MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis ("MD&A") is dated March 11, 2014 and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2013 for a full understanding of the financial position and results of operations of Crescent Point Energy Corp. (the "Company" or "Crescent Point").

The audited consolidated financial statements and comparative information for the year ended December 31, 2013 have been prepared in accordance with International Financial Reporting Standards ("IFRS").

STRUCTURE OF THE BUSINESS

The principal undertakings of 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. Amounts in this report are in Canadian dollars unless noted otherwise. References to "US$" are to United States ("US") dollars.

Non-GAAP Financial Measures

Throughout this MD&A, the Company uses the terms "funds flow from operations", "funds flow from operations per share", "funds flow from operations per share - diluted", "operating income", "operating income per share", "operating income per share - diluted", "net debt", "netback", "market capitalization" and "total capitalization". These terms do not have any standardized meaning as prescribed by IFRS and, therefore, may not be comparable with the calculation of similar measures presented by other issuers.

Funds flow from operations is calculated based on cash flow from operating activities before changes in non-cash working capital, transaction costs and decommissioning expenditures. Funds flow from operations per share and funds flow from operations per share - diluted are calculated as funds flow from operations divided by the number of weighted average basic and diluted shares outstanding, respectively. Management utilizes funds flow from operations as a key measure to assess the ability of the Company to finance dividends, operating activities, capital expenditures and debt repayments. Funds flow from operations as presented is not intended to represent cash flow from operating activities, net earnings or other measures of financial performance calculated in accordance with IFRS.

The following table reconciles cash flow from operating activities to funds flow from operations:

($000s)	**2013**	2012	% Change
Cash flow from operating activities	**1,973,332**	1,543,943	28
Changes in non-cash working capital	**57,349**	29,375	95
Transaction costs	**5,761**	16,436	(65)
Decommissioning expenditures	**11,375**	12,096	(6)
Funds flow from operations	**2,047,817**	1,601,850	28

Operating income is calculated based on net income before amortization of exploration and evaluation ("E&E") undeveloped land, unrealized derivative gains or losses, unrealized foreign exchange gain or loss on translation of US dollar senior guaranteed notes and unrealized gains or losses on marketable securities and long-term investments. Operating income per share and operating income per share - diluted are calculated as operating income divided by the number of weighted average basic and diluted shares outstanding, respectively. Management utilizes operating income to present a measure of financial performance that is more comparable between periods. Operating income as presented is not intended to represent net earnings or other measures of financial performance calculated in accordance with IFRS.

The following table reconciles net income to operating income:

($000s)	**2013**	2012	% Change
Net income	**144,876**	190,653	(24)
Amortization of E&E undeveloped land	**275,504**	247,883	11
Unrealized derivative (gains) losses	**111,876**	(185,724)	(160)
Unrealized foreign exchange (gain) loss on translation of US dollar senior guaranteed notes	**60,994**	(5,774)	(1,156)
Unrealized loss on long-term investments	**10,677**	89,472	(88)
Deferred tax relating to adjustments	**(118,239)**	(32,942)	259
Operating income	**485,688**	303,568	60

Net debt is calculated as long-term debt plus accounts payable and accrued liabilities and dividends payable, less cash, accounts receivable, prepaids and deposits and long-term investments, excluding the equity settled component of dividends payable and unrealized foreign exchange on translation of US dollar senior guaranteed notes. Management utilizes net debt as a key measure to assess the liquidity of the Company.

The following table reconciles long-term debt to net debt:

($000s)	**2013**	2012	% Change
Long-term debt	**1,734,114**	1,474,589	18
Accounts payable and accrued liabilities	**789,305**	655,191	20
Dividends payable	**90,849**	86,182	5
Cash	**(15,941)**	-	-
Accounts receivable	**(352,519)**	(301,770)	17
Prepaids and deposits	**(5,532)**	(8,484)	(35)
Long-term investments	**(74,229)**	(84,906)	(13)
Excludes:			
Equity settled component of dividends payable	**(25,799)**	(58,302)	(56)
Unrealized foreign exchange on translation of US dollar senior guaranteed notes	**(63,170)**	(2,176)	2,803
Net debt	**2,077,078**	1,760,324	18

Netback is calculated on a per boe basis as oil and gas sales, less royalties, operating and transportation expenses and realized derivative gains and losses. Netback is used by management to measure operating results on a per boe basis to better analyze performance against prior periods on a comparable basis.

Market capitalization is calculated by applying the period end closing share trading price to the number of shares outstanding. Market capitalization is an indication of enterprise value.

Total capitalization is calculated as market capitalization plus net debt. Total capitalization is used by management to assess the amount of debt leverage used in the Company's capital structure. Refer to the Liquidity and Capital Resources section in this MD&A.

Results of Operations

Production

	2013	2012	% Change
Crude oil and NGL (bbls/d)	**109,129**	89,704	22
Natural gas (mcf/d)	**66,952**	54,284	23
Total (boe/d)	**120,288**	98,751	22
Crude oil and NGL (%)	**91**	91	-
Natural gas (%)	**9**	9	-
Total (%)	**100**	100	-

Production increased by 22 percent year over year to 120,288 boe/d in 2013 from 98,751 boe/d in 2012, primarily due to the Company's successful drilling and fracture stimulation programs and the acquisition of Ute Energy Upstream Holdings LLC ("Ute") on November 29, 2012 which added approximately 7,800 boe/d of production, partially offset by natural declines.

In the year ended December 31, 2013, the Company drilled 737 (549.5 net) wells, focused primarily in the Viewfield Bakken resource play in southeast Saskatchewan, the Shaunavon resource play in southwest Saskatchewan and the Uinta Basin resource play in northeast Utah.

The Company's weighting to oil and NGL's in 2013 remained consistent with the comparative period.

Marketing and Prices

Average Selling Prices [1]	2013	2012	% Change
Crude oil and NGL ($/bbl)	**86.32**	80.51	7
Natural gas ($/mcf)	**3.61**	2.61	38
Total ($/boe)	**80.32**	74.57	8

(1) The average selling prices reported are before realized derivatives and transportation charges.

Benchmark Pricing	2013	2012	% Change
Crude Oil Prices			
WTI crude oil (US$/bbl)	**98.00**	94.19	4
WTI crude oil (Cdn$/bbl)	**101.03**	94.19	7
LSB crude oil (Cdn$/bbl)	**91.85**	84.61	9
LSB oil differential (%)	**9**	10	(1)
WCS crude oil (Cdn$/bbl)	**75.15**	73.17	3
WCS oil differential (%)	**26**	22	4
Natural Gas Prices			
AECO natural gas [1] (Cdn$/mcf)	**3.17**	2.39	33
Foreign Exchange Rate			
Exchange rate (US$/Cdn$)	**0.97**	1.00	(3)

(1) The AECO natural gas price reported is the average daily spot price.

For the year ended December 31, 2013, the Company's average selling price for oil increased 7 percent from 2012, primarily as a result of a 4 percent increase in the US$ WTI benchmark price and a weaker Canadian dollar. Crescent Point's oil differential for the year ended December 31, 2013 was $14.71 per bbl, or 15 percent, compared to $13.68 per bbl, or 15 percent in 2012.

The Company's corporate oil differential was impacted by a slight narrowing of light oil differentials, largely offset by a widening of medium and heavy oil differentials and increased exposure to Uinta Basin production from the acquisition of Ute, which realizes an increased differential than the corporate average. In 2013, the Cdn$ WTI - LSB differential narrowed to 9 percent from 10 percent in 2012 and the Cdn$ WTI - WCS differential widened to 26 percent from 22 percent in 2012. The Company's Uinta Basin production realized an average oil differential of $19.22 per bbl, or 19 percent, in the year ended December 31, 2013.

The Company's exposure to medium and heavy oil differentials increased in 2013 due to the Company's growing production base in southwest Saskatchewan, which is typically sold at a premium to WCS prices. In addition, the Company is exposed to Yellow wax crude and Black wax crude oil differentials in the Uinta Basin.

Price differentials are expected to remain volatile in 2014. To partially mitigate these price risks, Crescent Point continues to deliver crude oil through its Saskatchewan, Alberta and Utah rail terminals, providing access to markets outside of the PADD II region. The Company also enters physical delivery and derivative WTI price differential contracts which manage the spread between US$ WTI and various stream prices. The Company manages physical delivery contracts on a month-to-month spot and on a term contract basis.

The Company's average selling price for gas in the year ended December 31, 2013 increased 38 percent from $2.61 per mcf in 2012 to $3.61 per mcf in 2013, primarily as a result of the 33 percent increase in AECO benchmark prices and the impact of NYMEX based pricing received on the Company's Utah and North Dakota gas production.

Derivatives

The following is a summary of the realized derivative gain (loss) on oil and gas derivative contracts:

($000s, except volume amounts)	**2013**	2012	% Change
Average crude oil volumes hedged (bbls/d) [1]	**53,296**	39,691	34
Crude oil realized derivative loss [1]	**(94,144)**	(28,861)	226
per bbl	**(2.36)**	(0.88)	168
Average natural gas volumes hedged (GJ/d) [2]	**14,197**	9,000	58
Natural gas realized derivative gain	**3,273**	11,257	(71)
per mcf	**0.13**	0.57	(77)
Average barrels of oil equivalent hedged (boe/d) [1]	**55,539**	41,113	35
Total realized derivative loss	**(90,871)**	(17,604)	416
per boe	**(2.07)**	(0.49)	322

(1) In the year ended December 31, 2013, the crude oil realized derivative loss includes the realized derivative gain on financial price differential contracts. The average crude oil volumes hedged and average barrels of oil equivalent hedged do not include the hedged volumes related to financial price differential contracts.

(2) GJ/d is defined as gigajoules per day.

Management of cash flow variability is an integral component of Crescent Point's business strategy. Changing business conditions are monitored regularly and reviewed with the Board of Directors to establish risk management guidelines used by management in carrying out the Company's strategic risk management program. The risk exposure inherent in movements in the price of crude oil, natural gas and power, fluctuations in the US/Cdn dollar exchange rate and interest rate movements on long-term debt are all proactively managed by Crescent Point through the use of derivatives with investment-grade counterparties. The Company considers these derivative contracts to be an effective means to manage cash flow.

The Company's crude oil and natural gas derivatives are referenced to WTI and AECO, unless otherwise noted. Crescent Point utilizes a variety of derivatives, including swaps, collars and put options to protect against downward commodity price movements while providing the opportunity for some upside participation during periods of rising prices. For commodities, Crescent Point's risk management program allows for hedging a forward profile of 3½ years, and up to 65 percent, unless otherwise approved by the Board of Directors, net of royalty interest production.

With ongoing volatility of price differentials between WTI and western Canadian crude prices, Crescent Point has expanded its risk management programs to include the hedging of these differentials. The Company uses a combination of financial derivatives and fixed differential physical contracts to hedge these price differentials. For price differential hedging, Crescent Point's risk management program allows for hedging a forward profile of 3½ years, and up to 35 percent net of royalty interest production.

The Company recorded a total realized derivative loss of $90.9 million for the year ended December 31, 2013, compared to a loss of $17.6 million in 2012.

The Company's realized derivative loss for oil was $94.1 million for the year ended December 31, 2013, compared to a realized derivative loss of $28.9 million in 2012. The increased realized loss in 2013 is largely attributable to an increase in the Cdn$ WTI benchmark price and the increase in oil volumes hedged as a result of increased production, partially offset by an increase in the Company's average derivative oil price. During the year ended December 31, 2013, the Company's average derivative oil price increased by 4 percent or $3.99 per bbl, from $92.20 per bbl in 2012 to $96.19 per bbl in 2013.

Crescent Point's realized derivative gain for gas was $3.3 million for the year ended December 31, 2013, compared to $11.3 million in 2012. The decreased realized gain in 2013 is largely attributable to the decrease in the Company's average derivative gas price and the increase in the AECO benchmark price, partially offset by an increase in gas volumes hedged as a result of increased production. During the year ended December 31, 2013, the Company's average derivative gas price decreased from $5.68 per GJ in 2012 to $3.64 per GJ in 2013 and the AECO benchmark price increased by 33 percent.

The Company has not designated any of its risk management activities as accounting hedges under International Accounting Standard 39, *Financial Instruments: Recognition and Measurement* and, accordingly, has fair valued its derivatives.

The following is a summary of the Company's unrealized derivative gain (loss):

($000s)	**2013**	2012	% Change
Crude oil	**(153,319)**	185,854	(182)
Natural gas	**(1,554)**	(9,140)	(83)
Interest	**1,982**	7,057	(72)
Power	**(30)**	(1,655)	(98)
Cross currency interest rate	**40,678**	3,936	933
Cross currency principal	**574**	(514)	(212)
Foreign exchange	**(207)**	186	(211)
Total unrealized derivative gain (loss)	**(111,876)**	185,724	(160)

The Company recognized a total unrealized derivative loss of $111.9 million for the year ended December 31, 2013 compared to a total unrealized derivative gain of $185.7 million in 2012, primarily due to a $153.3 million unrealized loss on crude oil contracts in 2013 compared to a $185.9 million unrealized gain in 2012. The unrealized oil derivative loss for the year ended December 31, 2013 is primarily attributable to the increase in the Cdn$ WTI forward benchmark price at December 31, 2013 compared to December 31, 2012. The unrealized oil derivative gain for the year ended December 31, 2012 is primarily attributable to the decrease in the Cdn$ WTI forward benchmark price at December 31, 2012 compared to December 31, 2011.

The total unrealized derivative loss in 2013 was partially offset by a $40.7 million unrealized gain on Cross Currency Interest Rate Swaps ("CCIRS") compared to a $3.9 million unrealized gain in 2012. The unrealized CCIRS derivative gain for the year ended December 31, 2013 was primarily the result of the weaker forward Canadian dollar at December 31, 2013 compared to December 31, 2012 and the maturity of out of the money contract months. The unrealized CCIRS derivative gain for the year ended December 31, 2012 was primarily the result of the weaker forward Canadian dollar, specifically from 2017 onwards, at December 31, 2012 compared to December 31, 2011, and the maturity of out of the money contract months.

Revenues

($000s) [1]	**2013**	2012	% Change
Crude oil and NGL sales	**3,438,159**	2,643,181	30
Natural gas sales	**88,289**	51,813	70
Total oil and gas sales	**3,526,448**	2,694,994	31

(1) Revenue is reported before transportation charges and realized derivatives.

Crude oil and NGL sales increased 30 percent in the year ended December 31, 2013, from $2.6 billion in 2012 to $3.4 billion in 2013, primarily due to the 22 percent increase in Crescent Point's production and the 7 percent increase in realized prices. The increased production in 2013 is primarily due to the Company's successful drilling and fracture stimulation programs and the acquisition of Ute completed in 2012. The increase in realized prices is largely a result of the 7 percent increase in the Cdn$ WTI benchmark price as compared to 2012.

Natural gas sales increased 70 percent in the year ended December 31, 2013 compared to 2012. The increase is primarily due to the 38 percent increase in realized natural gas prices and the 23 percent increase in natural gas production. The increase in the realized natural gas price is largely due to the increase in the AECO benchmark price and the impact of NYMEX based pricing received on the Company's Utah and North Dakota gas production. The increased natural gas production in 2013 is primarily due to 2012 acquisitions and successful drilling in Viewfield, partially offset by natural declines.

Royalties

($000, except % and per boe amounts)	**2013**	2012	% Change
Royalties	**644,240**	468,226	38
As a % of oil and gas sales	**18**	17	1
Per boe	**14.67**	12.95	13

Royalties increased 38 percent in the year ended December 31, 2013 compared to 2012. The increase is largely due to the 31 percent increase in oil and gas sales and the 1 percent increase in royalties as a percentage of sales.

