.5 times, and quicker payouts (less than 12 months).

The Viewfield Bakken play has transformed from an exciting exploration discovery to a solid lower risk, sustainable development project with significant reserves and production upside. The Trust estimates that with primary recovery factors of 15%, potential net reserve additions are greater than 140 million boe.

In addition to its Bakken holdings, Innova has approximately 350 boe/d of sweet natural gas production in the Blair area of northeast British Columbia and approximately 650 boe/d of crude oil and natural gas production in southern Alberta. Innova has a further 500 boe/d of non-Bakken oil production in Crescent Point's core area of southeast Saskatchewan.

*Key attributes of Innova:*

- Current production of 4,300 boe/d comprised of 72 percent high netback, light oil (40° API) and 28 percent natural gas;
- Second largest producer in the Bakken play with 2,800 boe/d of Bakken production, of which more than 90 percent is operated by Crescent Point;
- 380 net low risk Bakken drilling locations;
- Average initial first month Bakken production rates of 175 boe/d per well with payout less than 12 months;
- Average reserves per Bakken well estimated to be greater than 116,000 boe;
- Forecast recycle ratio of greater than 3.5 times on Bakken drilling;
- Significant undeveloped land holdings of 203,000 net acres, including 62,000 net acres (97 sections) in the Bakken play;
- Significant tax pools estimated at more than \$170 million;
- Low operating costs of approximately \$6.00/boe;
- Royalties of less than 15%; and
- Top quartile operating netbacks – the unaudited corporate field operating netback for Innova in the second quarter of 2007 was \$44.68/boe.

*Reserves Summary*

Crescent Point's internal estimate of Innova's expected 2007 year end independent reserves assignment is as follows:

- Approximately 18 million boe of proved plus probable and 12 million boe of proved reserves (effective January 1, 2008 and based on internal engineering estimates utilizing NI 51-101 reserve definitions); and
- Reserve life index of 11.5 years proved plus probable and 7.6 years proved based on production of 4,300 boe/d.

Crescent Point believes, based on its detailed technical review, these current reserve estimates are conservative and that reserves may more than double over the coming years with improved production performance, infill and step out horizontal drilling, and the potential for implementation of a waterflood. The above estimated reserve assignment assigns reserves to only 192 gross (88.3 net) of the 1,000 (380 net) undeveloped drilling locations.

## **ACQUISITION METRICS**

The acquisition of Innova is accretive to Crescent Point on a production, reserves and cash flow per unit basis, based on Crescent Point's internal long term view of the reserves, cash flow and production profile of Innova. The Trust believes that over the next two to three years the accretion on a cash flow, reserves and production per unit basis of the transaction will improve with an update to the engineering report and additional development drilling on the undeveloped lands.

Excluding Innova's land and seismic value of \$75 million, the value of the transaction is \$325 million, resulting in the following transaction metrics:

1. Cash Flow Multiple:

- 5.4 times based on 4,300 boe/d (US\$68.00 WTI/bbl; \$7.00/mcf AECO and \$0.93 CDN\$/US\$ exchange rate)

2. Production:

- \$75,581 per producing boe based on 4,300 boe/d

3. Reserves:

- \$18.06 per proved plus probable boe
- \$27.08 per proved boe

4. Recycle Ratio (based on second quarter 2007 operating netback):

- 2.5 times proved plus probable
- 1.6 times proved

## CRESCENT POINT PRO FORMA

Following the completion of the Innova consolidation acquisition, Crescent Point will have a dominant operated control position in the Viewfield Bakken resource play and a focused high quality asset base with a ten year low risk internal development inventory to sustain production and grow reserves. The Trust's balance sheet will remain strong with forecast 2008 average debt to cash flow of 1.4 times, below the second quarter 2007 industry average of 1.9 times for the oil and gas trust sector. The Trust believes that Crescent Point's focused high netback production and cash flow base, large low risk development inventory of 1,250 net locations and balanced three year hedge program position it as one of the most sustainable trusts in the industry.

