MANAGEMENT’S DISCUSSION AND ANALYSIS

Management's discussion and analysis (“MD&A”) is dated March 6, 2019 and should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2018 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, 2018 have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standard Board ("IASB").

STRUCTURE OF THE BUSINESS

The principal undertaking of Crescent Point is 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 (“U.S.”) dollars.

Results of Operations

Production

	2018	2017	% Change
Crude oil (bbls/d)	**140,298**	139,996	—
NGLs (bbls/d)	**19,805**	18,250	9
Natural gas (mcf/d)	**108,376**	106,599	2
Total (boe/d)	**178,166**	176,013	1
Crude oil and NGLs (%)	**90**	90	—
Natural gas (%)	**10**	10	—
Total (%)	**100**	100	—

The following is a summary of Crescent Point's production by area:

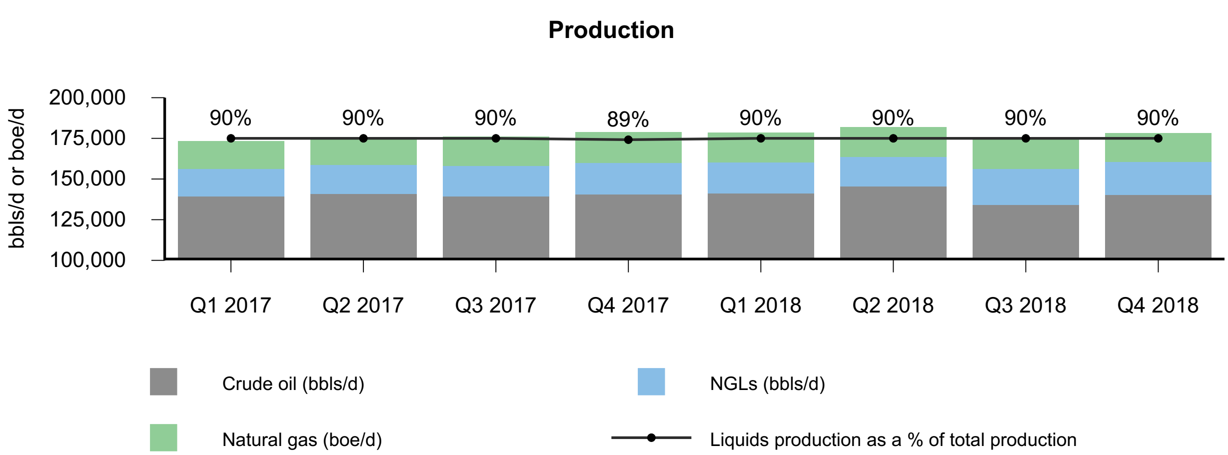
Production By Area (boe/d)	**2018**	2017	% Change
Williston Basin	**102,624**	103,070	—
Southwest Saskatchewan	**39,913**	41,737	(4)
Uinta Basin	**22,640**	18,040	25
Other	**12,989**	13,166	(1)
Total	**178,166**	176,013	1

Total production remained relatively consistent in 2018 compared to 2017, as the impact of non-core dispositions in Canada and natural declines was largely offset by new production added through the Company's capital development program and growing production in the United States. Natural gas liquids ("NGLs") volumes increased mainly due to additional wells drilled in the year and processing efficiencies realized through expanded infrastructure.

The Company's weighting to crude oil and NGLs remained consistent with the comparative period.

In the year ended December 31, 2018, the Company drilled 755 (605.4 net) wells, focused primarily in the Williston Basin, southwest Saskatchewan and the Uinta Basin.

Exhibit 1



Marketing and Prices

Average Selling Prices [1]	**2018**	2017	% Change
Crude oil ($/bbl)	**69.43**	59.05	18
NGLs ($/bbl)	**33.66**	27.80	21
Natural gas ($/mcf)	**2.25**	2.61	(14)
Total ($/boe)	**59.78**	51.43	16

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

Benchmark Pricing	**2018**	2017	% Change
Crude Oil Prices			
WTI crude oil (US$/bbl) [1]	**64.78**	50.95	27
WTI crude oil (Cdn$/bbl)	**83.91**	66.08	27
Crude Oil Differentials			
LSB crude oil (Cdn$/bbl) [2]	**(10.75)**	(4.04)	166
FOS crude oil (Cdn$/bbl) [3]	**(25.65)**	(13.73)	87
Wax crude oil (US$/bbl) [4]	**(8.97)**	(4.75)	89
UHC crude oil (US$/bbl) [5]	**(2.39)**	0.15	(1,693)
Natural Gas Prices			
AECO daily spot natural gas (Cdn$/mcf) [6]	**1.50**	2.15	(30)
AECO monthly index natural gas (Cdn$/mcf)	**1.53**	2.42	(37)
NYMEX natural gas (US$/mmbtu) [7]	**3.08**	3.11	(1)
Foreign Exchange Rate			
Exchange rate (US$/Cdn$)	**0.772**	0.771	—

(1) WTI refers to the West Texas Intermediate crude oil price.

(2) LSB refers to the Light Sour Blend crude oil price.

(3) FOS refers to the Fosterton crude oil price, which typically receives a premium to Western Canadian Select ("WCS") prices.

(4) Wax crude oil is based on posted yellow wax prices in Salt Lake City. Black wax pricing is relatively consistent with yellow wax.

(5) UHC refers to the Sweet at Clearbrook crude oil price.

(6) AECO refers to the Alberta Energy Company natural gas price.

(7) NYMEX refers to the New York Mercantile Exchange natural gas price.