Royalties as a percentage of sales for the year ended December 31, 2013 increased primarily due to growing revenues in the United States, with higher associated royalty burdens, partially offset by royalty holidays for new wells drilled in Viewfield. In 2013, oil and gas sales in the United States accounted for 13 percent of the Company's total oil and gas sales compared to 3 percent in 2012.

In the year ended December 31, 2013, 256.5 net wells were drilled in Viewfield of the 549.5 total net wells drilled by the Company.

Operating Expenses

($000, except per boe amounts)	**2013**	2012	% Change
Operating expenses	**505,060**	421,125	20
Per boe	**11.50**	11.65	(1)

Operating expenses per boe decreased 1 percent in the year ended December 31, 2013 compared to 2012. The decrease was primarily the result of lower well servicing costs, largely offset by higher chemical costs.

Operating expenses increased 20 percent in the year ended December 31, 2013 compared to 2012, primarily as a result of the growth in the Company's production from the successful execution of the drilling and development program and the acquisitions completed in 2012.

Transportation Expenses

($000s, except per boe amounts)	**2013**	2012	% Change
Transportation expenses	**95,317**	66,147	44
Per boe	**2.17**	1.83	19

Transportation expenses per boe increased 19 percent in the year ended December 31, 2013 compared to 2012. The increase is primarily due to increased clean oil trucking costs resulting from increased oil deliveries through the Company's rail terminals in Saskatchewan, Alberta and Utah.

Transportation expenses increased 44 percent in the year ended December 31, 2013 compared to 2012, primarily as a result of the growth in the Company's production and the increase in per boe transportation expenses as noted above.

Netbacks

	2013			2012	
	Crude Oil and NGL ($/bbl)	**Natural Gas ($/mcf)**	**Total ($/boe)**	Total ($/boe)	% Change
Average selling price	**86.32**	**3.61**	**80.32**	74.57	8
Royalties	**(15.95)**	**(0.36)**	**(14.67)**	(12.95)	13
Operating expenses	**(12.21)**	**(0.76)**	**(11.50)**	(11.65)	(1)
Transportation expenses	**(2.14)**	**(0.41)**	**(2.17)**	(1.83)	19
Netback prior to realized derivatives	**56.02**	**2.08**	**51.98**	48.14	8
Realized gain (loss) on derivatives	**(2.36)**	**0.13**	**(2.07)**	(0.49)	322
Netback	**53.66**	**2.21**	**49.91**	47.65	5

The Company's netback for the year ended December 31, 2013 increased 5 percent to $49.91 per boe from $47.65 per boe in 2012. The increase in the Company's netback is primarily the result of the increase in average selling price largely due to the increase in the Cdn$ WTI benchmark price and the decrease in operating expenses, partially offset by increased royalties, realized derivative loss and transportation expenses.

General and Administrative Expenses

($000, except per boe amounts)	**2013**	2012	% Change
General and administrative costs	**86,547**	77,726	11
Capitalized	**(19,081)**	(14,342)	33
Total general and administrative expenses	**67,466**	63,384	6
Transaction costs	**(5,761)**	(16,436)	(65)
General and administrative expenses	**61,705**	46,948	31
Per boe	**1.41**	1.30	8

General and administrative expenses per boe increased 8 percent in the year ended December 31, 2013 compared to 2012, primarily due to decreased overhead recoveries recorded and increases in information technology costs. The decreased overhead recoveries are largely as a result of the Company's 2012 acquisitions having lower associated overhead recoveries.

General and administrative expenses increased 31 percent in the year ended December 31, 2013 compared to 2012. The increase is primarily due to increased employee-related costs as a result of the growth of the Company, including the expansion of operations in the United States, and the increase in per boe general and administrative expenses as noted above.

Transactions costs incurred in the year ended December 31, 2013 relate primarily to the acquisition and integration of Ute.

Interest Expense

($000, except per boe amounts)	**2013**	2012	% Change
Interest expense	**77,754**	71,530	9
Per boe	**1.77**	1.98	(11)

Interest expense per boe decreased 11 percent in the year ended December 31, 2013 compared to 2012, reflecting the successful production growth of the Company, partially offset by a slight increase in the Company's effective interest rate as a result of Crescent Point issuing long-term senior guaranteed notes at fixed interest rates.

Interest expense increased 9 percent in the year ended December 31, 2013 compared to 2012. This increase is primarily attributable to the higher average debt balance and the slight increase in the Company's effective interest rate. The higher average debt balance is the result of the Company's growth in production and fluctuations in working capital. The increased effective interest rate is a result of the Company issuing long-term senior guaranteed notes at fixed interest rates.

Crescent Point actively manages exposure to fluctuations in interest rates through interest rate swaps, short term bankers' acceptances and the issuance of long-term fixed rate senior guaranteed notes. Refer to the Derivatives section above for further information.

Foreign Exchange Gain (Loss)

($000s)	**2013**	2012	% Change
Realized			
Foreign exchange loss on cross currency interest rate swaps	**(4,308)**	(3,838)	12
Other foreign exchange gain	**1,134**	495	129
Unrealized			
Foreign exchange gain (loss) on translation of US dollar senior guaranteed notes	**(60,994)**	5,774	(1,156)
Other foreign exchange gain (loss)	**(337)**	361	(193)
Foreign exchange gain (loss)	**(64,505)**	2,792	(2,410)

The Company has senior guaranteed notes with aggregate principals of US$983.0 million and Cdn$142.0 million. The Company records unrealized foreign exchange gains or losses on the revaluation of the US denominated senior guaranteed notes and related accrued interest. During the year ended December 31, 2013, the Company recorded an unrealized foreign exchange loss of $61.0 million on translation of US dollar senior guaranteed notes and accrued interest compared to an unrealized gain of $5.8 million in 2012. The unrealized loss in 2013 is attributable to a weaker Canadian dollar as at December 31, 2013 as compared to December 31, 2012. The unrealized gain in 2012 is attributable to a stronger Canadian dollar as at December 31, 2012 as compared to December 31, 2011.

During the year ended December 31, 2013, the Company realized a foreign exchange loss of $4.3 million on the settlement of the CCIRS associated with interest payments made on the US dollar senior guaranteed notes, compared to a loss of $3.8 million in 2012. The increase in the realized loss for the year ended December 31, 2013 is primarily due to the additional CCIRS entered during 2013, partially offset by the weaker Canadian dollar for the year ended December 31, 2013.

Share-based Compensation Expense

($000s, except per boe amounts)	**2013**	2012	% Change
Share-based compensation costs	**90,838**	68,833	32
Capitalized	**(23,086)**	(17,692)	30
Share-based compensation expense	**67,752**	51,141	32
Per boe	**1.54**	1.41	9

During the year ended December 31, 2013, the Company recorded share-based compensation costs of $90.8 million, an increase of 32 percent from 2012. The increase in 2013 is primarily due to the increase in expenses associated with incentive related awards, partially offset by the decrease in expenses associated with base compensation restricted shares.

During the year ended December 31, 2013, the Company capitalized share-based compensation costs of $23.1 million, an increase of 30 percent from 2012. The increase is primarily the result of the increase in expenses associated with incentive related awards, partially offset by the decrease in base compensation restricted shares.

Restricted Share Bonus Plan

The Company has a Restricted Share Bonus Plan pursuant to which the Company may grant restricted shares to directors, officers, employees and consultants. The restricted shares vest on terms up to three years from the grant date as determined by the Board of Directors.

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

Under the Restricted Share Bonus Plan at December 31, 2013, the Company is authorized to issue up to 5,728,512 common shares (December 31, 2012 - 7,773,681 common shares), of which the Company had 2,588,143 restricted shares outstanding at December 31, 2013 (December 31, 2012 - 3,366,492 restricted shares outstanding).

Deferred Share Unit Plan

The Company has a Deferred Share Unit (“DSU”) plan for directors. Each DSU vests on the date of the grant, however, the settlement of the DSU occurs following a change of control or when the individual ceases to be a director of the Company. Deferred Share Units are settled in cash based on the prevailing Crescent Point share price. The Company had 75,380 DSUs outstanding at December 31, 2013 compared to 51,318 at December 31, 2012.

Depletion, Depreciation, Amortization and Impairment

($000s, except per boe amounts)	**2013**	2012	% Change
Depletion and depreciation	**1,185,104**	1,007,025	18
Amortization of E&E undeveloped land	**275,504**	247,883	11
Depletion, depreciation and amortization	**1,460,608**	1,254,908	16
Impairment	**98,291**	189,074	(48)
Depletion, depreciation, amortization and impairment	**1,558,899**	1,443,982	8
Per boe, before impairment	**33.27**	34.72	(4)
Per boe	**35.51**	39.95	(11)

The Company's depletion, depreciation and amortization ("DD&A") rate before impairment decreased 4 percent to $33.27 per boe for the year ended December 31, 2013 from $34.72 per boe in 2012. The decrease is primarily a result of proved plus probable reserve additions and decreased future development costs in the December 31, 2013 reserve report.

At December 31, 2013, the Company determined that the carrying amount of the Southern Alberta cash-generating unit ("CGU") exceeded its fair value less costs of disposal. The full amount of the impairment was attributed to property, plant and equipment ("PP&E") and, as a result, an impairment loss of $98.3 million was recorded as a component of depletion, depreciation, amortization and impairment expense. The Southern Alberta CGU is comprised primarily of properties in the early stages of development for which the operating results are included in the Canadian operating segment. The impairment in 2013 was largely a result of the exploratory nature of the Alberta Bakken resource play, which resulted in negative technical revisions to proved plus probable reserves and an increase in expected operating and abandonment costs.

The Company reported an impairment loss of $189.1 million for the year ended December 31, 2012 related to the Southern Alberta CGU largely as a result of the decrease in forecast benchmark commodity prices at December 31, 2012 compared to December 31, 2011, the early development stage of the properties and associated higher initial capital expenditures.

Other Loss

The Company recorded other losses of $10.1 million in the year ended December 31, 2013 compared to other losses of $60.5 million in 2012. The other losses in 2013 are primarily comprised of net unrealized losses on long-term investments. The other losses in 2012 are primarily comprised of net unrealized losses on long-term investments, partially offset by gains on the disposition of assets.

Taxes

($000s)	**2013**	2012	% Change
Current tax expense (recovery)	**173**	(1,418)	(112)
Deferred tax expense	**73,433**	19,436	278

Current Tax Expense (Recovery)

In the year ended December 31, 2013, the Company recorded current tax expense of $0.2 million compared to a current tax recovery of $1.4 million in 2012. The current tax expense in 2013 relates primarily to adjustments for business combinations completed in prior periods. The current tax recoveries in 2012 relate primarily to investment tax credits earned through research and development expenditures on drilling and development activities. Refer to the Company's December 31, 2013 Annual Information Form for information on the Company's expected tax horizon.

Deferred Tax Expense

In the year ended December 31, 2013, the Company recorded deferred tax expense of $73.4 million compared to $19.4 million in 2012. The increase in deferred tax expense is primarily due to a change in estimate regarding future usable tax pools and the Company's increased net income before taxes in 2013 and the effect of a tax pool recovery recorded in 2012.

Funds Flow, Cash Flow, Operating Income and Net Income

($000s, except per share amounts)	**2013**	2012	% Change
Funds flow from operations	**2,047,817**	1,601,850	28
Funds flow from operations per share - diluted	**5.28**	4.83	9
Cash flow from operating activities	**1,973,332**	1,543,943	28
Cash flow from operating activities per share - diluted	**5.09**	4.65	9
Operating income	**485,688**	303,568	60
Operating income per share - diluted	**1.25**	0.91	37
Net income	**144,876**	190,653	(24)
Net income per share - diluted	**0.37**	0.57	(35)

Funds flow from operations increased to $2.0 billion for the year ended December 31, 2013 from $1.6 billion in 2012 and increased to $5.28 per share - diluted from $4.83 per share - diluted. The increase in funds flow from operations is primarily the result of the increases in production volumes and the netback. Production volumes increased due to the Company's successful drilling and fracture stimulation programs and the Ute acquisition completed on November 29, 2012. The netback increased as a result of the increase in average selling price largely due to the increase in the Cdn$ WTI benchmark price and the decrease in operating expenses, partially offset by increased royalties, realized derivative loss, and transportation expenses. Funds flow from operations per share - diluted increased for the year ended December 31, 2013, primarily due to the reasons discussed above, partially offset by the impact of shares issued through the Company's Premium Dividend™ and Dividend Reinvestment Plan ("DRIP") and the August and November 2012 equity offerings.

Cash flow from operating activities increased 28 percent to $2.0 billion in the year ended December 31, 2013 compared to $1.5 billion in 2012, for the same reasons as discussed above and fluctuations in working capital, transaction costs and decommissioning expenditures. Cash flow from operating activities per share - diluted increased 9 percent to $5.09 per share - diluted in 2013, primarily due to the reasons discussed above, partially offset by the impact of shares issued through the Company's DRIP and the August and November 2012 equity offerings.

The Company reported operating income of $485.7 million in the year ended December 31, 2013 compared to $303.6 million in 2012, primarily as a result of the increase in funds flow from operations, partially offset by the increase in deferred tax expense and combined depletion and impairment expense. Operating income per share - diluted increased 37 percent to $1.25 per share - diluted in 2013, primarily due to reasons discussed above, partially offset by the impact of shares issued through the Company's DRIP and the August and November 2012 equity offerings.

The Company reported net income of $144.9 million in the year ended December 31, 2013 compared to $190.7 million in 2012, primarily as a result of the unrealized derivative and foreign exchange losses recorded in 2013 and the increase in depletion, depreciation, amortization and impairment expense and deferred tax expense, largely offset by the increase in funds flow from operations and the decrease in other losses.

As noted in the Derivatives section, the Company has not designated any of its risk management activities as accounting hedges under IAS 39, *Financial Instruments: Recognition and Measurement*, and, accordingly, has fair valued its derivatives.

Crescent Point uses financial commodity derivatives, including swaps, collars and put options, to reduce the volatility of the selling price of its crude oil and natural gas production. This provides a measure of stability to the Company's cash flow and dividends over time. The Company's commodity derivatives portfolio extends out 3½ years from the current quarter.

IFRS 9*, Financial Instruments*, gives guidelines for accounting for financial derivatives not designated as accounting hedges. Financial derivatives that have not settled during the current quarter are fair valued. The change in fair value from the previous quarter represents a gain or loss that is recorded in net income. As such, if benchmark oil and natural gas prices rise during the quarter, the Company records a loss based on the change in price multiplied by the volume of oil and natural gas hedged. If prices fall during the quarter, the Company records a gain. The prices used to record the actual gain or loss are subject to an adjustment for volatility and the resulting gain (asset) or loss (liability) is discounted to a present value using a risk free rate adjusted for counterparty credit risk.

Crescent Point's underlying physical reserves are not fair valued each quarter, hence no gain or loss associated with price changes is recorded; the Company realizes the benefit/detriment of any price increase/decrease in the period which the physical sales occur.

The Company's financial results should be viewed with the understanding that the future gain or loss on financial derivatives is recorded in the current period's results, while the future value of the underlying physical sales is not.

Dividends

The following table provides a reconciliation of dividends:

($000s, except per share amounts)	**2013**	2012	% Change
Accumulated dividends, beginning of year	**3,673,971**	2,742,571	34
Dividends declared to shareholders	**1,081,551**	931,400	16
Accumulated dividends, end of year	**4,755,522**	3,673,971	29
Accumulated dividends per share, beginning of year	**23.31**	20.55	13
Dividends to shareholders per share	**2.76**	2.76	-
Accumulated dividends per share, end of year	**26.07**	23.31	12

The Company maintained monthly dividends of $0.23 per share during 2013.