*Key pro forma attributes include:*

- Current combined production of more than 30,250 boe/d comprised of 86% light and medium gravity oil and 14% natural gas;
- Current combined Bakken production greater than 8,000 boe/d;
- Increases the Trust's top decile operating netback by \$1.25 per boe to approximately \$40.00 per boe (based on US\$68.00 per boe WTI, CDN\$7.00 per mcf AECO, and US/CDN \$0.93 exchange rate);
- Resource base of more than 3.1 billion barrels of original oil in place;
- More than ten years of drilling inventory to maintain production with over 1,250 net lower risk development locations in inventory;
- Large undeveloped land base of approximately 513,000 net acres (801 sections of land);
- Bakken land holdings of 350 net sections (298 net sections undeveloped);
- Combined proved reserves of approximately 91.9 million boe and 133.3 million boe of proved plus probable reserves (based on current 2006 year end independent reserve report and internally evaluated 2007 acquisitions to date);
- Reserve life index of 8.3 and 12.1 years, proved and proved plus probable, based on preliminary 2008 production forecast of 30,250 boe/d;
- 2008 estimated cash flow of \$380 million and forecast 1.4 times 2008 average debt to cash flow;
- Low operating costs of less than \$9.00/boe and royalties less than 19 percent;
- Combined tax pools of nearly \$1 billion;
- Concentrated combined production base in southeast Saskatchewan that provides opportunity to drive capital expenditure efficiencies and cost savings; and
- Bank line has been increased by \$200 million to \$800 million, with more than \$250 million unutilized capacity based on average 2008 forecast debt levels.

## REVISING UPWARDS 2007 GUIDANCE AND PRELIMINARY 2008 GUIDANCE

Crescent Point continues to execute its business plan of creating sustainable value added growth in reserves, production and cash flow through management's integrated strategy of acquiring, exploiting and developing high quality, long life, light oil and natural gas properties in western Canada.

Crescent Point is upwardly revising its 2007 fourth quarter production forecast from 26,250 boe/d to 30,000 boe/d based on the anticipated closing of the Innova consolidation acquisition in late October 2007. Currently, Crescent Point is producing in excess of 27,500 boe/d, mainly due to success in the Bakken play. For the remainder of 2007, the Trust will increase its capital expenditures budget by \$15 million to \$165 million.

With the closing of the acquisition, the Trust's preliminary 2008 capital expenditures budget will be set at approximately \$150 million. The budget will be balanced more towards the development and exploitation of the Bakken resource play, with upwards of 53 (50.0 net) Bakken wells planned. Increasing Bakken production will continue to improve and increase the Trust's overall corporate netbacks while 2008 average daily production is expected to be maintained at 30,250 boe/d. The Innova acquisition provides Crescent Point with increased development drilling flexibility as well as anticipated capital, operating and administrative cost savings in the Trust's main operating area of southeast Saskatchewan. The Trust's drilling inventory increases from 870 to more than 1,250 net lower risk development drilling locations.

In addition, Crescent Point continues to protect its cash flow stream with its balanced hedge program through a combination of swaps, collars and put structures. Crescent Point plans to hedge up to 2,000 boe/d of Innova's production for more than two years post closing of the transaction. Currently, Crescent Point (pro forma with Innova) has 51 percent, 45 percent and 27 percent of its production hedged for the balance of 2007, 2008 and 2009, respectively. 16 percent and 8 percent are hedged for the first and second quarters of 2010, respectively.

The Trust's preliminary annual projections for 2008 are as follows:

### 2008 Preliminary Budget

Production	
Oil and NGL (bbls/d)	26,000
Gas (mcf/d)	25,500
<b>Total (boe/d)</b>	<b>30,250</b>
Cash Flow (\$000)	380,000
Cash flow per unit – diluted (\$)	3.22
Cash distributions per unit (\$)	2.40
Payout Ratio - per unit diluted (%)	74
Capital expenditures <sup>(1)</sup> (\$000)	150,000
Wells drilled, net	75
Pricing	
Crude oil - WTI (US\$/bbl)	68.00
Crude oil – WTI (Cdn\$/bbl)	73.11
Natural gas (Cdn \$/mcf)	7.00
Exchange rate (US\$/Cdn\$)	0.93

(1) The projection of capital expenditures excludes acquisitions, which are separately considered and evaluated

## **INNOVA AGREEMENT**

The transaction with Innova is expected to close in late October, 2007 and will be conditional upon two-thirds of Innova shareholders tendering to the offer, as well as on customary regulatory approvals and other typical conditions for this type of transaction. Full details of the Crescent Point offer will be included in a take-over bid circular and related documents that will be filed with securities regulators and mailed to Innova shareholders. Innova has approximately 47.7 million shares issued and outstanding on a fully diluted basis.

The proposed acquisition will be financed through available cash and through the Trust's existing credit facilities. Pro forma debt levels are comfortably supported by Crescent Point's mix of assets, based on forecast prices, and further supported by the Trust's balanced three year hedging program and its \$200 million bank line increase to \$800 million, which provides the Trust significant financial strength with over \$250 million of unutilized credit.

## **FINANCIAL AND STRATEGIC ADVISORS**

BMO Capital Markets acted as financial advisor to Crescent Point with respect to the transaction. GMP Securities L.P. acted as financial advisor to Innova with respect to the transaction and has provided Innova's Board of Directors with its opinion that the consideration to be received by Innova shareholders pursuant to the offer is fair from a financial point of view. FirstEnergy Capital Corp. and Orion Securities Inc. acted as strategic advisors to Crescent Point in connection with the transaction.