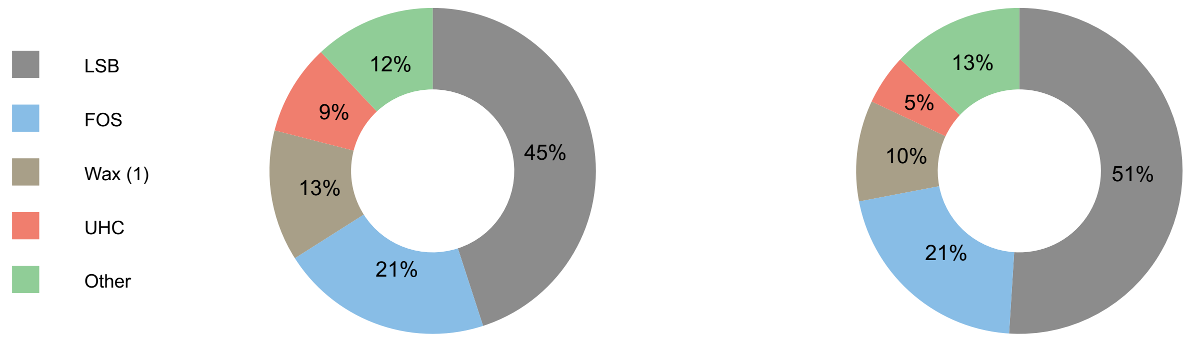
WTI benchmark price increased 27 percent in 2018, reflecting geopolitical fears and potential supply disruptions. U.S. sanctions on Iran and OPEC cuts from Saudi Arabia and Russia, as well as declines in Venezuela helped ease global oil supply and bring back balance to the market.

Canadian natural gas prices weakened in 2018 with the AECO daily benchmark price decreasing 30 percent compared to 2017. The decrease was due to increased production of liquid rich plays in northeast British Columbia and northwest Alberta, which came with an increase in natural gas production flooding the Alberta market with limited increases in export capacity.

U.S. natural gas prices remained relatively consistent with the average NYMEX benchmark price decreasing only 1 percent due to increased LNG exports throughout 2018.

Exhibit 2

Crude Oil Stream Exposure - 2018 **Crude Oil Stream Exposure - 2017**



(1) Utah production is priced at a negotiated discount to WTI.

The Company's crude oil production is exposed to differentials primarily based on the geography and quality of its production base. For the year ended December 31, 2018, 45 percent of the Company's crude oil production was in southeast Saskatchewan and was exposed to LSB crude oil pricing. 21 percent of the Company's crude oil production was in southwest Saskatchewan, weighted to medium crude oil, and was exposed to FOS crude oil pricing. 13 percent of the Company's crude oil production was in the Uinta Basin, priced at a negotiated discount to WTI that is primarily based on yellow and black wax posted prices. 9 percent of the Company's crude oil production was in North Dakota, exposed to UHC crude oil pricing. The remainder of the Company's crude oil production was exposed to Alberta-indexed crude oil pricing.

Canadian crude oil differentials widened in 2018 due to increased oil supply in Western Canada and lack of adequate pipeline and rail capacity. In the U.S., yellow and black wax differentials widened due to increased production in the Uinta Basin and periodic, temporary outages in the Salt Lake City refining complex. The Company's 2018 corporate oil differential widened with these market differentials. However, Crescent Point's realized pricing was stronger than Canadian index prices due to the quality and location of its production. Additionally, the Company was not affected by the Alberta government's mandatory production curtailment.

For the year ended December 31, 2018, the Company's average selling price for crude oil increased 18 percent from 2017, primarily as a result of a 27 percent increase in the US$ WTI benchmark price, partially offset by a wider corporate oil price differential. Crescent Point's corporate oil differential relative to Cdn$ WTI for the year ended December 31, 2018 was $14.48 per bbl compared to $7.03 per bbl in 2017.

The Company's average selling price for NGLs in 2018 increased 21 percent from $27.80 per bbl to $33.66 per bbl. Average selling prices for NGLs were impacted by the strengthening of propane, butane and condensate prices resulting from the increases in crude oil prices and offshore propane exports.

The Company's average selling price for natural gas in 2018 decreased 14 percent from $2.61 per mcf to $2.25 per mcf, primarily as a result of the 30 percent decrease in the AECO benchmark price, partially offset by growth in U.S gas production which is exposed to NYMEX pricing.