Dividends increased 16 percent in the year ended December 31, 2013 compared to 2012. The increase in dividends in 2013 relates to an increase in the number of shares outstanding primarily due to the bought deal financings which closed in August and November 2012 and the issuance of shares to shareholders pursuant to the DRIP in lieu of cash dividends. Crescent Point suspended participation in the Premium component of the DRIP effective October 15, 2013.

Crescent Point believes it is well positioned to maintain monthly dividends as the Company continues to exploit and develop its resource plays. Crescent Point's risk management strategy minimizes exposure to commodity price volatility and provides a measure of sustainability to dividends through periods of fluctuating market prices.

Investments in Marketable Securities

In March 2012, the Company disposed of its investment in marketable securities for proceeds of $0.6 million, resulting in a realized gain of less than $0.1 million recognized in net income.

Long-Term Investments

Public Companies

The Company holds common shares and common share purchase warrants in publicly traded oil and gas companies. The investments are classified as financial assets at fair value through profit and loss and are fair valued with the resulting gain or loss recorded in net income. At December 31, 2013, the investments are recorded at a fair value of $24.3 million which is $79.7 million less than the original cost of the investments.

Private Companies

The Company holds common shares in private 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. At December 31, 2013, the investments are recorded at a fair value of $50.0 million which is $17.0 million less than the original cost of the investments.

Other Long-Term Assets

At December 31, 2013, other long-term assets consist of $26.2 million related to the reclamation fund and $11.8 million of investment tax credits.

As part of Crescent Point's ongoing commitment to the environment and to reduce greenhouse gas emissions, Crescent Point has a voluntary reclamation fund for future decommissioning costs and environmental emissions reduction costs. During the year ended December 31, 2013, the Company contributed $0.70 per produced boe to the fund, of which $0.40 per boe was for future decommissioning costs and $0.30 per boe was directed to environmental emissions reduction.

The reclamation fund increased by $15.7 million during 2013 due to contributions of $30.7 million, partially offset by expenditures of $15.0 million. The expenditures included $11.4 million related primarily to decommissioning work completed in Alberta and southeast Saskatchewan. The remaining $3.6 million related to environmental emissions work completed primarily in Saskatchewan to reduce greenhouse gas emissions and to meet and exceed provincial and federal targets. Since inception, $86.7 million has been contributed to the reclamation fund and $60.6 million has been spent.

Related Party Transactions

All related party transactions are recorded at the exchange amount.

During the year ended December 31, 2013, Crescent Point recorded $0.8 million (December 31, 2012 - $1.9 million) of legal fees in the normal course of business to a law firm of which a partner is the Company's corporate secretary. Crescent Point also recorded $0.3 million during the year ended December 31, 2013 (December 31, 2012 - $0.8 million) of legal fees in the normal course of business to a law firm of which a partner is a director of the Company.

Key management personnel of the Company consist of its directors and executive officers. In addition to the directors fees and salaries paid to the directors and officers, respectively, the directors participate in the Restricted Share Bonus Plan and Deferred Share Unit Plan and the officers participate in the Restricted Share Bonus Plan. The compensation relating to key management personnel for the year recorded as general and administrative expenses was $12.1 million (December 31, 2012 - $11.3 million) and share-based compensation costs were $37.6 million (December 31, 2012 – $30.8 million).

Capital Expenditures

($000s)	**2013**	2012	% Change
Capital acquisitions (net) [1]	**118,267**	3,021,230	(96)
Development capital expenditures	**1,724,507**	1,488,947	16
Capitalized administration [2]	**19,081**	14,342	33
Office equipment	**3,285**	5,740	(43)
Total	**1,865,140**	4,530,259	(59)

(1) Capital acquisitions represent total consideration for the transactions including net debt and excluding transaction costs.

(2) Capitalized administration excludes capitalized share-based compensation.

Capital Acquisitions

Minor Property Acquisitions and Dispositions

Crescent Point completed minor property acquisitions and dispositions during the year ended December 31, 2013 for net consideration of $118.3 million ($121.8 million was allocated to PP&E and E&E assets). These minor property acquisitions and dispositions were completed with full tax pools.

Development Capital Expenditures

The Company's development capital expenditures for the year ended December 31, 2013 were $1.7 billion compared to $1.5 billion in 2012. In 2013, 737 (549.5 net) wells were drilled with a success rate of 100 percent. The development capital for the year ended December 31, 2013 included $300.2 million on facilities, land and seismic.

Crescent Point's budgeted capital program for 2014 is $1.75 billion, not including acquisitions. The Company searches for acquisition opportunities that align with strategic parameters and evaluates each prospect on a case-by-case basis.

Goodwill

The Company's goodwill balance as at December 31, 2013 was $251.9 million which is unchanged from December 31, 2012. The goodwill balance is attributable to the corporate acquisitions completed during the period 2003 through 2012.

Decommissioning Liability

The decommissioning liability increased by $127.1 million during 2013 from $502.4 million at December 31, 2012 to $629.5 million at December 31, 2013. The increase relates to $115.3 million due to a change in future cost estimates, $32.6 million in respect of drilling, $14.2 million of accretion expense, $3.5 million as a result of net capital acquisitions and $3.2 million due to the revaluation of acquired liabilities, partially offset by $30.3 million due to a change in discount rate and $11.4 million for liabilities settled.

Liquidity and Capital Resources

Capitalization Table ($000s, except share, per share, ratio and percent amounts)	**December 31, 2013**	December 31, 2012
Net debt	**2,077,078**	1,760,324
Shares outstanding [(1)]	**394,993,566**	374,702,264
Market price at end of year (per share)	**41.25**	37.62
Market capitalization	**16,293,485**	14,096,299
Total capitalization	**18,370,563**	15,856,623
Net debt as a percentage of total capitalization	**11**	11
Annual funds flow from operations	**2,047,817**	1,601,850
Net debt to funds flow from operations [(2)]	**1.0**	1.1

(1) The shares outstanding balance at December 31, 2013 excludes 678,361 common shares issued on January 15, 2014 pursuant to the DRIP. The shares outstanding balance at December 31, 2012 excludes 1,638,734 issued on January 15, 2013 pursuant to the DRIP.

(2) The net debt reflects the financing of acquisitions, however, the funds flow from operations only reflects funds flow from operations generated from the acquired properties since the closing date of the acquisitions.

Net debt is calculated as long-term debt plus accounts payable and accrued liabilities and dividends payable, less cash, accounts receivable, prepaids and deposits and long-term investments, excluding the equity settled component of dividends payable and unrealized foreign exchange on translation of US dollar senior guaranteed notes.

The Company has a syndicated unsecured credit facility with fourteen banks and an operating credit facility with one Canadian chartered bank totaling $2.1 billion. The syndicated unsecured credit facility also includes an accordion feature that allows the Company to increase the facility by up to $500.0 million. As at December 31, 2013, the Company had approximately $553.7 million drawn on bank credit facilities, including $3.9 million outstanding pursuant to letters of credit, leaving unutilized borrowing capacity of approximately $1.5 billion.

The Company has closed private offerings of senior guaranteed notes raising gross proceeds of US$983.0 million and Cdn$142.0 million. These notes rank *pari passu* with the Company's bank credit facilities and are unsecured with original terms of maturity from 5 to 10 years. Concurrent with the issuance of US$953.0 million senior guaranteed notes, the Company entered into CCIRS with a syndicate of financial institutions. Under the terms of the CCIRS, the amount of the US notes was fixed for purposes of interest and principal repayments at a notional amount of $953.2 million. Concurrent with the issuance of US$30.0 million senior guaranteed notes, the Company entered a cross currency principal swap which fixed the principal repayment at a notional amount of $32.2 million.

At December 31, 2013 and December 31, 2012, Crescent Point was capitalized with 89 percent equity. The Company's net debt to funds flow from operations ratio at December 31, 2013 was 1.0 times, compared to 1.1 times at December 31, 2012. This decrease is largely due to the increase in funds flow from operations. Crescent Point's target average net debt to 12 month funds flow is approximately 1.0 times.

The Company has a successful DRIP which raised $659.1 million during the year ended December 31, 2013 (year ended December 31, 2012 - $564.1 million).

Crescent Point's development capital budget for 2014 is $1.75 billion, with average 2014 production forecast at 126,500 boe/d.

Crescent Point's management believes that with the high quality reserve base and development inventory, excellent balance sheet and solid hedging program, the Company is well positioned to meet its planned growth and development targets to continue generating strong operating and financial results through 2014 and beyond.

Shareholders' Equity

At December 31, 2013, Crescent Point had 395.0 million common shares issued and outstanding compared to 374.7 million common shares at December 31, 2012. The increase of 20.3 million shares relates primarily to shares issued pursuant to the DRIP.

Crescent Point's total capitalization increased to $18.4 billion at December 31, 2013 compared to $15.9 billion at December 31, 2012, with the market value of the shares representing 89 percent of the total capitalization. The increase in total capitalization primarily relates to the increases in the Company's year-end share price, shares outstanding and net debt.

Subsequent Events

New York Stock Exchange ("NYSE") Listing

On January 22, 2014, Crescent Point's common shares began trading on the NYSE under the ticker symbol "CPG".

Contractual Obligations and Commitments

The Company has assumed various contractual obligations and commitments in the normal course of operations. At December 31, 2013, the Company had contractual obligations and commitments as follows:

($000s)	1 year	2 to 3 years	4 to 5 years	More than 5 years	Total
Operating leases (building and vehicle leases)(1)	18,343	48,242	48,241	281,817	396,643
Senior guaranteed notes(2)	56,108	242,717	210,337	969,357	1,478,519
Bank credit facilities(3)	-	546,595	-	-	546,595
Transportation commitments	1,705	461	144	13	2,323
Derivative contract premiums	15,697	-	-	-	15,697
Total	91,853	838,015	258,722	1,251,187	2,439,777

(1) Included in operating leases are nominal recoveries of rent expense on office space the Company has subleased.

(2) These amounts include the effect of principal and interest payments pursuant to the CCIRS and cross currency principal swap.

(3) These amounts exclude interest payable on amounts drawn on the bank credit facilities.

Off Balance Sheet Arrangements

The Company has off-balance sheet financing arrangements consisting of various lease agreements which are entered into in the normal course of operations. All leases have been treated as operating leases whereby the lease payments are included in operating expenses or general and administrative expenses depending on the nature of the lease. No asset or liability value has been assigned to these leases in the balance sheet as of December 31, 2013. All of the lease agreement amounts have been reflected in the Contractual Obligations and Commitments table above.

Critical Accounting Estimates

The preparation of the Company’s consolidated financial statements requires management to adopt accounting policies that involve the use of significant estimates and assumptions. These estimates and assumptions are developed based on the best available information and are believed by management to be reasonable under the existing circumstances. New events or additional information may result in the revision of these estimates over time. A summary of the significant accounting policies used by Crescent Point can be found in Note 3 of the December 31, 2013 audited consolidated financial statements. The following discussion outlines what management believes to be the most critical policies involving the use of estimates and assumptions.

Oil and gas activities

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, 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 is aggregated into cash-generating units, based on separately identifiable and largely independent cash inflows. The determination of the Company’s CGUs is subject to judgment. Factors considered in the classification of CGUs include the integration between assets, shared infrastructures, the existence of common

sales points, geography, geologic structure and the manner in which management monitors and makes decisions regarding operations.

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

Decommissioning liability

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

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 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.

Fair value measurement

The estimated fair value of derivative instruments resulting in derivative assets and liabilities, by their very nature, are subject to measurement uncertainty. Estimates included in the determination of the fair value of derivative instruments include forward benchmark prices, discount rates and forward foreign exchange rates.

Joint control

Judgment is required to determine when the Company has joint control over an arrangement, which requires an assessment of the capital and operating activities of the projects it undertakes with partners and when the decisions in relation to those activities require unanimous consent.

Share-based compensation

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

Income taxes

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.

Risk Factors

Financial Risk

Financial risk is the risk of loss or lost opportunity resulting from financial management and market conditions that could have a positive or negative impact on Crescent Point's business. Financial risks the Company is exposed to include: marketing reserves at an acceptable price given market conditions; finding and producing reserves at a reasonable cost; volatility in market prices for oil and natural gas; fluctuations in foreign exchange and interest rates; stock market volatility; debt service which may limit timing or amount of dividends as well as market price of shares; the continued availability of adequate debt and equity financing and cash flow to fund planned expenditures; sufficient liquidity for future operations; lost revenue or increased expenditures as a result of delayed or denied environmental, safety or regulatory approvals; cost of capital risk to carry out the Company's operations; and uncertainties associated with credit facilities and counterparty credit risk.

Operational Risk

Operational risk is the risk of loss or lost opportunity resulting from operating and capital activities that, by their nature, could have an impact on the Company's ability to achieve objectives. Operational risks Crescent Point is exposed to include: uncertainties associated with estimating oil and natural gas reserves; incorrect assessments of the value of acquisitions and exploration and development programs; failure to realize the anticipated benefits of acquisitions; uncertainties associated with partner plans and approvals; operational matters related to non-operated properties; inability to secure adequate product transportation including sufficient crude-by-rail or other alternate transportation; delays in business operations, pipeline restrictions, blowouts; unforeseen title defects; increased competition for, among other things, capital, acquisitions of reserves and undeveloped lands; competition for and availability of qualified personnel or management; loss of key personnel; unexpected geological, technical, drilling, construction and processing problems; availability of insurance; competitive action by other companies; the ability of suppliers to meet commitments and risks; and uncertainties related to oil and gas interests and operations on tribal lands.

Safety, Environmental and Regulatory Risks

Safety, environmental and regulatory risks are the risks of loss or lost opportunity resulting from changes to laws governing safety, the environment, royalties and taxation. Safety, environmental and regulatory risks Crescent Point is exposed to include: aboriginal land claims; uncertainties associated with regulatory approvals; uncertainty of government policy changes; the risk of carrying out operations with minimal environmental impact; changes in or adoption of new laws and regulations or changes in how they are interpreted or enforced; obtaining required approvals of regulatory authorities and stakeholder support for activities and growth plans.

There are no new material environmental initiatives impacting Crescent Point at this time.

Risk Management

Crescent Point is committed to identifying and managing these risks in the near term, as well as on a strategic and longer term basis at all levels in the organization in accordance with our Board-approved Risk Management and Counterparty Credit Policy and risk management programs. Issues affecting, or with the potential to affect, our assets, operations and/or reputation, are generally of a strategic nature or are emerging issues that can be identified early and then managed, but occasionally include unforeseen issues that arise unexpectedly and must be managed on an urgent basis. Crescent Point takes a proactive approach to the identification and management of issues that can affect the Company's assets, operations and/or reputation and have established consistent and clear policies, procedures, guidelines and responsibilities for issue identification and management.

Specific actions Crescent Point takes to ensure effective risk management include: employing qualified professional and technical staff; concentrating in a limited number of areas with low cost exploitation and development objectives; utilizing the latest technology for finding and developing reserves; constructing quality, environmentally sensitive and safe production facilities; adopting and communicating sound policies governing all areas of our business; maximizing operational control of drilling and production operations; strategic hedging of commodity prices, interest and foreign exchange rates; adhering to conservative borrowing guidelines; monitoring counterparty creditworthiness and obtaining counterparty credit insurance.

