



Crescent Point

A LETTER TO SHAREHOLDERS



2013 WAS A YEAR OF TREMENDOUS ORGANIC GROWTH FOR CRESCENT POINT. WE SET NEW PRODUCTION RECORDS, CONTINUOUSLY RAISED AND EXCEEDED OUR TARGETS AND ACHIEVED AVERAGE DAILY PRODUCTION OF MORE THAN 120,000 BOE/D, A 22 PERCENT INCREASE OVER OUR AVERAGE DAILY PRODUCTION RATE IN 2012.

We spent the year focused on growing production within our core areas and refining the technologies that continue to help us meet and exceed our targets. We've created a dual-track approach to growth. For us, this means applying technology to our primary drilling program and implementing waterfloods to further enhance our results. Our accomplishments in 2013 highlight the strengths of this approach. We believe our dual-track growth plan, the high quality of our assets and our ability to leverage our technological successes across our resource plays set us apart from our peers and have positioned us well for another great year.

Technological advancements – and, perhaps most importantly, our ability to apply them across our large oil-in-place assets – are a key factor in our success. In 2013, we continued to refine our cemented liner completion techniques, which have increased production and lowered our decline rate in the Viewfield Bakken and Shaunavon resource plays. Our advancements also allow us to use less water than with previous completion techniques, a development that reduces overall costs and our impact on the environment. For example, in the Viewfield Bakken resource play, we've reduced the amount of water we use by approximately 45 percent per well from 2011 levels.

We are now also implementing waterfloods on a large scale, with more than 15,000 bbl/d affected in the Viewfield Bakken resource play alone. We expect to double those volumes within two years and to expand and refine our waterfloods in our other major resource plays, as well. In 2013, we reached major milestones with our waterflood programs. In the

Lower Shaunavon resource play, we received approval for our first waterflood unit, which is significant because it allows us to apply the waterflood across a larger area. And in the Viewfield Bakken resource play, we applied for our first waterflood unit and plan to initiate it in 2014. We now have waterflood programs in all of our major Canadian unconventional oil fields and plan to focus on their development and expansion throughout the year. This will have meaningful impact on our corporate production declines in 2014.

Our strong results in the field have translated to impressive financial results. In 2013, we generated funds flow of \$2.0 billion, or \$5.28 per share – diluted, which represents a 9 percent per share increase over fourth quarter 2012 funds flow. We maintained our monthly dividend of \$0.23 and have now paid out approximately \$4.8 billion in dividends to our shareholders since inception. Our balance sheet remains strong, with a target net debt to 12-month funds flow of 1.0 to 1.2 times and significant unutilized credit capacity. The balance sheet is well-protected by our robust 3 ½-year hedging program, which continues to provide stability to our funds flow.

Looking at the rest of 2014 and beyond, we are planning for much of the same: a focus on improving our cemented liner techniques and the expansion of our waterflood programs and their affected volumes, as we continue to develop our high-quality asset base. By refining the technologies and techniques that have helped to drive our results over the past handful of years, we expect to see even better oil production, lower costs and lower decline rates across our asset base. With such a large drilling inventory, even the smallest improvements often result in big changes. For example, between 2007 and 2013, our technological improvements increased the value of each well in the core of the Viewfield Bakken resource play by \$7 million, or more than 200 percent. We've seen how powerful our improvements have been in the field and look forward to working with our teams and service providers to reach new levels of efficiencies.

We also look forward to supporting change in the communities where our people live and work. We've always been passionate about giving back and, with every year, we look for more ways to support our communities. Recent initiatives include setting up scholarships for the Ute Tribe at the Uintah Basin Applied Technology College and Utah State University, pairing Olympic athletes with school kids in our operating areas through the Classroom Champions organization and renovating the kids' zone at Calgary's Inn From The Cold. We always encourage our employees to get involved not just through donations, which we support by giving every employee money to donate to their cause of choice, but to spend time volunteering with their teams. We are so thankful for the support we've received from the communities we call home and are happy to give back, especially in the realms of health, safety and environment, education and sports.

I would like to take this opportunity to thank everyone who contributes to Crescent Point's success, from our employees, field staff and consultants to our board of directors and our executive team. Our results in 2013 are thanks to a tremendous team effort. I have no doubt that we'll continue to exceed the targets we've set for ourselves in 2014 and beyond. With our recent listing on the New York Stock Exchange, a solid plan for growth in Canada and the United States and excellent people leading the charge, we have a lot to be excited about.

Scott Saxberg
President and CEO

OUR STRONG RESULTS IN THE FIELD HAVE TRANSLATED TO IMPRESSIVE FINANCIAL RESULTS. IN 2013, WE GENERATED FUNDS FLOW OF \$2.0 BILLION.



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