Exhibit 3

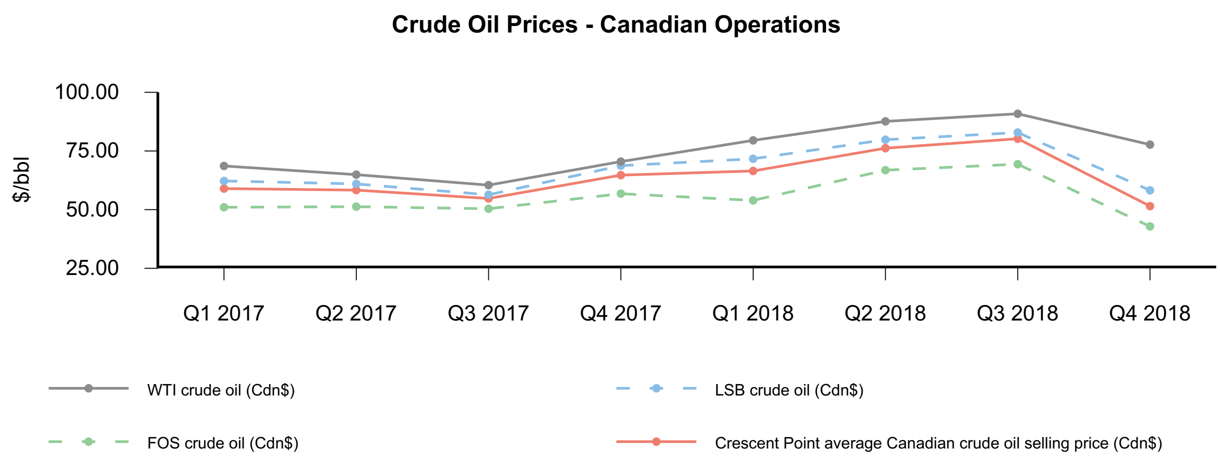


Exhibit 4

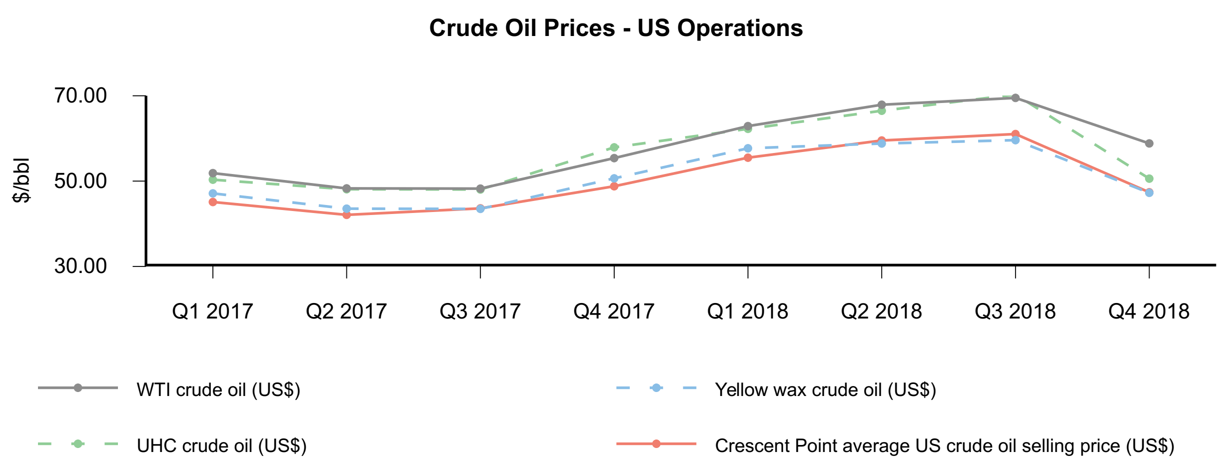


Exhibit 5

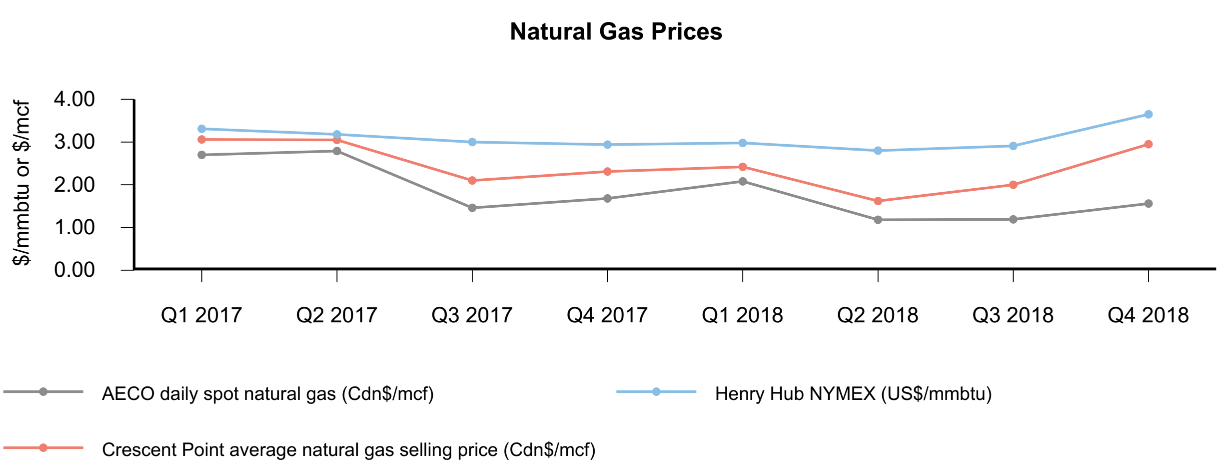
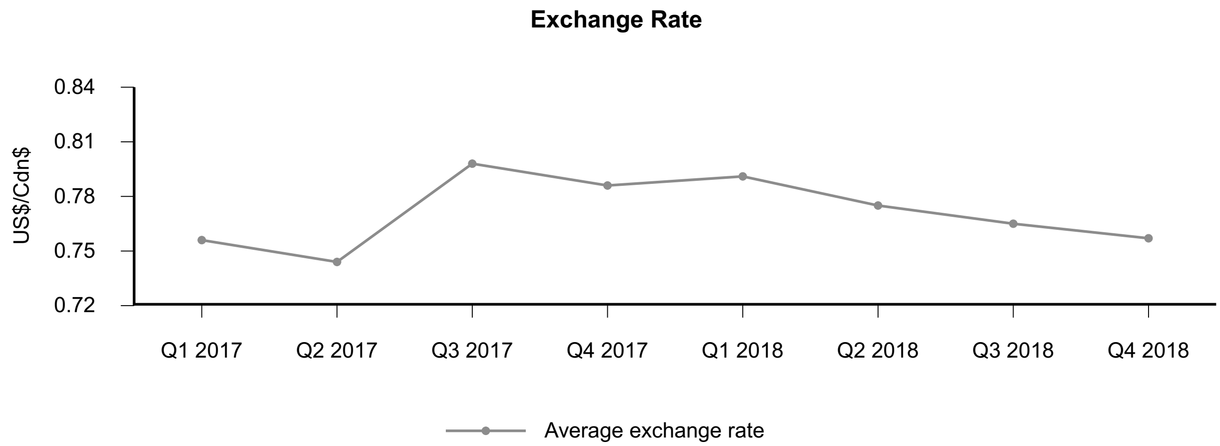