Changes in Accounting Policies

Effective January 1, 2013, the Company adopted the following IFRS:

- IFRS 7 *Financial Instruments: Disclosures* - IFRS 7 was amended to provide more extensive quantitative disclosures for financial instruments that are offset in the statement of financial position or that are subject to enforceable master netting or similar agreements. The additional disclosures can be found in Note 22 of the annual consolidated financial statements for the year ended December 31, 2013. The application of the amendment had no impact on the consolidated statements of comprehensive income or the consolidated balance sheets.
- IFRS 9 *Financial Instruments* - IFRS 9 was amended to present a new hedge accounting model. The Company does not currently apply hedge accounting and determined that the amendment to IFRS 9 had no impact on the consolidated statements of comprehensive income or the consolidated balance sheet.
- IFRS 10 *Consolidated Financial Statements* - IFRS 10 provides guidance to determine whether an investee should be consolidated. The guidance applies to all investees, including special purpose entities. The Company reviewed its consolidation methodology and determined that the adoption of IFRS 10 did not result in a change to the consolidation status of its subsidiaries.
- IFRS 11 *Joint Arrangements* - IFRS 11 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 Company reviewed its joint arrangements and determined that the adoption of IFRS 11 did not result in any changes in the accounting for its joint arrangements. The Company's share of the assets, liabilities, revenues and expenses are recognized in the annual consolidated financial statements.
- IFRS 12 *Disclosure of Interests in Other Entities* - IFRS 12 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 application of IFRS 12 had no impact on the consolidated statements of comprehensive income or the consolidated balance sheets.
- IFRS 13 *Fair Value Measurement* - IFRS 13 provides a single framework for measuring fair value. The measurement of the fair value of an asset or liability is based on assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The Company adopted IFRS 13 on January 1, 2013 on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at January 1, 2013.

Future Changes in Accounting Policies

IAS 36 Impairment of Assets - IAS 36 was amended in May 2013 to reduce the circumstances in which the recoverable amount of CGUs is required to be disclosed and clarify the disclosures required when an impairment loss has been recognized or reversed in the period. The amendments require retrospective application and will be adopted by the Company on January 1, 2014. The adoption will only impact Crescent Point's disclosures in the notes to the financial statements in periods when an impairment loss or impairment recovery is recognized.

Outstanding Common Shares Data

As of the date of this report, the Company had 397,249,891 common shares outstanding.

Selected Annual Information

($000s, except per share amounts)	**2013**	2012	2011
Total oil and gas sales	**3,526,448**	2,694,994	2,191,189
Average daily production			
Crude oil and NGLs (bbls/d)	**109,129**	89,704	66,604
Natural gas (mcf/d)	**66,952**	54,284	43,172
Total (boe/d)	**120,288**	98,751	73,799
Net income (1)	**144,876**	190,653	201,134
Net income per share (1)	**0.38**	0.58	0.73
Net income per share - diluted (1)	**0.37**	0.57	0.72
Operating income	**485,688**	303,568	375,500
Operating income per share	**1.26**	0.92	1.36
Operating income per share – diluted	**1.25**	0.91	1.35
Cash flow from operating activities	**1,973,332**	1,543,943	1,322,971
Cash flow from operating activities per share	**5.11**	4.69	4.80
Cash flow from operating activities per share - diluted	**5.09**	4.65	4.76
Funds flow from operating activities	**2,047,817**	1,601,850	1,293,257
Funds flow from operating activities per share	**5.30**	4.86	4.70
Funds flow from operating activities per share - diluted	**5.28**	4.83	4.65
Working capital (deficit) (2)	**(406,134)**	(287,911)	(129,066)
Total assets	**12,736,793**	12,131,634	8,734,446
Total liabilities	**4,236,720**	3,536,822	2,918,030
Net debt	**2,077,078**	1,760,324	1,220,144
Total long-term derivative liabilities	**25,846**	8,483	64,220
Weighted average shares - diluted (thousands)	**387,731**	331,781	278,214
Dividends paid or declared	**1,081,551**	931,400	771,362
Dividends paid or declared per share	**2.76**	2.76	2.76

(1) Net income and net income before discontinued operations and extraordinary items are the same.

(2) Working capital deficiency is calculated as accounts payable and accrued liabilities plus dividends payable, less cash, accounts receivable, prepaids and deposits and long-term investments, excluding the equity settled component of dividends payable.

Crescent Point's oil and gas sales, cash flow from operating activities, funds flow from operations and total assets have increased for the years 2011 through 2013 due to numerous corporate and property acquisitions and the Company's successful drilling program, which have resulted in higher production volumes. Net income over the past three years has fluctuated primarily due to unrealized derivative gains and losses on derivative contracts, which fluctuate with changes in market conditions, and impairments to PP&E recorded in 2012 and 2013, along with associated fluctuations in deferred income tax expense (recovery).

Operating income has fluctuated over the past three years primarily due to changes in funds flow from operations, depletion and share-based compensation expense and impairments to property, plant and equipment recorded in 2012 and 2013, along with associated fluctuations in the deferred tax expense (recovery).

Summary of Quarterly Results

($000s, except per share amounts)	2013 Q4	2013 Q3	2013 Q2	2013 Q1	2012 Q4	2012 Q3	2012 Q2	2012 Q1
Oil and gas sales	**908,637**	980,829	845,270	791,712	727,372	658,204	642,857	666,561
Average daily production								
Crude oil and NGLs (bbls/d)	**115,971**	107,332	106,609	106,519	97,731	89,648	88,798	82,552
Natural gas (mcf/d)	**70,017**	63,785	67,142	66,865	61,654	59,896	49,046	46,395
Total (boe/d)	**127,641**	117,963	117,799	117,663	108,007	99,631	96,972	90,285
Net income (loss)	**(13,723)**	87,879	72,332	(1,612)	(95,241)	2,352	287,430	(3,888)
Net income (loss) per share	**(0.03)**	0.23	0.19	-	(0.26)	0.01	0.89	(0.01)
Net income (loss) per share – diluted	**(0.03)**	0.22	0.19	-	(0.26)	0.01	0.89	(0.01)
Operating income (loss)	**78,216**	162,819	130,308	114,345	(19,802)	89,158	135,009	99,203
Operating income (loss) per share	**0.20**	0.42	0.34	0.30	(0.05)	0.26	0.42	0.33
Operating income (loss) per share – diluted	**0.20**	0.42	0.34	0.30	(0.05)	0.26	0.42	0.33
Cash flow from operating activities	**508,090**	542,809	463,194	459,239	421,598	403,980	417,518	300,847
Cash flow from operating activities per share	**1.29**	1.39	1.21	1.21	1.17	1.19	1.30	1.02
Cash flow from operating activities per share – diluted	**1.29**	1.39	1.20	1.21	1.16	1.19	1.29	1.01
Funds flow from operations	**533,310**	554,144	504,420	455,943	430,386	384,237	386,318	400,909
Funds flow from operations per share	**1.35**	1.42	1.32	1.21	1.19	1.14	1.20	1.35
Funds flow from operations per share – diluted	**1.35**	1.42	1.31	1.20	1.18	1.13	1.19	1.34
Working capital (deficit) (1)	**(406,134)**	(318,224)	(227,620)	(312,777)	(287,911)	(153,348)	(73,457)	(152,674)
Total assets	**12,736,793**	12,526,359	12,357,474	12,425,234	12,131,634	11,256,848	11,306,482	10,428,957
Total liabilities	**4,236,720**	3,926,421	3,757,823	3,872,025	3,536,822	3,247,769	3,844,464	3,550,136
Net debt	**2,077,078**	1,887,431	1,825,340	1,957,964	1,760,324	1,453,647	2,003,711	1,572,330
Total long-term derivative liabilities	**25,846**	10,305	4,671	11,490	8,483	17,961	6,997	117,967
Weighted average shares – diluted (thousands)	**395,277**	390,607	385,084	379,647	363,358	340,483	323,782	298,666
Capital expenditures (2)	**510,889**	531,880	262,744	559,627	1,395,268	335,310	1,013,936	1,785,745
Dividends declared	**274,797**	271,855	267,033	267,866	255,621	240,010	225,212	210,557
Dividends declared per share	**0.69**	0.69	0.69	0.69	0.69	0.69	0.69	0.69

(1) Working capital deficiency is calculated as accounts payable and accrued liabilities plus dividends payable, less cash, accounts receivable, prepaids and deposits and long-term investments, excluding the equity settled component of dividends payable.

(2) Capital expenditures exclude capitalized share-based compensation and include capital acquisitions. Capital acquisitions represent total consideration for the transactions including long-term debt and working capital assumed, and excluding transaction costs.

Over the past eight quarters, the Company's oil and gas sales have generally increased due to a successful drilling program and several business combinations. Fluctuations in production, the Cdn$ WTI benchmark price and corporate oil price differentials have also contributed to the fluctuations in oil and gas sales.

Net income has fluctuated primarily due to changes in funds flow from operations, unrealized derivative gains and losses, which fluctuate with the changes in forward market prices and an impairment to property, plant and equipment recorded in the fourth quarters of 2012 and 2013, along with associated fluctuations in the deferred tax expense (recovery).

Operating income has fluctuated over the past eight quarters primarily due to changes in funds flow from operations, depletion and share-based compensation expense and impairments to property, plant and equipment recorded in the fourth quarters of 2012 and 2013, along with associated fluctuations in the deferred tax expense (recovery).

Capital expenditures fluctuated through this period as a result of timing of acquisitions and our development drilling program. Funds flow from operations and cash flow from operating activities throughout the last eight quarters has allowed the Company to maintain stable monthly dividends.

Fourth Quarter Review

- Crescent Point achieved a new production record in fourth quarter 2013 and averaged 127,641 boe/d, weighted 91 percent to light and medium crude oil and liquids. This represents a growth rate of 8 percent over third quarter 2013 and 18 percent over fourth quarter 2012.
- During the fourth quarter, the Company spent $389.4 million on drilling and development activities, drilling 205 (161.6 net) wells with a 99 percent success rate. Crescent Point also spent $96.1 million on land, seismic and facilities, for total capital expenditures of $485.5 million.
- Crescent Point generated funds flow from operations of $533.3 million ($1.35 per share - diluted) in fourth quarter 2013, representing a 24 percent increase over fourth quarter 2012 funds flow from operations of $430.4 million ($1.18 per share - diluted). Funds flow from operations was driven by strong operating netbacks prior to realized derivatives of $50.67 per boe.

Disclosure Controls and Procedures

Disclosure controls and procedures ("DC&P"), as defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*, are designed to provide reasonable assurance that information required to be disclosed in the Company's annual filings, interim filings or other reports filed, or submitted by the Company under securities legislation is recorded, processed, summarized and reported within the time periods specified under securities legislation and include controls and procedures designed to ensure that information required to be so disclosed is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. The Chief Executive Officer and the Chief Financial Officer of Crescent Point evaluated the effectiveness of the design and operation of the Company's DC&P. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that Crescent Point's DC&P were effective as at December 31, 2013.

Internal Controls over Financial Reporting

Internal control over financial reporting ("ICFR"), as defined in National Instrument 52-109, includes those policies and procedures that:

1. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets of Crescent Point;
2. are designed to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of Crescent Point are being made in accordance with authorizations of management and Directors of Crescent Point; and
3. are designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

The Chief Executive Officer and the Chief Financial Officer are responsible for establishing and maintaining ICFR for Crescent Point. They have, as at the financial year ended December 31, 2013, designed ICFR, or caused it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The control framework Crescent Point's officers used to design the Company's ICFR is the *Internal Control-Integrated Framework* (1992) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Under the supervision of the Chief Executive Officer and the Chief Financial Officer, Crescent Point conducted an evaluation of the effectiveness of the Company's ICFR as at December 31, 2013 based on the COSO Framework. Based on this evaluation, the officers concluded that as of December 31, 2013, Crescent Point maintained effective ICFR.

It should be noted that while Crescent Point's officers believe that the Company's controls provide a reasonable level of assurance with regard to their effectiveness, they do not expect that the DC&P and ICFR will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, but not absolute, assurance that the objectives of the control system are met.

There were no changes in Crescent Point's ICFR during the year ended December 31, 2013 that materially affected, or are reasonably likely to materially affect, the Company's ICFR.

Health, Safety and Environment Policy

The health and safety of employees, contractors, visitors and the public, as well as the protection of the environment, are of utmost importance to Crescent Point. The Company endeavours to conduct its operations in a manner that will minimize both adverse effects and consequences of emergency situations by:

- Complying with government regulations and standards;
- Conducting operations consistent with industry codes, practices and guidelines;
- Ensuring prompt, effective response and repair to emergency situations and environmental incidents;

- Providing training to employees and contractors to ensure compliance with Company safety and environmental policies and procedures;
- Promoting the aspects of careful planning, good judgment, implementation of the Company's procedures, and monitoring Company activities;
- Communicating openly with members of the public regarding our activities; and
- Amending the Company's policies and procedures as may be required from time to time.

Crescent Point believes that all employees have a vital role in achieving excellence in environmental, health and safety performance. This is best achieved through careful planning and the support and active participation of everyone involved.

As part of Crescent Point's ongoing commitment to reduce greenhouse gas emissions, the Company contributes to a reclamation fund whereby $0.30 per produced boe is directed to environmental emissions reduction. To date, $44.6 million has been contributed to the environment emission reduction fund and $24.5 million has been expended to reduce greenhouse gas emissions and to meet and exceed provincial and federal targets. In 2013, the Company spent a total of $3.6 million primarily on the installation of flare equipment in Saskatchewan. The flare equipment reduces emissions to meet provincial and federal emission regulations.

Outlook

Crescent Point's revised guidance for 2014 is as follows:

Production	**Prior**	**Revised**
Oil and NGL (bbls/d)	115,000	115,000
Natural gas (mcf/d)	69,000	69,000
Total (boe/d)	126,500	126,500
Exit (boe/d)	135,000	135,000
Annualized fourth quarter funds flow from operations ($000) (1)	2,315,000	2,460,000
Funds flow from operations ($000)	2,100,000	2,250,000
Funds flow per share – diluted ($)	5.24	5.59
Cash dividends per share ($)	2.76	2.76
Capital expenditures (2)		
Drilling and completions ($000)	1,420,000	1,420,000
Facilities, land and seismic ($000)	330,000	330,000
Total ($000)	1,750,000	1,750,000
Pricing		
Crude oil – WTI (US$/bbl)	95.00	100.00
Crude oil – WTI (Cdn$/bbl)	101.06	111.11
Corporate oil differential (%)	14	13
Natural gas – AECO (Cdn$/mcf)	3.25	4.65
Exchange rate (US$/Cdn$)	0.94	0.90

(1) Annualized fourth quarter funds flow from operations is fourth quarter funds flow from operations multiplied by four.

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

Additional information relating to Crescent Point, including the Company's December 31, 2013 Annual Information Form, is available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov/edgar.shtml.

Forward-Looking Information

Certain statements contained in this management's discussion and analysis constitute forward-looking statements and are based on Crescent Point's beliefs and assumptions based on information available at the time the assumption was made. 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. The Company believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. These statements are effective only as of the date of this report.

Certain statements contained in this report, including statements related to Crescent Point's capital expenditures, projected asset growth, view and outlook toward future commodity prices, drilling activity and statements that contain words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may", “projected”, “sustain”, “continues”, “strategy”, “potential”, “projects”, “grow”, “take advantage”, “estimate”, “well positioned” and similar expressions and statements relating to matters that are not historical facts constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. The material assumptions in making these forward-looking statements are disclosed in this analysis under the headings “Dividends”, “Capital Expenditures”, “Decommissioning Liability”, “Liquidity and Capital Resources”, “Critical Accounting Estimates”, “Changes in Accounting Policies”, “Future Changes in Accounting Policies” and “Outlook”.

In particular, forward-looking statements include, but are not limited to:

- Crescent Point’s 2014 guidance as outlined in the Outlook section and ability to meet planned growth and development targets;
- Maintaining monthly dividends;
- The anticipated impact of the use of financial commodity derivatives and fixed differential physical contracts on the stability of cashflows;
- Anticipated future operating, abandonment and decommissioning costs;
- Expected oil price differentials in 2014;
- Estimated future usable tax pools and anticipated taxability; and
- Target average net debt to 12 month funds flow of approximately 1.0 times.