## **BOUGHT DEAL FINANCING**

Crescent Point is also pleased to announce it has entered into an agreement, on a bought deal basis, with a syndicate of underwriters co-led by BMO Capital Markets and Scotia Capital Inc., and including CIBC World Markets Inc., RBC Capital Markets, FirstEnergy Capital Corp., TD Securities Inc., GMP Securities L.P., and Tristone Capital Inc., for an offering of 8.9 million trust units at \$18.55 per trust unit to raise gross proceeds of \$165 million. Closing is expected to occur on or about September 25, 2007 and is subject to customary regulatory approvals.

The net proceeds of the financing will be used to reduce Crescent Point's indebtedness outstanding as at October 31, 2006, as permitted under the guidelines announced by the federal government regarding the expansion of existing income trusts prior to the year 2011.

The offering will be a bought underwritten public issue in all provinces of Canada by way of a short form prospectus. The offering will be offered for sale to Qualified Institutional Buyers in the United States pursuant to the registration exemptions provided by Rule 144A of the Securities Act of 1933 and internationally as permitted.

## **IMPACT ON SAFE HARBOUR GROWTH RESTRICTIONS**

On October 31, 2006, the Federal Minister of Finance announced a proposal to tax the distributions of certain publicly traded income trusts. This proposal was included in Bill C-52, the Federal budget, which was passed in June of 2007.

On December 15, 2006, the federal government announced guidelines with respect to the implementation of the income trust tax. Included were guidelines setting limits on the expansion of existing income trusts prior to the 2011 tax year. An existing income trust, like Crescent Point, would be allowed to issue equity up to the amount of its Safe Harbour Limit, which was defined as a percentage of the trust's market capitalization as of October 31, 2006. The Safe Harbour Limit was determined to be 40 percent in 2007 and 20 percent for each of 2008, 2009 and 2010 for a total of 100 percent of the Trust's October 31, 2006 market capitalization. The Safe Harbour Limit also allowed an existing trust to issue equity to replace the debt on its balance sheet as of October 31, 2006.

It is Crescent Point's understanding, supported by an independent legal opinion, that the sum of the equity issued by the Trust in 2007 in relation to its February 2007 acquisition of Mission Oil & Gas Inc., its Distribution Reinvestment, Premium Distribution and Optional Unit Purchase Plans and the above bought deal financing does not exceed the Trust's Safe Harbour Limit for 2007.

## **CONFERENCE CALL**

Crescent Point will be hosting a conference call to discuss the Innova Bakken consolidation acquisition at 2:30 p.m. Mountain time (4:30 p.m. Eastern time) on September 5th, 2007. Callers may dial 1-866-250-4877 (international callers or Toronto local dial 416-644-3417) a few minutes prior to start and request the Crescent Point Energy Trust conference call. The call will also be available for replay by dialing 1-877-289-8525 (international callers or Toronto local dial 416-640-1917) and entering passcode 21245990 followed by the pound sign.

Copies of the Trust's updated Corporate Presentation are available at the Trust's website at [www.crescentpointenergy.com](http://www.crescentpointenergy.com).

## **FORWARD LOOKING STATEMENTS**

Certain statements contained in this press release may constitute forward looking statements, including expectations of future production, cash flow and earnings. All forward-looking statements are based on the Crescent Point's beliefs and assumptions based on information available at the time the assumption was made. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward looking statements. By its nature, such forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward looking statements, including those material risks discussed in our annual information form under "Risk Factors" and in our MD&A under "Business Risks and Prospects". These risks include, but are not limited to: the risks associated with the oil and gas industry (e.g., operational risks in development, exploration and production; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of reserve estimates; the uncertainty of estimates and projections relating to production, costs and expenses, and health, safety and environmental risks), commodity price, price and exchange rate fluctuations and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. Additional information on these and other factors that could affect Crescent Point's operations or financial results are included in Crescent Point's reports on file with Canadian securities regulatory authorities. These statements speak only as of the date of this press release or as of the date specified in this press release. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date it is expressed herein or otherwise and, unless required by law, Crescent Point undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise.

This news release is not for dissemination in the United States or to any United States news services. The trust units of Crescent Point have not and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold in the United States or to any U.S. person except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.

Crescent Point is a conventional oil and gas income trust with assets strategically focused in properties comprised of high quality, long life, operated, light oil and natural gas reserves in western Canada.

**CRESCENT POINT ENERGY TRUST**

Scott Saxberg,

President and Chief Executive Officer

**FOR FURTHER INFORMATION ON CRESCENT POINT ENERGY TRUST PLEASE CONTACT:**

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