Exhibit 6



Derivatives

Management of cash flow variability is an integral component of Crescent Point's business strategy. Crescent Point regularly monitors changing business and market conditions and reviews such conditions with the Board of Directors to establish risk management guidelines used by management in carrying out the Company's strategic risk management program. Crescent Point proactively manages the risk exposure inherent in movements in the price of crude oil, natural gas and power, and in fluctuations in the US/Cdn dollar exchange rate and interest rates through the use of derivatives with investment-grade counterparties.

The Company's crude oil and natural gas derivatives are referenced to WTI and the AECO monthly index, respectively, 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. This reduces the volatility of the selling price of crude oil and natural gas production and provides a measure of stability to the Company's cash flow. For commodities, Crescent Point's risk management program allows for hedging a forward profile of up to 3½ years and up to 65 percent of net royalty interest production, unless otherwise approved by the Board of Directors.

With the ongoing volatility of price differentials between WTI and western Canadian crude prices, Crescent Point also hedges price differentials as a part of its risk management program. 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 up to 3½ years, and up to 35 percent net of royalty interest production. In addition, the Company can deliver crude oil through its various rail terminals to provide access to diversified markets and pricing. See Note 25 - "Financial Instruments and Derivatives" in the annual consolidated financial statements for the year ended December 31, 2018 for additional information on the Company's derivatives.

The Company has not designated any of its risk management activities as accounting hedges under IFRS 9, *Financial Instruments*, and, accordingly, has recorded its derivatives at fair value with changes in fair value recorded in net income.

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 period are fair valued. The change in fair value from the previous period represents a gain or loss that is recorded in net income. As such, if benchmark oil and natural gas prices rise during the period, 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 period, 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 in which the physical sales occur.

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

The following is a summary of the realized derivative gains (losses) on crude oil and natural gas derivative contracts:

($ millions, except volume amounts)	**2018**	2017	% Change
Average crude oil volumes hedged (bbls/d) [(1)]	**79,066**	57,196	38
Crude oil realized derivative gain (loss) [(1)]	**(276.7)**	89.5	(409)
per bbl	**(5.40)**	1.75	(409)
Average natural gas volumes hedged (GJ/d) [(2)]	**33,973**	41,356	(18)
Natural gas realized derivative gain	**16.9**	11.7	44
per mcf	**0.43**	0.30	43
Average barrels of oil equivalent hedged (boe/d) [(1)]	**84,432**	63,729	32
Total realized derivative gains (losses) [(1)]	**(259.8)**	101.2	(357)
per boe	**(4.00)**	1.58	(353)

(1) The crude oil realized derivative gain in 2017 includes realized derivative gains and losses 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.

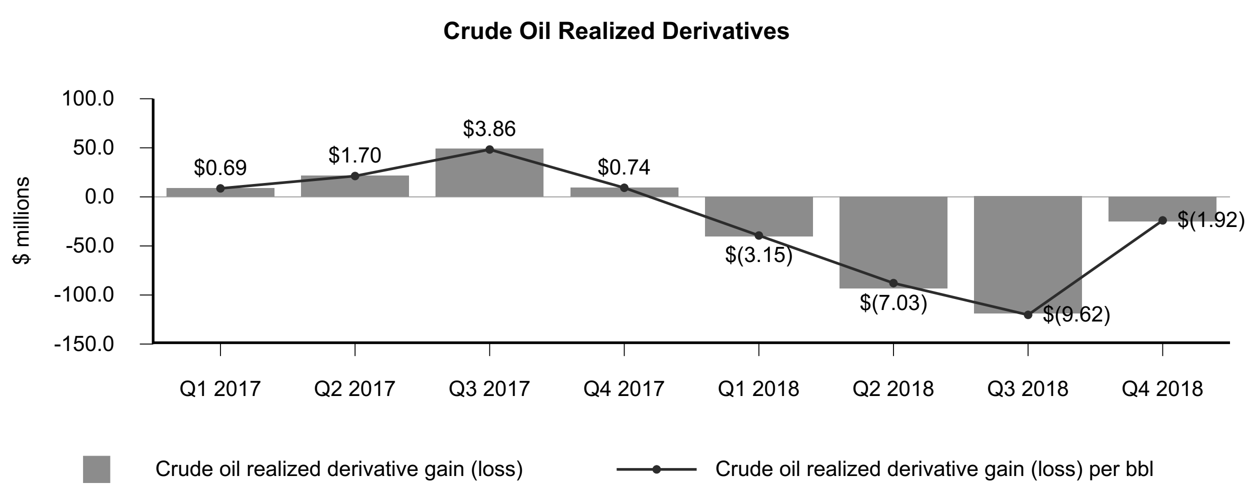
(2) GJ/d is defined as gigajoules per day.

The Company recorded a total realized derivative loss of $259.8 million for the year ended December 31, 2018, compared to a total realized derivative gain of $101.2 million in 2017.