All of the material assumptions underlying these statements are noted in the “Dividends”, “Capital Expenditures”, Decommissioning Liability”, “Liquidity and Capital Resources”, “Critical Accounting Estimates” and “Outlook” sections of this report.

The following are examples of references to forward-looking information:

- Volume and product mix of Crescent Point's oil and gas production;
- Future oil and gas prices in respect of Crescent Point's commodity risk management programs;
- The amount and timing of future decommissioning liabilities;
- Future liquidity and financial capacity;
- Future interest rates and exchange rates;
- Future results from operations and operating metrics;
- Future development, exploration and other expenditures;
- Future costs, expenses and royalty rates;
- Future tax rates; and
- The Company's tax pools.

This information contains certain forward-looking estimates that involve substantial known and unknown risks and uncertainties, certain of which are beyond Crescent Point's control. Such risks and uncertainties include, but are not limited to: financial risk of marketing reserves at an acceptable price given market conditions; volatility in market prices for oil and natural gas; delays in business operations, pipeline restrictions, blowouts; the risk of carrying out operations with minimal environmental impact; industry conditions including changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; uncertainties associated with estimating oil and natural gas reserves; risks and uncertainties related to oil and gas interests and operations on tribal lands; economic risk of finding and producing reserves at a reasonable cost; uncertainties associated with partner plans and approvals; operational matters related to non-operated properties; increased competition for, among other things, capital, acquisitions of reserves and undeveloped lands; competition for and availability of qualified personnel or management; incorrect assessments of the value of acquisitions and exploration and development programs; unexpected geological, technical, drilling, construction, processing and transportation problems; availability of insurance; fluctuations in foreign exchange and interest rates; stock market volatility; general economic, market and business conditions; uncertainties associated with regulatory approvals; uncertainty of government policy changes; uncertainties associated with credit facilities and counterparty credit risk; changes in income tax laws, tax laws, crown royalty rates and incentive programs relating to the oil and gas industry; and other factors, many of which are outside the control of the Company. Therefore, Crescent Point's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking estimates and if such actual results, performance or achievements transpire or occur, or if any of them do so, there can be no certainty as to what benefits Crescent Point will derive therefrom.

Barrels of oil equivalent (“boe”) may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf : 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

Directors

Peter Bannister, Chairman [1] [3] [4]

Ken Cugnet [3] [4] [5]

Hugh Gillard [1] [2] [5]

Gerald Romanzin [1] [2] [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
Chief Operating Officer

Brad Borggard
Vice President, Corporate Planning

Derek Christie
Vice President, Exploration and 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

Mark Eade
Corporate Secretary

Head Office

Suite 2800, 111 - 5th Avenue S.W.
Calgary, Alberta T2P 3Y6
Tel: (403) 693-0020
Fax: (403) 693-0070
Toll Free: (888) 693-0020

Banker

The Bank of Nova Scotia
Calgary, Alberta

Auditor

PricewaterhouseCoopers LLP
Calgary, Alberta

Legal Counsel

Norton Rose Fulbright Canada 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
2300, 125 - 9th Avenue S.E.
Calgary, Alberta T2G 0P6
Tel: (403) 261-0900

Stock Exchanges

Toronto Stock Exchange - TSX
New York Stock Exchange - NYSE

Stock Symbol

CPG

Investor Contacts

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President and Chief Executive Officer
(403) 693-0020

Greg Tisdale
Chief Financial Officer
(403) 693-0020

Trent Stangl
Vice President, Marketing and Investor Relations
(403) 693-0020

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The management of Crescent Point Energy Corp. is responsible for the preparation of the consolidated financial statements. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and include certain estimates that reflect management's best estimates and judgments. Management has determined such amounts on a reasonable basis in order to determine that the consolidated financial statements are presented fairly in all material respects.

Management has developed and maintains an extensive system of internal accounting controls that provide reasonable assurance that all transactions are accurately recorded, that the consolidated financial statements realistically report the Company's operating and financial results, and that the Company's assets are safeguarded. Management believes that this system of internal controls has operated effectively for the year ended December 31, 2013. The Company has effective disclosure controls and procedures to ensure timely and accurate disclosure of material information relating to the Company which complies with the requirements of Canadian securities legislation.

PricewaterhouseCoopers LLP, an independent firm of chartered accountants, was appointed by a resolution of the Board of Directors to audit the consolidated financial statements of the Company and to provide an independent professional opinion. PricewaterhouseCoopers LLP was appointed to hold such office until the next annual meeting of the shareholders of the Company.

The Board of Directors, through its Audit Committee, has reviewed the consolidated financial statements including notes thereto with management and PricewaterhouseCoopers LLP. The members of the Audit Committee are composed of independent directors who are not employees of the Company. The Board of Directors has approved the information contained in the consolidated financial statements based on the recommendation of the Audit Committee.

Scott Saxberg
President and Chief Executive Officer

Greg Tisdale
Chief Financial Officer

March 11, 2014

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Crescent Point Energy Corp.

We have audited the accompanying consolidated financial statements of Crescent Point Energy Corp. and its subsidiaries, which comprise the consolidated balance sheets as at December 31, 2013 and December 31, 2012 and the consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for the years then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Crescent Point Energy Corp. and its subsidiaries as at December 31, 2013 and December 31, 2012 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

PricewaterhouseCoopers LLP

Chartered Accountants
Calgary, Alberta
March 11, 2014

CONSOLIDATED BALANCE SHEETS

As at December 31 (Cdn$000s)	Notes	**2013**	2012
ASSETS			
Cash		**15,941**	-
Accounts receivable		**352,519**	301,770
Prepaids and deposits		**5,532**	8,484
Derivative asset	22	**3,126**	19,457
Total current assets		**377,118**	329,711
Long-term investments	5	**74,229**	84,906
Derivative asset	22	**48,098**	42,241
Other long-term assets	6	**37,958**	22,232
Exploration and evaluation	7, 8	**688,324**	1,080,757
Property, plant and equipment	8, 9	**11,259,147**	10,319,868
Goodwill	10	**251,919**	251,919
Total assets		**12,736,793**	12,131,634
LIABILITIES			
Accounts payable and accrued liabilities		**789,305**	655,191
Dividends payable	13	**90,849**	86,182
Derivative liability	22	**99,388**	15,349
Decommissioning liability	12	**18,469**	-
Total current liabilities		**998,011**	756,722
Long-term debt	11	**1,734,114**	1,474,589
Derivative liability	22	**25,846**	8,483
Long-term compensation liability	20	**3,072**	1,931
Decommissioning liability	12	**611,069**	502,432
Deferred income tax	19	**864,608**	792,665
Total liabilities		**4,236,720**	3,536,822
SHAREHOLDERS' EQUITY			
Shareholders' capital	13	**11,990,305**	11,249,168
Contributed surplus		**109,564**	102,755
Deficit	14	**(3,692,437)**	(2,755,832)
Accumulated other comprehensive income (loss)		**92,641**	(1,279)
Total shareholders' equity		**8,500,073**	8,594,812
Total liabilities and shareholders' equity		**12,736,793**	12,131,634

Commitments (Note 24)

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Board of Directors:

Gerald A. Romanzin
Director

D. Hugh Gillard
Director

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31 (Cdn$000s, except per share amounts)	Notes	**2013**	2012
REVENUE AND OTHER INCOME			
Oil and gas sales		**3,526,448**	2,694,994
Royalties		**(644,240)**	(468,226)
Oil and gas revenue		**2,882,208**	2,226,768
Derivative gains (losses)	16, 22	**(202,747)**	168,120
Other loss	17	**(10,064)**	(60,455)
		2,669,397	2,334,433
EXPENSES			
Operating		**505,060**	421,125
Transportation		**95,317**	66,147
General and administrative		**67,466**	63,384
Interest on long-term debt		**77,754**	71,530
Foreign exchange (gain) loss	18	**64,505**	(2,792)
Share-based compensation	20	**67,752**	51,141
Depletion, depreciation, amortization and impairment	7, 9	**1,558,899**	1,443,982
Accretion on decommissioning liability		**14,162**	11,245
		2,450,915	2,125,762
Net income before tax		**218,482**	208,671
Tax expense (recovery)			
Current	19	**173**	(1,418)
Deferred	19	**73,433**	19,436
Net income		**144,876**	190,653
Other comprehensive income (loss)			
Items that may be subsequently reclassified to profit or loss			
Foreign currency translation of foreign operations		**93,920**	(9,144)
Comprehensive income		**238,796**	181,509
Net income per share	21		
Basic		**0.38**	0.58
Diluted		**0.37**	0.57

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Cdn$000s)	Notes	Shareholders' capital	Contributed surplus	Deficit	Accumulated other comprehensive income (loss)	Total shareholders' equity
December 31, 2012		**11,249,168**	**102,755**	**(2,755,832)**	**(1,279)**	**8,594,812**
Issued pursuant to the DRIP [1]	13	**659,140**				**659,140**
Redemption of restricted shares	13	**82,395**	**(82,887)**	**70**		**(422)**
Share issue costs, net of tax		**(398)**				**(398)**
Share-based compensation	20		**89,749**			**89,749**
Forfeit of restricted shares	20		**(53)**			**(53)**
Net income				**144,876**		**144,876**
Dividends ($2.76 per share)				**(1,081,551)**		**(1,081,551)**
Foreign currency translation adjustment					**93,920**	**93,920**
December 31, 2013		**11,990,305**	**109,564**	**(3,692,437)**	**92,641**	**8,500,073**
December 31, 2011		7,706,268	126,034	(2,023,751)	7,865	5,816,416
Issued for cash		2,036,908				2,036,908
Issued on capital acquisitions		919,351				919,351
Issued pursuant to the DRIP [1]		564,086				564,086
Redemption of restricted shares		84,380	(91,395)	8,666		1,651
Share issue costs, net of tax		(61,825)				(61,825)
Share-based compensation			67,005			67,005
Forfeit of restricted shares			1,111			1,111
Net income				190,653		190,653
Dividends ($2.76 per share)				(931,400)		(931,400)
Foreign currency translation adjustment					(9,144)	(9,144)
December 31, 2012		11,249,168	102,755	(2,755,832)	(1,279)	8,594,812

(1) Premium Dividend™ and Dividend Reinvestment Plan

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31 (Cdn$000s)	Notes	**2013**	2012
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Net income		**144,876**	190,653
Items not affecting cash			
Other loss	17	**10,064**	60,455
Deferred tax expense		**73,433**	19,436
Share-based compensation	20	**67,752**	51,141
Depletion, depreciation, amortization and impairment		**1,558,899**	1,443,982
Accretion on decommissioning liability		**14,162**	11,245
Unrealized (gains) losses on derivatives	16, 22	**111,876**	(185,724)
Unrealized (gain) loss on foreign exchange	18	**60,994**	(5,774)
Decommissioning expenditures		**(11,375)**	(12,096)
Change in non-cash working capital	26	**(57,349)**	(29,375)
		1,973,332	1,543,943
INVESTING ACTIVITIES			
Development capital and other expenditures		**(1,746,873)**	(1,509,029)
Capital acquisitions, net	8	**(127,415)**	(1,855,721)
Other long-term assets		**(15,726)**	(3,323)
Investments		**-**	539
Change in non-cash working capital	26	**152,173**	76,743
		(1,737,841)	(3,290,791)
FINANCING ACTIVITIES			
Issue of shares, net of issue costs		**(1,033)**	1,946,186
Increase in long-term debt		**198,547**	148,868
Cash dividends		**(422,411)**	(367,314)
Change in non-cash working capital	26	**4,667**	19,936
		(220,230)	1,747,676
Impact of foreign currency on cash balances		**680**	(828)
INCREASE IN CASH		**15,941**	-
CASH AT BEGINNING OF YEAR		**-**	-
CASH AT END OF YEAR		**15,941**	-

See accompanying notes to the consolidated financial statements.

Supplementary Information:

Cash taxes recovered	**-**	1,646
Cash interest paid	**(77,028)**	(68,035)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2013 and 2012

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 amalgamated in Alberta, Canada under the Alberta Business Corporations Act. The address of the principal place of business is 2800, 111 - 5th Ave S.W., Calgary, Alberta, Canada, T2P 3Y6.

These annual consolidated financial statements were approved and authorized for issue by the Company's Board of Directors on March 11, 2014.

2. BASIS OF PREPARATION

a) Preparation

These consolidated financial statements are presented under International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). The policies applied in these consolidated financial statements are based on IFRS issued and outstanding as of March 11, 2014, the date the Board of Directors approved the statements.

The Company’s presentation currency is Canadian dollars and all amounts reported are Canadian dollars unless noted otherwise. References to “US$” are to United States dollars. Crescent Point's operations are aggregated into one reportable segment based on the similarities between the Company's Canadian and U.S. operations.

b) Basis of measurement, functional and presentation currency

The Company’s presentation currency is Canadian dollars. The accounts of the Company’s foreign operations that have a functional currency different from the Company’s presentation currency are translated into the Company’s presentation currency at period end exchange rates for assets and liabilities and at the average rate over the period for revenues and expenses. Translation gains and losses relating to the foreign operations are recognized in Other Comprehensive Income (“OCI”) as cumulative translation adjustments.

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.

<u>Oil and gas activities</u>

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. Factors considered in the classification of CGUs include the integration between assets, shared infrastructures, the existence of common sales points, geography, geologic structure and the manner in which management monitors and makes decisions regarding operations.

The determination of technical feasibility and commercial viability, based on the presence of reserves and which results in the transfer of assets from exploration and evaluation ("E&E") to PP&E, is subject to judgment.

<u>Decommissioning liability</u>

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

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 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.

Fair value measurement

The estimated fair value of derivative instruments resulting in derivative assets and liabilities, by their very nature, are subject to measurement uncertainty. Estimates included in the determination of the fair value of derivative instruments include forward benchmark prices, discount rates and forward foreign exchange rates.

Joint control

Judgment is required to determine when the Company has joint control over an arrangement, which requires an assessment of the capital and operating activities of the projects it undertakes with partners and when the decisions in relation to those activities require unanimous consent.

Share-based compensation

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

Income taxes

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 for all periods presented in these annual 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.

The Company conducts many of its oil and gas production activities through jointly controlled operations and the financial statements reflect only the Company's proportionate interest in such activities. Joint control exists for contractual arrangements governing the Company's assets whereby the Company has less than 100 percent working interest, all of the partners have control of the arrangement collectively, and spending on the project requires unanimous consent of all parties that collectively control the arrangement and share the associated risks. The Company does not have any joint arrangements that are material to the Company or that are structured through joint venture arrangements.

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 accumulated 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 the integration between assets, shared infrastructures, the existence of common sales points, geography, geologic structure and the manner in which management monitors and makes decisions regarding operations. 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 costs of disposal and the value-in-use. Fair value less costs of disposal 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.

Impairment losses recognized in prior periods, other than goodwill impairments, are assessed at each reporting date for any indicators that the impairment losses may no longer exist or may have decreased. In the event that an impairment loss reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the carrying amount does not exceed the amount that would have been determined, net of depletion, had no impairment loss been recognized on the asset in prior periods. The amount of the reversal is recognized in net earnings.

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 reviewed quarterly for indicators of impairment and upon reclassification from E&E to PP&E. 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 costs of disposal or value-in-use. Fair value less costs of disposal 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 January 1, 2013, the Board of Directors approved contributions of $0.70 per barrel of oil equivalent ("boe") of production; prior to this, 2012 contributions were $0.50 per boe. Additional contributions can be made at the discretion of management.

f) Goodwill

The Company records goodwill relating to business combinations 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 costs of disposal or value-in-use. Fair value less costs of disposal 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 accumulated impairment. Goodwill 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.

Deferred share units ("DSUs") are accounted for at fair value. Share-based compensation expense is determined based on the estimated fair value of the DSUs on the date of the grant and subsequently adjusted to reflect the fair value at each period end. Fair value is based on the prevailing Crescent Point share price.

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.

The tax expense for the period comprises current and deferred tax. Tax is recognized in the income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

The Company is able to deduct certain settlements under its Restricted Share Bonus Plan. To the extent the tax deduction exceeds the cumulative remuneration cost for a particular restricted share grant recorded in net income, the tax benefit related to the excess is recorded directly within equity.

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

i) Financial Instruments

The Company has early adopted IFRS 9, *Financial Instruments* ("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 divestiture 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. Currently, the Company classifies all investments in equity instruments as fair value through profit or loss, whereby the Company recognizes movements in the fair value of the investment (adjusted for dividends) in net income. If the fair value through other comprehensive income classification is selected, the Company would recognize any dividends from the investment in net income and would recognize fair value re-measurements of the investment in other comprehensive income. Regardless of the classification, such investments are not subject to impairment testing.

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. The assets and liabilities of foreign operations are restated to Canadian dollars at exchange rates in effect at the balance sheet date. The income and expenses of foreign operations are translated to Canadian dollars using the average exchange rate for the period. The resulting unrealized gain or loss is included in other comprehensive 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

Leases in which substantially all of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

Leases where the Company assumes substantially all the risks and rewards of ownership are classified as finance leases within property, plant and equipment.

All of the Company's leases are treated as operating leases and 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 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 are used to repurchase shares at the average market price during the period.

4. CHANGES IN ACCOUNTING POLICIES

Effective January 1, 2013, the Company adopted the following IFRS:

- IFRS 7 *Financial Instruments: Disclosures* - IFRS 7 was amended to provide more extensive quantitative disclosures for financial instruments that are offset in the statement of financial position or that are subject to enforceable master netting or similar agreements. The additional disclosures can be found in Note 22. The application of the amendment had no impact on the consolidated statements of comprehensive income or the consolidated balance sheets.
- IFRS 9 *Financial Instruments* - IFRS 9 was amended to present a new hedge accounting model. The Company does not currently apply hedge accounting and determined that the amendment to IFRS 9 had no impact on the consolidated statements of comprehensive income or the consolidated balance sheet.
- IFRS 10 *Consolidated Financial Statements* - IFRS 10 provides guidance to determine whether an investee should be consolidated. The guidance applies to all investees, including special purpose entities. The Company reviewed its consolidation methodology and determined that the adoption of IFRS 10 did not result in a change to the consolidation status of its subsidiaries.
- IFRS 11 *Joint Arrangements* - IFRS 11 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 Company reviewed its joint arrangements and determined that the adoption of IFRS 11 did not result in any changes in the accounting for its joint arrangements. The Company's share of the assets, liabilities, revenues and expenses are recognized in the annual consolidated financial statements.
- IFRS 12 *Disclosure of Interests in Other Entities* - IFRS 12 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 application of IFRS 12 had no impact on the consolidated statements of comprehensive income or the consolidated balance sheets.
- IFRS 13 *Fair Value Measurement* - IFRS 13 provides a single framework for measuring fair value. The measurement of the fair value of an asset or liability is based on assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. The Company adopted IFRS 13 on January 1, 2013 on a prospective basis. The adoption of IFRS 13 did not require any adjustments to the valuation techniques used by the Company to measure fair value and did not result in any measurement adjustments as at January 1, 2013.

Effective January 1, 2014, the Company will adopt the following IFRS:

- IAS 36 *Impairment of Assets* - IAS 36 was amended in May 2013 to reduce the circumstances in which the recoverable amount of CGUs is required to be disclosed and clarify the disclosures required when an impairment loss has been recognized or reversed in the period. The amendments require retrospective application and will be adopted by the Company on January 1, 2014. The adoption will only impact Crescent Point's disclosures in the notes to the financial statements in periods when an impairment loss or impairment recovery is recognized.

5. LONG-TERM INVESTMENTS

($000s)	**2013**	2012
Investments in public companies, beginning of year	**28,314**	101,657
Acquisitions and dispositions, net	**-**	(2,539)
Unrealized loss recognized in other loss	**(4,055)**	(70,804)
Investments in public companies, end of year	**24,259**	28,314
Investments in private companies, beginning of year	**56,592**	50,260
Acquisitions and dispositions, net	**-**	25,000
Unrealized loss recognized in other loss	**(6,622)**	(18,668)
Investments in private companies, end of year	**49,970**	56,592
Long-term investments, end of year	**74,229**	84,906

a) Public Companies

The Company holds common shares and common share purchase warrants 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. At December 31, 2013, the investments are recorded at a fair value of $24.3 million which is $79.7 million less than the original cost of the investments. At December 31, 2012, the investments were recorded at a fair value of $28.3 million which was $75.6 million less than the original cost of the investments.

b) Private Companies

The Company holds common shares in private 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. At December 31, 2013, the investments are recorded at a fair value of $50.0 million which is $17.0 million less than the original cost of the investments. At December 31, 2012, the investments were recorded at a fair value of $56.6 million which was $10.4 million less than the original cost of the investments.

6. OTHER LONG-TERM ASSETS

($000s)	**2013**	2012
Reclamation fund	**26,181**	10,455
Other receivables	**11,777**	11,777
Other long-term assets	**37,958**	22,232

a) Reclamation fund

The following table reconciles the reclamation fund:

($000s)	**2013**	2012
Balance, beginning of year	**10,455**	7,816
Contributions	**30,734**	18,079
Expenditures	**(15,008)**	(15,440)
Balance, end of year	**26,181**	10,455

b) Other receivables

At December 31, 2013, the Company had investment tax credits of $11.8 million (December 31, 2012 - $11.8 million).

7. EXPLORATION AND EVALUATION ASSETS

($000s)	**2013**	2012
Exploration and evaluation assets at cost	**1,590,298**	1,700,442
Accumulated amortization	**(901,974)**	(619,685)
Net carrying amount	**688,324**	1,080,757
Reconciliation of movements during the year		
Cost, beginning of year	**1,700,442**	1,242,573
Accumulated amortization, beginning of year	**(619,685)**	(376,210)
Net carrying amount, beginning of year	**1,080,757**	866,363
Net carrying amount, beginning of year	**1,080,757**	866,363
Acquisitions through business combinations, net	**6,600**	414,255
Additions	**471,900**	583,791
Dispositions	**(1,993)**	(1,239)
Transfers to property, plant and equipment	**(614,446)**	(530,835)
Amortization	**(275,504)**	(247,883)
Foreign exchange	**21,010**	(3,695)
Net carrying amount, end of year	**688,324**	1,080,757

E&E 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. At December 31, 2013, $688.3 million remains in E&E assets after $614.4 million was transferred to PP&E following the determination of technical feasibility during the year ended December 31, 2013 (year ended December 31, 2012 - $1.1 billion and $530.8 million, respectively).

Impairment test of exploration and evaluation assets

There were no indicators of impairment at December 31, 2013 or December 31, 2012.

8. CAPITAL ACQUISITIONS AND DISPOSITIONS

In the year ended December 31, 2013, the Company incurred $5.8 million (December 31, 2012 - $16.4 million) of transaction costs related to business combinations that are recorded as general and administrative expenses.

Minor Property Acquisitions and Dispositions

Crescent Point completed minor property acquisitions and dispositions during the year ended December 31, 2013 for net consideration of $118.3 million ($121.8 million was allocated to PP&E and E&E assets). These minor property acquisitions and dispositions were completed with full tax pools.

9. PROPERTY, PLANT AND EQUIPMENT

($000s)	**2013**	2012
Development and production assets	**14,964,220**	12,740,337
Corporate assets	**26,176**	22,843
Property, plant and equipment at cost	**14,990,396**	12,763,180
Accumulated depletion, depreciation and impairment	**(3,731,249)**	(2,443,312)
Net carrying amount	**11,259,147**	10,319,868
Reconciliation of movements during the year		
Development and production assets		
Cost, beginning of year	**12,740,337**	8,409,567
Accumulated depletion and impairment, beginning of year	**(2,431,102)**	(1,244,709)
Net carrying amount, beginning of year	**10,309,235**	7,164,858
Net carrying amount, beginning of year	**10,309,235**	7,164,858
Acquisitions through business combinations, net	**119,611**	2,838,778
Additions	**1,414,067**	1,008,973
Dispositions	**(2,454)**	(36,243)
Transfers from exploration and evaluation assets	**614,446**	530,835
Depletion	**(1,181,383)**	(1,004,321)
Impairment	**(98,291)**	(189,074)
Foreign exchange	**73,678**	(4,571)
Net carrying amount, end of year	**11,248,909**	10,309,235
Cost, end of year	**14,964,220**	12,740,337
Accumulated depletion and impairment, end of year	**(3,715,311)**	(2,431,102)
Net carrying amount, end of year	**11,248,909**	10,309,235
Corporate assets		
Cost, beginning of year	**22,843**	17,109
Accumulated depreciation, beginning of year	**(12,210)**	(9,506)
Net carrying amount, beginning of year	**10,633**	7,603
Net carrying amount, beginning of year	**10,633**	7,603
Additions	**3,285**	5,740
Depreciation	**(3,721)**	(2,704)
Foreign exchange	**41**	(6)
Net carrying amount, end of year	**10,238**	10,633
Cost, end of year	**26,176**	22,843
Accumulated depreciation, end of year	**(15,938)**	(12,210)
Net carrying amount, end of year	**10,238**	10,633

At December 31, 2013, future development costs of $5.9 billion (December 31, 2012 - $5.7 billion) are included in costs subject to depletion.

Direct general and administrative costs capitalized by the Company during the year ended December 31, 2013 were $42.2 million (year ended December 31, 2012 - $32.0 million), including $23.1 million of share-based compensation costs (year ended December 31, 2012 - $17.7 million).

Impairment test of property, plant and equipment

For the purposes of determining whether impairment of assets has occurred, and the extent of any impairment or its reversal, management exercises their judgment in estimating future cash flows for the recoverable amount, being the higher of fair value less costs of disposal and value in use. These key judgments include estimates about recoverable reserves (see Use of estimates and judgments discussion in Note 2c), forecast benchmark commodity prices, royalties, operating costs and discount rates.

Forecast benchmark commodity price assumptions tend to be stable because short-term increases or decreases in prices are not considered indicative of long-term price levels, but are nonetheless subject to change.

The following table outlines the forecast benchmark commodity prices and the exchange rate used in the impairment calculation of property, plant and equipment at December 31, 2013. The Company used an average after-tax discount rate of 10 percent.

	2014	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023** (2)
WTI ($US/bbl)	97.50	97.50	97.50	97.50	97.50	97.50	98.54	100.51	102.52	104.57
Exchange Rate ($US/$Cdn)	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95	0.95
WTI ($Cdn/bbl)	102.63	102.63	102.63	102.63	102.63	102.63	103.73	105.80	107.92	110.07
AECO ($Cdn/MMbtu)	4.03	4.26	4.50	4.74	4.97	5.21	5.33	5.44	5.55	5.66

(1) The forecast benchmark commodity prices listed above are adjusted for quality differentials, heat content, distance to market and other factors in performing our impairment tests.

(2) Forecast benchmark commodity prices are assumed to increase by 2% in each year after 2023 to the end of the reserve life. Exchange rates are assumed to be constant at 0.95.

At December 31, 2013, the Company determined that the carrying amount of the Southern Alberta CGU exceeded its fair value less costs of disposal. The full amount of the impairment was attributed to PP&E and, as a result, an impairment loss of $98.3 million was recorded as a component of depletion, depreciation, amortization and impairment expense. The Southern Alberta CGU is comprised primarily of properties in the early stages of development for which the operating results are included in the Canadian operating segment. The impairment in 2013 was largely a result of the exploratory nature of the Alberta Bakken resource play which resulted in negative technical revisions to proved plus probable reserves and an increase in expected operating and abandonment costs. Changes in any of the key judgments, such as a downward revision in reserves, a decrease in forecast benchmark commodity prices, an increase in royalties, or an increase in operating costs would decrease the recoverable amounts of assets and any impairment charges would affect net income. For the year ended December 31, 2013, a one percent increase in the assumed discount rate would result in an additional impairment for the Southern Alberta CGU of approximately $54.3 million, while a five percent decrease in the forward commodity price estimate would result in an additional impairment of approximately $95.5 million.

The Company reported an impairment loss of $189.1 million for the year ended December 31, 2012 related to the Southern Alberta CGU largely as a result of the decrease in forecast benchmark commodity prices at December 31, 2012 compared to December 31, 2011, the early development stage of the properties and associated higher initial capital expenditures.

10. GOODWILL

($000s)	**2013**	2012
Goodwill, beginning of year	**251,919**	207,672
Wild Stream Exploration Inc. acquisition	**-**	24,022
Reliable Energy Ltd. acquisition	**-**	20,225
Goodwill, end of year	**251,919**	251,919

Goodwill has been assigned to the Canadian operating segment.

Impairment test of goodwill

The impairment test of goodwill at December 31, 2013 and 2012 concluded that the estimated recoverable amount exceeded the carrying amount. As such, no goodwill impairment existed. The recoverable amount of the Canadian operating segment was estimated to be $14.2 billion at December 31, 2013 and was determined based on fair value less costs of disposal. The fair value measurement of the recoverable amount of the Canadian operating segment is categorized as Level 3 according to the IFRS 13 fair value hierarchy. Refer to Note 9 - “Property, Plant and Equipment” for a description of the key input estimates and the methodology used in the determination of the estimated recoverable amount related to goodwill.

11. LONG-TERM DEBT

The following table reconciles long-term debt:

($000s)	**2013**	2012
Bank credit facilities	**546,595**	653,123
Senior guaranteed notes	**1,187,519**	821,466
Long-term debt	**1,734,114**	1,474,589

a) Bank Credit Facilities

The Company has a syndicated unsecured credit facility with fourteen banks and an operating credit facility with one Canadian chartered bank, for a total amount available under the combined facilities of $2.1 billion. The syndicated unsecured credit facility also includes an accordion feature that allows the Company to increase the facility by up to $500.0 million.

The credit facilities bear interest at the Canadian prime rate plus a margin based on a sliding scale ratio of the Company's senior debt to EBITDA, adjusted for certain non-cash items. The syndicated unsecured credit facility constitutes a revolving credit facility for a three year term which is extendible annually; the current maturity date is June 10, 2016. The operating credit facility constitutes a revolving facility for a 364 day term which is extendible annually for a further 364 day revolving period, subject to a one year term out period should the lender not agree to an annual extension; the current conversion date is June 6, 2014. The combined credit facilities have covenants which restrict the Company's ratio of senior debt to EBITDA, adjusted for certain non-cash items, to a maximum of 3.0:1.0 and the ratio of debt to capital, adjusted for certain non-cash items, to a maximum of 0.5:1.0. The Company is in compliance with all debt covenants at December 31, 2013.

The Company has letters of credit in the amount of $3.9 million outstanding at December 31, 2013.