The Company's realized derivative loss for crude oil was $276.7 million for the year ended December 31, 2018, compared to a realized derivative gain of $89.5 million in 2017. The realized derivative loss in 2018 was largely attributable to the increase in the Cdn$ WTI benchmark price, partially offset by the increase in the Company's average derivative crude oil price. During the year ended December 31, 2018, the Company's average derivative crude oil price increased by 6 percent or $3.95 per bbl, from $70.37 per bbl in 2017 to $74.32 per bbl in 2018.

Crescent Point's realized derivative gain for gas was $16.9 million for the year ended December 31, 2018, compared to $11.7 million in 2017. The increased realized derivative gain in 2018 was largely attributable to the decrease in the AECO monthly index price, partially offset by the decrease in the Company's average derivative gas price and gas volumes hedged. During the year ended December 31, 2018, the Company's average derivative gas price decreased by 9 percent or $0.27 per GJ, from $3.09 per GJ in 2017 to $2.82 per GJ in 2018.

Exhibit 7



The following is a summary of the Company's unrealized derivative gains (losses):

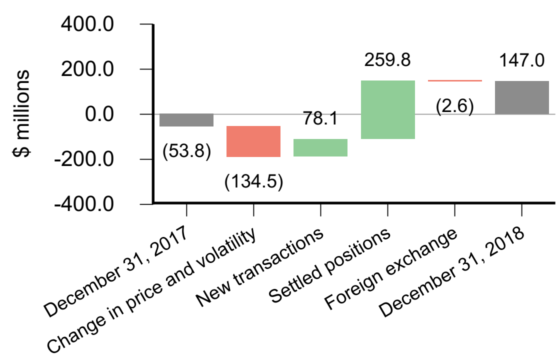
($ millions)	**2018**	2017	% Change
Crude oil	**216.1**	(20.1)	(1,175)
Natural gas	**(12.7)**	25.6	(150)
Interest	**(4.0)**	7.4	(154)
Power	**—**	0.6	(100)
Cross currency	**236.7**	(175.3)	(235)
Foreign exchange	**3.3**	(1.8)	(283)
Total unrealized derivative gains (losses)	**439.4**	(163.6)	(369)

The Company recognized a total unrealized derivative gain of $439.4 million for the year ended December 31, 2018 compared to an unrealized derivative loss of $163.6 million in 2017, primarily due to a $216.1 million unrealized derivative gain on crude oil contracts compared to a $20.1 million unrealized derivative loss in 2017. The unrealized crude oil derivative gain for the year ended December 31, 2018 was primarily attributable to the maturity of out-of-the-money contract months and the decrease in the Cdn$ WTI and US$ WTI forward benchmark prices at December 31, 2018 compared to December 31, 2017.

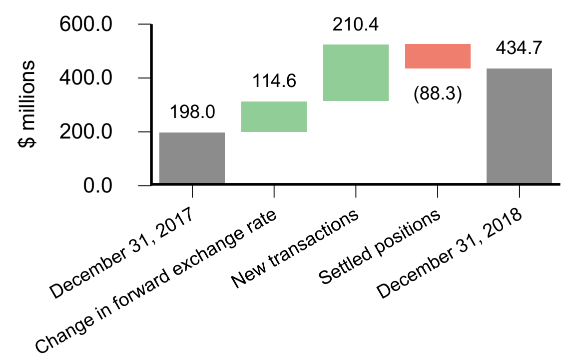
The total unrealized derivative gain was also attributable to a $236.7 million unrealized derivative gain on cross currency swaps ("CCS") compared to a $175.3 million unrealized derivative loss in 2017. The unrealized CCS derivative gain for the year ended December 31, 2018 was primarily the result of the weaker forward Canadian dollar at December 31, 2018 compared to December 31, 2017. The unrealized CCS derivative loss for the year ended December 31, 2017 was primarily the result of the stronger forward Canadian dollar at December 31, 2017 compared to December 31, 2016.

Exhibit 8

Change in Commodity Risk Management Net Asset (Liability) (1)
December 31, 2017 to December 31, 2018



Change in Cross Currency Risk Management Net Asset
December 31, 2017 to December 31, 2018



(1) Includes oil and gas contracts.

Oil and Gas Sales

($ millions) (1)	**2018**	2017	% Change
Crude oil sales	**3,555.3**	3,017.2	18
NGL sales	**243.3**	185.2	31
Natural gas sales	**88.9**	101.5	(12)
Total oil and gas sales	**3,887.5**	3,303.9	18

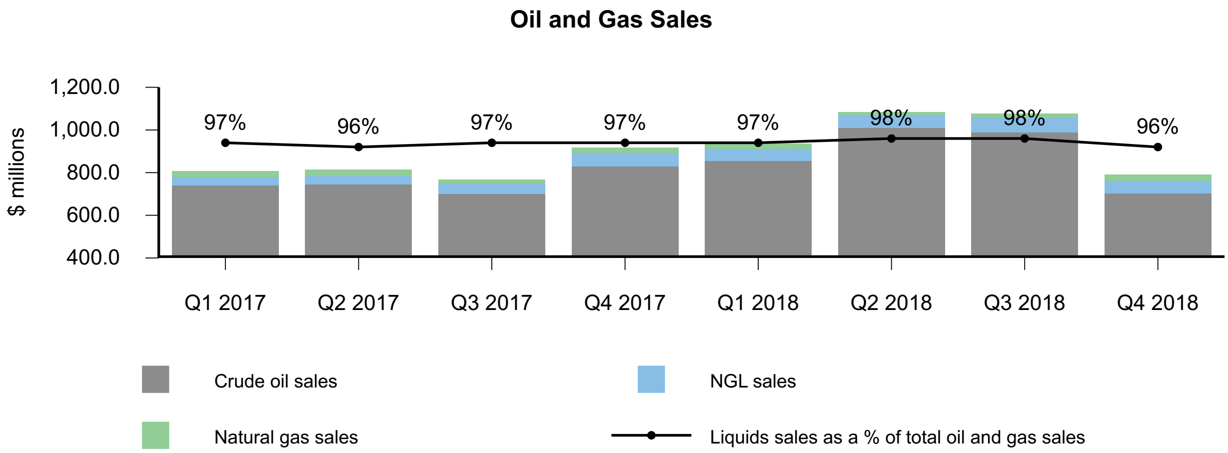
(1) Oil and gas sales are reported before realized derivatives.