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$983.0 million and Cdn$142.0 million. The notes are unsecured and rank *pari passu* with the Company's bank credit facilities and carry a bullet repayment on maturity. The senior guaranteed notes have financial covenants similar to those of the combined credit facilities described above. The terms, rates and carrying amounts of the Company's outstanding senior guaranteed notes are detailed below:

Principal ($000s)	Maturity Date	Coupon Rate	Interest Payment Dates	**2013**	2012
Cdn$50,000	March 24, 2015	4.92%	September 24 and March 24	**50,000**	50,000
US$37,500	March 24, 2015	4.71%	September 24 and March 24	**39,885**	37,309
US$52,000	April 14, 2016	3.93%	October 14 and April 14	**55,307**	51,735
US$67,500	March 24, 2017	5.48%	September 24 and March 24	**71,793**	67,156
US$31,000	April 14, 2018	4.58%	October 14 and April 14	**32,972**	30,842
US$20,000	June 12, 2018	2.65%	December 12 and June 12	**21,272**	-
Cdn$7,000	May 22, 2019	4.29%	November 22 and May 22	**7,000**	7,000
US$68,000	May 22, 2019	3.39%	November 22 and May 22	**72,325**	67,653
US$155,000	March 24, 2020	6.03%	September 24 and March 24	**164,858**	154,209
Cdn$50,000	April 14, 2021	5.53%	October 14 and April 14	**50,000**	50,000
US$82,000	April 14, 2021	5.13%	October 14 and April 14	**87,215**	81,582
Cdn$25,000	May 22, 2022	4.76%	November 22 and May 22	**25,000**	25,000
US$200,000	May 22, 2022	4.00%	November 22 and May 22	**212,720**	198,980
Cdn$10,000	June 12, 2023	4.11%	December 12 and June 12	**10,000**	-
US$270,000	June 12, 2023	3.78%	December 12 and June 12	**287,172**	-
Senior guaranteed notes				**1,187,519**	821,466

Concurrent with the issuance of US$953.0 million senior guaranteed notes, 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 $953.2 million. Concurrent with the issuance of US$30.0 million senior guaranteed notes, the Company entered a cross currency principal swap which fixed the principal repayment at a notional amount of $32.2 million. See additional information in Note 22 - “Financial Instruments and Derivatives”.

12. DECOMMISSIONING LIABILITY

The following table reconciles the decommissioning liability:

($000s)	**2013**	2012
Decommissioning liability, beginning of year	**502,432**	379,616
Liabilities incurred	**32,562**	18,919
Liabilities acquired through capital acquisitions	**4,291**	66,684
Liabilities disposed through capital dispositions	**(793)**	(9,497)
Liabilities settled	**(11,375)**	(12,096)
Revaluation of acquired decommissioning liabilities (1)	**3,256**	57,251
Change in estimated future costs	**115,266**	(9,690)
Change in discount rate	**(30,263)**	-
Accretion expense	**14,162**	11,245
Decommissioning liability, end of year	**629,538**	502,432
Expected to be incurred in one year	**18,469**	-
Expected to be incurred beyond one year	**611,069**	502,432

(1) These amounts relate to the revaluation of acquired decommissioning liabilities at the end of the period using a risk-free discount rate. At the date of acquisition, acquired decommissioning liabilities are fair valued.

The total future decommissioning liability was estimated by management based on the Company's net ownership in all wells and facilities. This includes all estimated costs to reclaim and abandon the wells and facilities and the estimated timing of the costs to be incurred in future periods. The Company has estimated the net present value of its total decommissioning liability to be $629.5 million at December 31, 2013 (December 31, 2012 - $502.4 million) based on total estimated undiscounted cash flows to settle the obligation of $739.8 million (December 31, 2012 - $531.6 million). These obligations are expected to be settled through 2047, with the majority expected after 2028. The estimated cash flows have been discounted using an average risk free rate of approximately 3 percent and an inflation rate of 2 percent (December 31, 2012 - approximately 2.5 percent and 2 percent, respectively).

13. SHAREHOLDERS' CAPITAL

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

	2013		2012	
	Number of shares	**Amount ($000s)**	Number of shares	Amount ($000s)
Common shares, beginning of year	**374,702,264**	**11,439,861**	288,025,465	7,835,136
Issued for cash	**-**	**-**	48,784,500	2,036,908
Issued on capital acquisitions	**-**	**-**	21,311,081	919,351
Issued on redemption of restricted shares (1)	**2,045,169**	**82,395**	2,150,033	84,380
Issued pursuant to the dividend reinvestment plans	**18,246,133**	**659,140**	14,431,185	564,086
Common shares, end of year	**394,993,566**	**12,181,396**	374,702,264	11,439,861
Cumulative share issue costs, net of tax	**-**	**(191,091)**	-	(190,693)
Total shareholders' capital, end of year	**394,993,566**	**11,990,305**	374,702,264	11,249,168

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

At December 31, 2013, the Company recorded dividends payable of $90.8 million which was settled with cash of $65.0 million and Crescent Point common shares issued pursuant to the DRIP valued at $25.8 million (678,361 common shares) on January 15, 2014. At December 31, 2012, the Company recorded dividends payable of $86.2 million which was settled with cash of $27.9 million and Crescent Point common shares issued pursuant to the DRIP valued at $58.3 million (1,638,734 common shares) on January 15, 2013. In preceding years (December 31, 2012 - $58.3 million), the component of the dividend payable to be settled with Crescent Point common shares pursuant to the DRIP was recorded as shareholders' capital at the balance sheet date.

14. DEFICIT

($000s)	**2013**	2012
Accumulated earnings	**1,054,349**	909,473
Accumulated tax effect on redemption of restricted shares	**8,736**	8,666
Accumulated dividends	**(4,755,522)**	(3,673,971)
Deficit	**(3,692,437)**	(2,755,832)

15. 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)	**2013**	2012
Long-term debt	**1,734,114**	1,474,589
Working capital deficiency [(1)]	**406,134**	287,911
Unrealized foreign exchange on translation of US dollar senior guaranteed notes	**(63,170)**	(2,176)
Net debt	**2,077,078**	1,760,324
Shareholders' equity	**8,500,073**	8,594,812
Total capitalization	**10,577,151**	10,355,136

(1) Working capital deficiency is calculated as accounts payable and accrued liabilities plus dividends payable, less cash, accounts receivable, prepaids and deposits and long-term investments, excluding the equity settled component of dividends payable.

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 long-term debt plus accounts payable and accrued liabilities and dividends payable, less cash, accounts receivable, prepaids and deposits and long-term investments, excluding the equity settled component of dividends payable 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. The Company's net debt to funds flow from operations ratio at December 31, 2013 was 1.0 times (December 31, 2012 - 1.1 times). The funds flow from operations only reflects funds flow from operations generated on acquired properties since the closing date of the acquisitions.

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, unless otherwise approved by the Board of Directors, of after royalty volumes using a portfolio of swaps, collars and put option instruments and up to 35 percent of after royalty volumes using a combination of financial derivatives and fixed differential physical contracts to manage price differentials.

Crescent Point is subject to certain financial covenants on its credit facility and senior guaranteed notes agreements and is in compliance with all financial covenants as at December 31, 2013.

16. DERIVATIVE GAINS (LOSSES)

($000s)	**2013**	2012
Realized losses	**(90,871)**	(17,604)
Unrealized gains (losses)	**(111,876)**	185,724
Derivative gains (losses)	**(202,747)**	168,120

17. OTHER LOSS

($000s)	**2013**	2012
Unrealized loss on long-term investments	**(10,677)**	(89,472)
Gain on the sale of marketable securities	**-**	2
Gain on sale of long-term investments	**-**	470
Gain on disposition of assets	**-**	28,545
Other gain	**613**	-
Other loss	**(10,064)**	(60,455)

18. FOREIGN EXCHANGE GAIN (LOSS)

($000s)	**2013**	2012
Realized		
Foreign exchange loss on cross currency interest rate swaps	**(4,308)**	(3,838)
Other foreign exchange gain	**1,134**	495
Unrealized		
Foreign exchange gain (loss) on translation of US dollar senior guaranteed notes	**(60,994)**	5,774
Other foreign exchange gain (loss)	**(337)**	361
Foreign exchange gain (loss)	**(64,505)**	2,792

19. INCOME TAXES

The provision for income taxes is as follows:

($000s)	**2013**	2012
Current tax:		
Canada	**137**	(1,418)
Luxembourg	**36**	-
Current expense (recovery)	**173**	(1,418)
Deferred tax:		
Canada	**76,801**	33,980
United States	**(3,368)**	(14,544)
Deferred expense	**73,433**	19,436
Income tax expense	**73,606**	18,018

The following table reconciles income taxes calculated at the Canadian statutory rate with the recorded income taxes:

($000s)	**2013**	2012
Income before income taxes	**218,482**	208,671
Statutory income tax rate	**26.04%**	26.14%
Expected provision for income taxes	**56,893**	54,547
Effect of change in corporate tax rates	**(3,101)**	-
Effect of tax rates in foreign jurisdictions	**(9,009)**	(5,779)
Effect of restricted share bonus plan	**(3,373)**	(38,695)
Effect of change in deferred tax asset	**20,530**	-
Effect of non-taxable capital losses	**8,617**	10,874
Other	**3,049**	(2,929)
Income tax expense	**73,606**	18,018

The statutory combined federal and provincial income tax rate decreased from 26.14% in 2012 to 26.04% in 2013 due to a change in the allocation of taxable income between provinces.

The deferred income tax liabilities are expected to be settled in the following periods:

($000s)	**2013**	2012
Deferred income tax:		
To be settled within 12 months	**31,121**	(1,074)
To be settled after more than 12 months	**(895,729)**	(791,591)
Deferred income tax	**(864,608)**	(792,665)

The movement in deferred income tax liabilities and assets is as follows:

($000s)	At January 1, 2013	(Charges) / credits due to acquisitions & other	(Charged) / credited to earnings	**At December 31, 2013**
Deferred income tax assets:				
Decommissioning liability	134,144	-	32,870	**167,014**
Income tax losses carried forward	184,974	-	(62,394)	**122,580**
Share issue costs	33,195	141	(10,924)	**22,412**
Risk management contracts	6,230	-	26,381	**32,611**
Other	11,308	1,349	(10,611)	**2,046**
	369,851	1,490	(24,678)	**346,663**
Deferred income tax liabilities:				
Property, plant & equipment	(966,007)	-	(94,514)	**(1,060,521)**
Timing of partnership items	(180,381)	-	42,970	**(137,411)**
Risk management contracts	(16,128)	-	2,789	**(13,339)**
	(1,162,516)	-	(48,755)	**(1,211,271)**
Net deferred income tax liabilities	(792,665)	1,490	(73,433)	**(864,608)**

($000s)	At January 1, 2012	(Charges) / credits due to acquisitions & other	(Charged) / credited to earnings	At December 31, 2012
Deferred income tax assets:				
Decommissioning liability	99,601	9,434	25,109	134,144
Income tax losses carried forward	163,522	22,557	(1,105)	184,974
Share issue costs	21,263	25,310	(13,378)	33,195
Risk management contracts	43,449	1,346	(38,565)	6,230
Other	284	8,689	2,335	11,308
	328,119	67,336	(25,604)	369,851
Deferred income tax liabilities:				
Property, plant & equipment	(760,265)	(186,306)	(19,436)	(966,007)
Timing of partnership items	(215,466)	-	35,085	(180,381)
Risk management contracts	(4,921)	(1,224)	(9,983)	(16,128)
Other	-	(502)	502	-
	(980,652)	(188,032)	6,168	(1,162,516)
Net deferred income tax liabilities	(652,533)	(120,696)	(19,436)	(792,665)

The approximate amounts of tax pools available as at December 31, 2013 and 2012 are as follows:

($000s)	**2013**	2012
Tax pools:		
Canada	**6,751,472**	7,131,035
United States	**1,626,298**	1,365,756
Total	**8,377,770**	8,496,791

The tax pools presented do not include the impact of income from the general partnership for its fiscal period ended December 31, 2013 for which the Company is entitled to claim a reserve for current income tax purposes. Including the impact of income from the general partnership which is taxable to the Company in future years, the net tax pools remaining at December 31, 2013 are approximately $7.9 billion (December 31, 2012 - $7.8 billion).

The above tax pools include estimated Canadian non-capital losses carried forward of $387.2 million (December 31, 2012 - $683.1 million) that expire in the years 2029 through 2031, and U.S. net operating losses of $72.5 million (December 31, 2012 - $30.2 million) which expire in the years 2024 through 2032. A deferred income tax asset has not been recognized for U.S. net operating losses of $15.3 million (December 31, 2012 - $14.3 million) as there is not sufficient certainty regarding future utilization.

A deferred tax asset has not been recognized in respect of certain unrealized capital losses and capital losses carried forward for Canadian tax purposes in the amount of $20.5 million (December 31, 2012 - nil). Recognition is dependent on the realization of future taxable capital gains.

A deferred tax asset has not been recognized in respect of temporary differences associated with investments in subsidiaries as it is not likely that the temporary differences will reverse in the foreseeable future. The deductible temporary differences associated with investments in subsidiaries is approximately $52.8 million (December 31, 2012 - $44.7 million).

20. SHARE-BASED COMPENSATION

Restricted Share Bonus Plan

The Company has a Restricted Share Bonus Plan pursuant to which the Company may grant restricted shares to directors, officers, employees and consultants. The restricted shares vest on terms up to three years from the grant date as determined by the Board of Directors.

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

Deferred Share Unit Plan

The Company has a DSU plan for directors. Each DSU vests on the date of the grant, however the settlement of the DSU occurs following a change of control or when the individual ceases to be a director of the Company. Deferred Share Units are settled in cash based on the prevailing Crescent Point share price.

The following table reconciles the number of restricted shares and DSUs for the year ended December 31, 2013:

	Restricted Shares	Deferred Share Units
Balance, beginning of year	3,366,492	51,318
Granted	1,413,271	24,062
Redeemed	(2,058,318)	-
Forfeited	(133,302)	-
Balance, end of year	2,588,143	75,380

For the year ended December 31, 2013, the Company calculated total share-based compensation, net of estimated forfeitures and forfeiture true-ups, of $90.8 million (December 31, 2012 - $68.8 million), of which $23.1 million was capitalized (December 31, 2012 - $17.7 million).

21. PER SHARE AMOUNTS

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

	2013	2012
Weighted average shares – basic	**386,253,999**	329,410,803
Dilutive impact of restricted shares	**1,476,739**	2,370,430
Weighted average shares – diluted	**387,730,738**	331,781,233

22. FINANCIAL INSTRUMENTS AND DERIVATIVES

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

Crescent Point's derivative assets and liabilities are transacted in active markets. Crescent Point's long-term investments are transacted in active 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 derivative assets and liabilities are classified as Level 2. Long-term investments are classified as Level 1, Level 2 or Level 3 depending on the valuation methods and inputs used, whether the applicable company is publicly traded or private, and whether the investment is comprised of common shares or common share purchase warrants. 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.

Crescent Point's valuation of investments in private companies is based primarily on recent trading activity in the relevant company's common shares. Crescent Point validates these valuations using a variety of peer comparison metrics and industry data. The Company's finance department is responsible for performing the valuation of financial instruments, including the calculation of Level 3 fair values. Refer to Note 5 for changes in the Company's Level 3 investments.

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

The fair value of cash, accounts receivable, reclamation fund, accounts payable and accrued liabilities and dividends payable approximate their carrying amount due to the short-term nature of those instruments. The fair value of the amounts drawn on bank credit facilities is equal to its carrying amount as the facility bears interest at floating rates and credit spreads within the facility are indicative of market rates. These financial instruments are classified as financial assets and liabilities at amortized cost and are reported at amortized cost.

The following table summarizes the recurring fair value measurement information for financial assets and liabilities as of December 31, 2013:

($000s)	2013 Carrying Value	2013 Fair Value	Quoted prices in active markets for identical assets (Level1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Derivatives	51,224	51,224	-	51,224	-
Long-term investments (1)	74,229	74,229	24,259	-	49,970
	125,453	125,453	24,259	51,224	49,970
Financial liabilities					
Derivatives	125,234	125,234	-	125,234	-
Senior guaranteed notes (2)	1,187,519	1,202,304	-	-	-
	1,312,753	1,327,538	-	125,234	-

(1) Long-term investments are comprised of equity securities in public and private upstream oil and gas companies.