Crude oil sales increased 18 percent in the year ended December 31, 2018, from $3.02 billion in 2017 to $3.56 billion in 2018, primarily due to the 18 percent increase in realized prices.

NGL sales increased 31 percent in the year ended December 31, 2018 compared to 2017, primarily due to the 21 percent increase in realized NGL prices, and the 9 percent increase in NGL production.

Natural gas sales decreased 12 percent in the year ended December 31, 2018 compared to 2017, primarily due to the 14 percent decrease in realized natural gas prices, driven by the decrease in the AECO daily benchmark price, partially offset by the 2 percent increase in natural gas production.

Exhibit 9

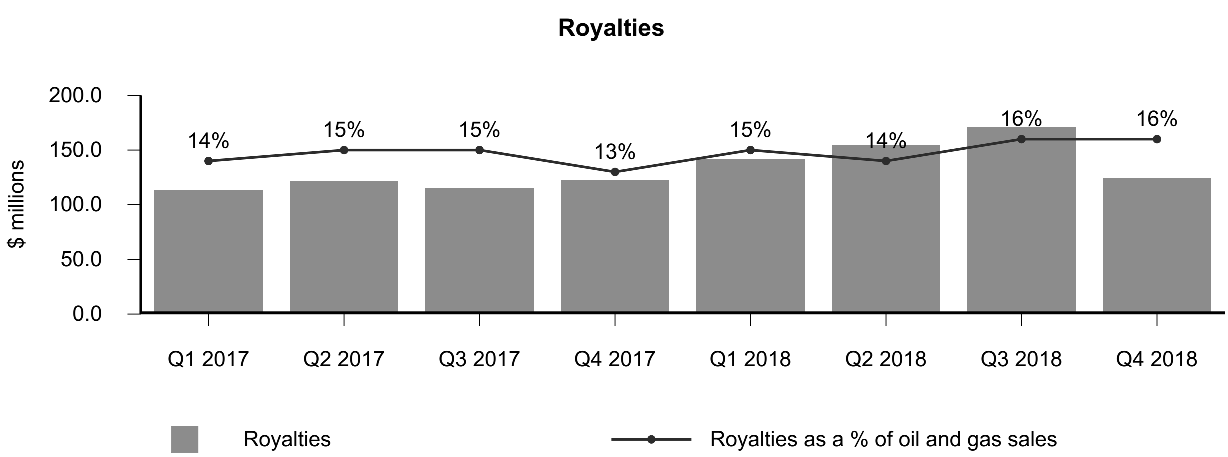


Royalties

($ millions, except % and per boe amounts)	2018	2017	% Change
Royalties	**592.4**	472.2	25
As a % of oil and gas sales	**15**	14	1
Per boe	**9.11**	7.35	24

Royalties increased 25 percent in the year ended December 31, 2018 compared to 2017, largely due to the 18 percent increase in oil and gas sales. Royalties as a percentage of oil and gas sales increased by 1 percent for the year ended December 31, 2018 primarily due to growing revenues in the United States with higher associated royalty burdens.

Exhibit 10

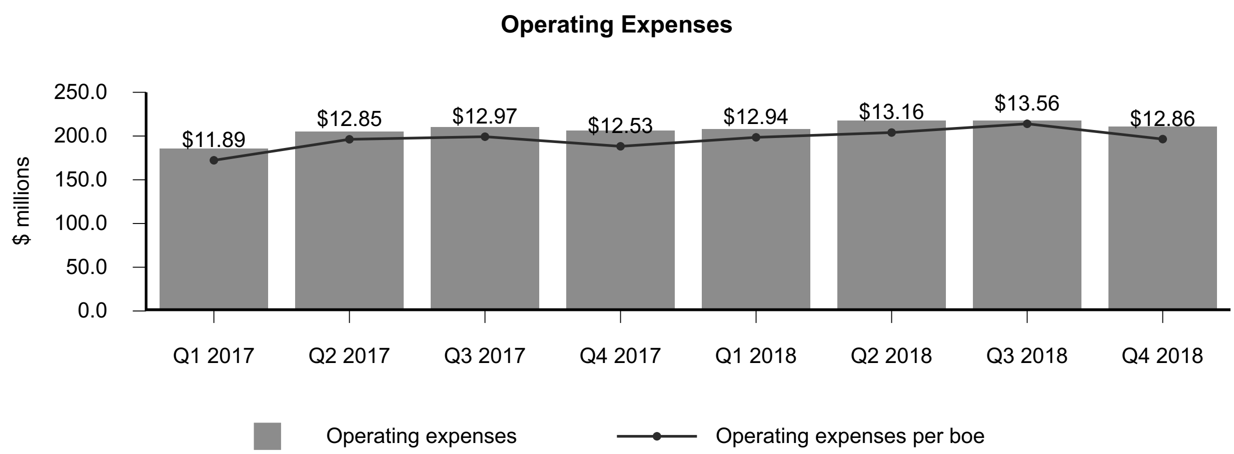


Operating Expenses

($ millions, except per boe amounts)	2018	2017	% Change
Operating expenses	**853.8**	807.2	6
Per boe	**13.13**	12.56	5

Operating expenses per boe increased 5 percent in the year ended December 31, 2018 compared to 2017. Overall maintenance activity levels increased in 2018 in conjunction with stronger commodity prices, resulting in higher labour, trucking, chemical and repairs and maintenance costs. In addition, increases in Saskatchewan power rates contributed to higher operating costs.

Exhibit 11

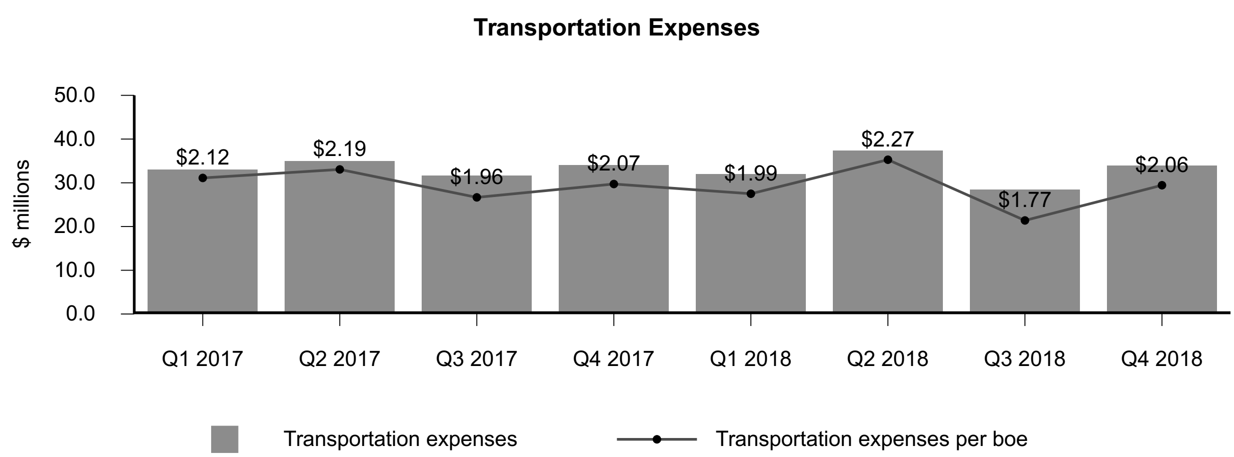


Transportation Expenses

($ millions, except per boe amounts)	2018	2017	% Change
Transportation expenses	**131.7**	133.8	(2)
Per boe	**2.02**	2.08	(3)

Transportation expenses per boe decreased in the year ended December 31, 2018 compared to 2017 primarily due to growing production in the United States which have lower associated transportation expenses.

Exhibit 12



Netback

	2018	2017	
	Total [(2)] ($/boe)	Total [(2)] ($/boe)	% Change
Average selling price	**59.78**	51.43	16
Royalties	**(9.11)**	(7.35)	24
Operating expenses	**(13.13)**	(12.56)	5
Transportation expenses	**(2.02)**	(2.08)	(3)
Operating netback [(1)]	**35.52**	29.44	21
Realized gain (loss) on derivatives	**(4.00)**	1.58	(353)
Netback [(1)]	**31.52**	31.02	2

(1) Non-GAAP financial measure that does not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable with the calculation of similar measures presented by other entities. Refer to the Non-GAAP Financial Measures section in this MD&A for further information.

(2) The dominant production category for the Company's properties is crude oil. These properties include associated natural gas and NGL volumes, therefore, the total operating netback and netback have been presented.

The Company's operating netback for the year ended December 31, 2018 increased 21 percent to $35.52 per boe from $29.44 per boe in 2017. The increase in the Company's operating netback was primarily the result of the increase in average selling price and the decrease in transportation expenses, partially offset by the increases in royalties and operating expenses. The increase in the Company's netback was the result of the increase in the operating netback, partially offset by the loss on commodity derivatives.