(2) 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 summarizes the recurring fair value measurement information for financial assets and liabilities as of December 31, 2012:

($000s)	2012 Carrying Value	2012 Fair Value	Quoted prices in active markets for identical assets (Level1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Derivatives	61,698	61,698	-	61,698	-
Long-term investments (1)	84,906	84,906	28,241	73	56,592
	146,604	146,604	28,241	61,771	56,592
Financial liabilities					
Derivatives	23,832	23,832	-	23,832	-
Senior guaranteed notes (2)	821,466	894,756	-	-	-
	845,298	918,588	-	23,832	-

(1) Long-term investments are comprised of equity securities in public and private upstream oil and gas companies.

(2) 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.

Investment in marketable securities

In March 2012, the Company disposed of its investment in marketable securities for proceeds of $0.6 million, resulting in a realized gain of less than $0.1 million recognized in net income.

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 December 31, 2013 and the change in fair value for the year ended December 31, 2013:

($000s)	Commodity contracts [1]	Interest contracts	CCIRS contracts [2]	Foreign exchange contracts	Total
Derivative assets / (liabilities), beginning of year	43,337	(8,518)	2,840	207	37,866
Unrealized change in fair value	(154,905)	1,982	41,254	(207)	(111,876)
Derivative assets / (liabilities), end of year	(111,568)	(6,536)	44,094	-	(74,010)
Derivative assets, end of year	3,512	-	47,712	-	51,224
Derivative liabilities, end of year	(115,080)	(6,536)	(3,618)	-	(125,234)

(1) Includes oil, gas and power contracts.

(2) Includes cross currency principal swap contract.

The following table summarizes the fair value as at December 31, 2012 and the change in fair value for the year ended December 31, 2012:

($000s)	Commodity contracts [1]	Interest contracts	CCIRS contracts [2]	Foreign exchange contracts	Total
Derivative assets / (liabilities), beginning of year	(131,256)	(15,575)	(582)	21	(147,392)
Acquired through capital acquisitions	(466)	-	-	-	(466)
Unrealized change in fair value	175,059	7,057	3,422	186	185,724
Derivative assets / (liabilities), end of year	43,337	(8,518)	2,840	207	37,866
Derivative assets, end of year	52,430	-	9,059	209	61,698
Derivative liabilities, end of year	(9,093)	(8,518)	(6,219)	(2)	(23,832)

(1) Includes oil, gas and power contracts.

(2) Includes cross currency principal swap contract.

Offsetting Financial Assets and Liabilities

Financial assets and liabilities are only offset if the Company has the legal right to offset and intends to settle on a net basis or settle the asset and liability simultaneously. The Company offsets derivative assets and liabilities when the counterparty, commodity, currency and timing of settlement are the same. The following table summarizes the gross asset and liability positions of the Company's financial derivatives by contract that are offset on the balance sheet as at December 31, 2013 and December 31, 2012:

			2013			2012
($000s)	Asset	Liability	Net	Asset	Liability	Net
Gross amount	55,614	(129,624)	(74,010)	76,192	(38,326)	37,866
Amount offset	(4,390)	4,390	-	(14,494)	14,494	-
Net amount	51,224	(125,234)	(74,010)	61,698	(23,832)	37,866

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 and physical contracts. 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. The Company also enters physical delivery and derivative WTI price differential contracts which manage the spread between US$ WTI and various stream prices. The Company manages physical delivery

contracts on a month-to-month spot and on a term contract basis. As at December 31, 2013, Crescent Point had committed, on a term contract basis, to deliver an average of 14,000 bbl/d of crude oil on railways from January 2014 to June 2014.

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 may enter into swaps or 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 December 31, 2013 and 2012 to fluctuations in commodity prices or differentials, with all other variables held constant. When assessing the potential impact of these commodity price or differential changes, the Company believes 10 percent volatility is a reasonable measure. Fluctuations in commodity prices or differentials potentially could have resulted in unrealized gains (losses) impacting income before tax as follows:

($000s)	Impact on Income Before Tax Year ended December 31, 2013		Impact on Income Before Tax Year ended December 31, 2012	
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Commodity price				
Crude oil	(308,532)	305,675	(223,326)	226,385
Natural gas	(4,006)	4,006	(2,013)	2,013
Power	264	(264)	280	(280)

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 year ended December 31, 2013, a one percent increase or decrease in the interest rate on floating rate debt would have amounted to a $3.5 million impact on income before tax.

The Company partially mitigates its exposure to interest rate changes by entering into interest rate swap 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 December 31, 2013 and 2012 with all other variables held constant:

($000s)	Impact on Income Before Tax Year ended December 31, 2013		Impact on Income Before Tax Year ended December 31, 2012	
Forward interest rates	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Interest rate swaps	329	(329)	803	(803)

Foreign Exchange Risk

Foreign exchange risk arises from changes in foreign exchange rates that may affect the fair value or future cash flows of the Company's financial assets or liabilities. As the Company operates in Canada and the U.S., fluctuations in the exchange rate between the US/Canadian dollars can have a significant effect on reported results. 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$953.0 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 $953.2 million. Concurrent with the issuance of US$30.0 million senior guaranteed notes, the Company entered a cross currency principal swap which fixed the principal repayment at a notional amount of $32.2 million.

The Company can partially mitigate its exposure to foreign exchange rate changes by entering into US dollar swaps. 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 December 31, 2013 and 2012 with all other variables held constant:

($000s)	Exchange Rate	Impact on Income Before Tax Year ended December 31, 2013		Impact on Income Before Tax Year ended December 31, 2012	
Cdn$ relative to US$		Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
US dollar swaps	Forward	-	-	(4,059)	4,059
US dollar senior guaranteed notes	Period End	104,552	(104,552)	68,947	(68,947)
Cross currency interest rate swaps	Forward	(113,694)	113,694	(81,301)	81,301
Cross currency principal swaps	Forward	(3,230)	3,230	(3,173)	3,173

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 policies and procedures.

Less than 3 percent of the Company's accounts receivable balance at December 31, 2013 is outstanding for more than 90 days and the Company considers the entire balance to be collectible.

Liquidity Risk

The timing of undiscounted cash outflows relating to the financial liabilities outstanding at December 31, 2013 is outlined in the table below:

($000s)	1 year	2 to 3 years	4 to 5 years	More than 5 years	Total
Accounts payable and accrued liabilities	789,305	-	-	-	789,305
Dividends payable	90,849	-	-	-	90,849
Derivative liabilities (1)	95,360	22,144	-	-	117,504
Senior guaranteed notes (2)	56,108	242,717	210,337	969,357	1,478,519
Bank credit facilities (3)	-	546,595	-	-	546,595

(1) These amounts exclude undiscounted cash outflows pursuant to the CCIRS and cross currency principal swaps.

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

(3) These amounts exclude interest payable on amounts drawn on the bank credit facilities.

The timing of undiscounted cash outflows relating to the financial liabilities outstanding at December 31, 2012 is outlined in the table below:

($000s)	1 year	2 to 3 years	4 to 5 years	More than 5 years	Total
Accounts payable and accrued liabilities	655,191	-	-	-	655,191
Dividends payable	86,182	-	-	-	86,182
Derivative liabilities (1)	19,702	8,412	271	-	28,385
Senior guaranteed notes (2)	43,031	172,114	95,080	785,674	1,095,899
Bank credit facilities (3)	-	653,123	-	-	653,123

(1) These amounts exclude undiscounted cash outflows pursuant to the CCIRS and cross currency principal swaps.

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

(3) These amounts exclude interest payable on amounts drawn on the bank credit facilities.

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 15, Crescent Point targets an 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 December 31, 2013, the Company had available unused borrowing capacity on bank credit facilities of approximately $1.5 billion, including $3.9 million letters of credit drawn on the facility. Crescent Point believes it has sufficient funding to meet its foreseeable spending requirements.

Included in the Company's bank credit facilities balance of $546.6 million at December 31, 2013 (December 31, 2012 - $653.1 million) are obligations of $460.0 million (December 31, 2012 - $400.0 million) of bankers' acceptances, obligations of $89.8 million (December 31, 2012 - $257.3 million) for borrowings under the operating and syndicated prime loans, partially offset by prepaid credit facility renewal fees of $2.1 million (December 31, 2012 - $3.2 million) and prepaid interest on bankers' acceptances of $1.1 million (December 31, 2012 - $1.0 million). These amounts are fully supported and management expects that they will continue to be supported by revolving credit facilities that have no repayment requirements until maturity, other than interest.

c) Derivative Contracts

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

The following is a summary of the derivative contracts in place as at December 31, 2013**:**

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)
2014	57,097	96.71	102.79	88.08	98.12	4.73
2015	26,750	92.35	97.60	87.41	-	-
2016	18,000	90.34	-	-	-	-
2017 January - March	6,000	90.31	-	-	-	-

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

Financial AECO Natural Gas Derivative Contracts – Canadian Dollar [1]

Term	Average Volume (GJ/d)	Average Swap Price ($/GJ)
2014	14,493	3.54
2015	13,332	3.55
2016 January – October	5,790	3.67

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

Financial Power Derivative Contracts – Canadian Dollar

Term	Contract	Volume (MW/h)	Fixed Rate ($/MW/h)
2014	Swap	3.0	75.00
2015	Swap	3.0	49.50

Financial Interest Rate Derivative Contracts – Canadian Dollar

Term	Contract	Notional Principal ($)	Fixed Annual Rate (%)
January 2014 – May 2015	Swap	25,000,000	2.90
January 2014 – May 2015	Swap	25,000,000	3.50
January 2014 – May 2015	Swap	50,000,000	3.09
January 2014 – June 2015	Swap	50,000,000	3.78
January 2014 – 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%)
January 2014 – March 2015	Swap	37,500,000	4.71	38,287,500	5.24
January 2014 – April 2016	Swap	52,000,000	3.93	50,128,000	4.84
January 2014 – March 2017	Swap	67,500,000	5.48	68,917,500	5.89
January 2014 – April 2018	Swap	31,000,000	4.58	29,884,000	5.32
January 2014 – June 2018	Swap	20,000,000	2.65	20,350,000	3.52
January 2014 – May 2019	Swap	68,000,000	3.39	66,742,000	4.53
January 2014 – March 2020	Swap	155,000,000	6.03	158,255,000	6.45
January 2014 – April 2021	Swap	82,000,000	5.13	79,048,000	5.83
January 2014 – May 2022	Swap	170,000,000	4.00	166,855,000	5.03
January 2014 – June 2023	Swap	270,000,000	3.78	274,725,000	4.32

Financial Cross Currency Principal Derivative Contracts			
Settlement Date	Contract	Receive Notional Principal (US$)	Pay Notional Principal (Cdn$)
May 22, 2022	Swap	30,000,000	32,241,000

Concurrent with the issuance of US$953.0 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 $953.2 million. Concurrent with the issuance of US$30.0 million senior guaranteed notes, the Company entered a cross currency principal swap which fixed the principal repayment at a notional amount of $32.2 million.

23. RELATED PARTY TRANSACTIONS

All related party transactions are recorded at the exchange amount.

During the year ended December 31, 2013, Crescent Point recorded $0.8 million (December 31, 2012 - $1.9 million) of legal fees in the normal course of business to a law firm of which a partner is the Company's corporate secretary. Crescent Point also recorded $0.3 million during the year ended December 31, 2013, (December 31, 2012 - $0.8 million) of legal fees in the normal course of business to a law firm of which a partner is a director of the Company.

Compensation of Key Management Personnel

Key management personnel of the Company consist of its directors and executive officers. In addition to the directors fees and salaries paid to the directors and officers, respectively, the directors participate in the Restricted Share Bonus Plan and DSU Plan and the officers participate in the Restricted Share Bonus Plan. The compensation relating to key management personnel for the year recorded as general and administrative expenses was $12.1 million (December 31, 2012 - $11.3 million) and share-based compensation costs were $37.6 million (December 31, 2012 – $30.8 million).

24. COMMITMENTS

At December 31, 2013, the Company had contractual obligations and commitments as follows:

($000s)	1 year	2 to 3 years	4 to 5 years	More than 5 years	Total
Operating leases (building and vehicle leases) (1)	18,343	48,242	48,241	281,817	396,643
Transportation commitments	1,705	461	144	13	2,323
Derivative contract premiums	15,697	-	-	-	15,697
Total contractual commitments	35,745	48,703	48,385	281,830	414,663

(1) Included in operating leases are nominal recoveries of rent expense on office space the Company has subleased.

At December 31, 2012, the Company had contractual obligations and commitments as follows:

($000s)	1 year	2 to 3 years	4 to 5 years	More than 5 years	Total
Operating leases (building and vehicle leases) (1)	14,921	26,535	43,449	284,364	369,269
Capital commitments (2)	60,114	-	-	-	60,114
Derivative contract premiums	10,804	-	-	-	10,804
Total contractual commitments	85,839	26,535	43,449	284,364	440,187

(1) Included in operating leases are nominal recoveries of rent expense on office space the Company has subleased.

(2) Included in capital commitments is the expected remaining cost of the two-year agreement terminating December 31, 2013, with a U.S. fracture stimulation company with operations in North Dakota.

25. SIGNIFICANT SUBSIDIARIES

The Company has the following significant subsidiaries, each owned 100% directly and indirectly, at December 31, 2013:

Subsidiary Name	Country of Incorporation
Crescent Point Resources Partnership	Canada
Crescent Point Holdings Inc.	Canada
Crescent Point Energy U.S. Corp.	United States of America
Crescent Point U.S. Holdings Corp.	United States of America
Crescent Point Energy Lux S.à r.l.	Luxembourg

26. SUPPLEMENTAL DISCLOSURES

Income Statement Presentation

The Company's statement of income is prepared primarily by nature of expense, with the exception of compensation expenses which are included in the operating, general and administrative and share-based compensation line items, as follows:

($000s)	**2013**	2012
Operating	**60,387**	47,043
General and administrative	**41,910**	34,323
Share-based compensation	**67,752**	51,141
Total compensation expenses	**170,049**	132,507

Cash Flow Statement Presentation

($000s)	**2013**	2012
Operating activities		
Changes in non-cash working capital:		
Accounts receivable	**(66,537)**	70,241
Prepaids and deposits	**2,996**	(3,642)
Accounts payable and accrued liabilities	**6,192**	(95,974)
	(57,349)	(29,375)
Investing activities		
Changes in non-cash working capital:		
Accounts receivable	**19,105**	435
Accounts payable and accrued liabilities	**133,068**	76,308
	152,173	76,743
Financing activities		
Changes in non-cash working capital:		
Dividends payable	**4,667**	19,936

27. GEOGRAPHICAL DISCLOSURE

As at December 31, 2013, Crescent Point's non-current assets related to the U.S. foreign operations is $1.6 billion (December 31, 2012 - $1.3 billion). For the year ended December 31, 2013, Crescent Point's oil and gas revenue related to the U.S. foreign operations is $335.5 million (December 31, 2012 - $67.0 million).

28. SUBSEQUENT EVENTS

New York Stock Exchange ("NYSE") Listing

On January 22, 2014, Crescent Point's common shares began trading on the NYSE under the ticker symbol "CPG".

Directors

Peter Bannister, Chairman [1] [3] [4]

Ken Cugnet [3] [4] [5]

Hugh Gillard [1] [2] [5]

Gerald Romanzin [1] [2] [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
Chief Operating Officer

Brad Borggard
Vice President, Corporate Planning

Derek Christie
Vice President, Exploration and 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

Mark Eade
Corporate Secretary

Head Office

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Fax: (403) 693-0070
Toll Free: (888) 693-0020

Banker

The Bank of Nova Scotia
Calgary, Alberta

Auditor

PricewaterhouseCoopers LLP
Calgary, Alberta

Legal Counsel

Norton Rose Fulbright Canada 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
2300, 125 - 9th Avenue S.E.
Calgary, Alberta T2G 0P6
Tel: (403) 261-0900

Stock Exchanges

Toronto Stock Exchange - TSX
New York Stock Exchange - NYSE

Stock Symbol

CPG

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