Exhibit 13

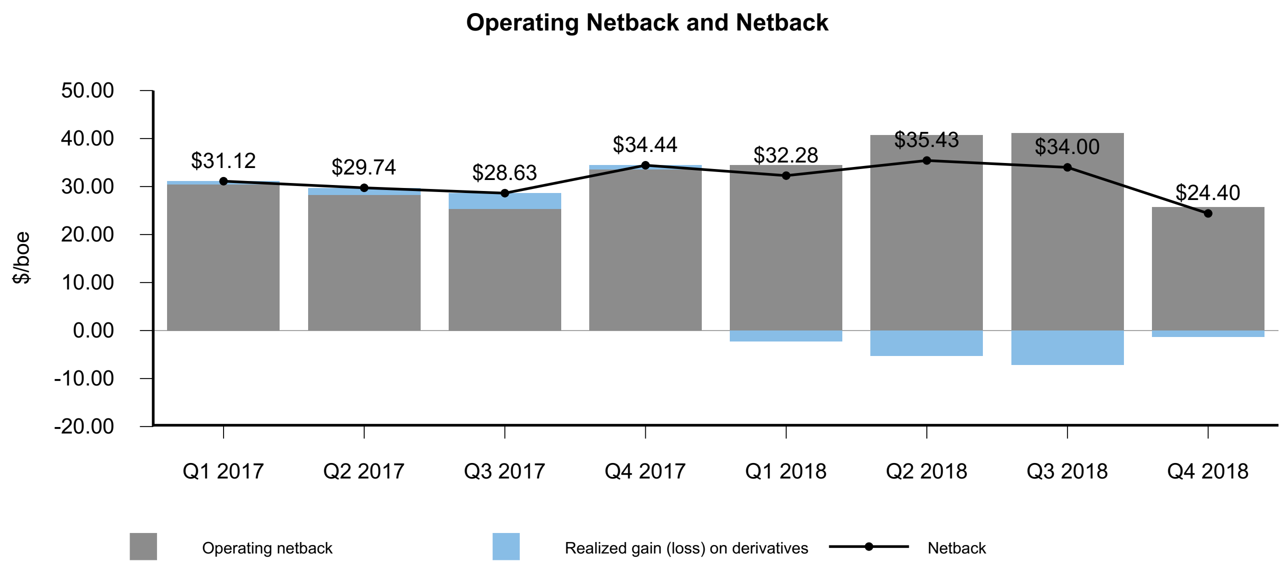
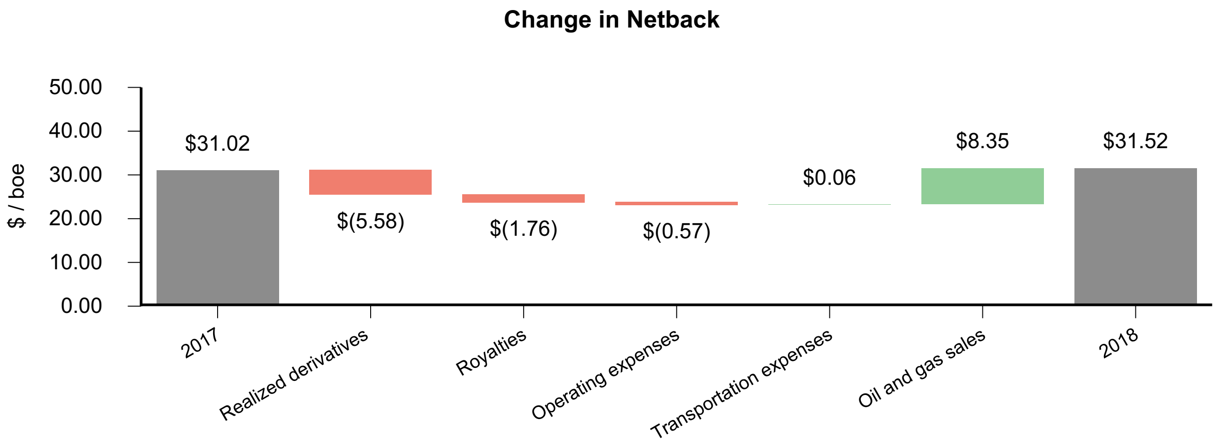


Exhibit 14



General and Administrative Expenses

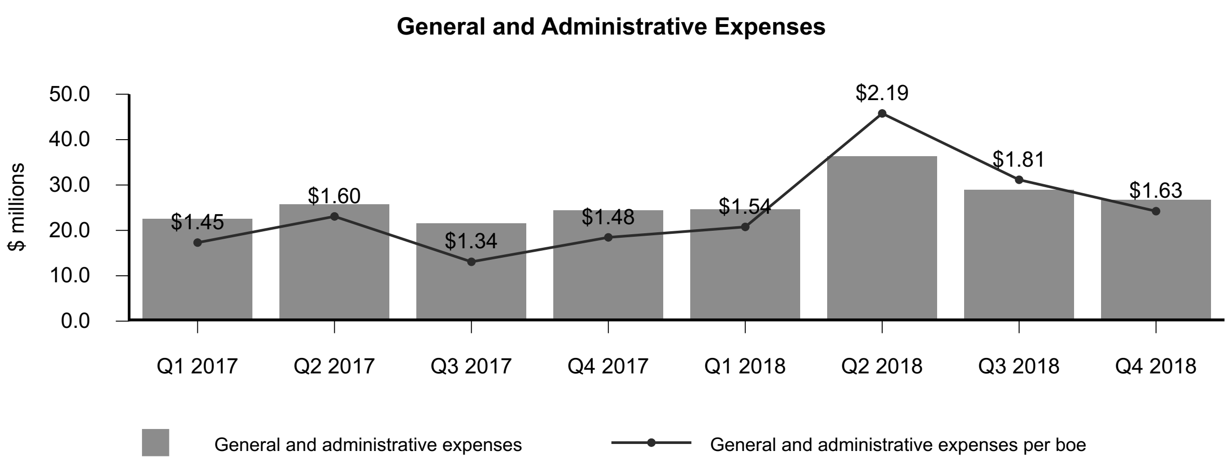
($ millions, except per boe amounts)	**2018**	2017	% Change
General and administrative costs	**162.2**	136.4	19
Capitalized	**(40.3)**	(38.4)	5
Total general and administrative expenses	**121.9**	98.0	24
Transaction costs	**(5.1)**	(3.7)	38
General and administrative expenses	**116.8**	94.3	24
Per boe	**1.80**	1.47	22

General and administrative ("G&A") expenses increased $22.5 million or 24 percent in the year ended December 31, 2018 compared to 2017, primarily due to non-recurring severance costs of $19.1 million from an organizational restructuring, which resulted in a 17 percent decrease in the Company's workforce. In addition, increased shareholder costs and lower overhead recoveries also contributed to the increase in G&A expenses.

G&A expenses per boe increased 22 percent in the year ended December 31, 2018 compared to 2017. The increase was due to the increase in total G&A as noted above, partially offset by slightly higher production volumes.

Transaction costs incurred in the year ended December 31, 2018 relate primarily to major and minor property acquisitions and dispositions. Refer to the Capital Acquisitions and Dispositions section in this MD&A for further information.

Exhibit 15



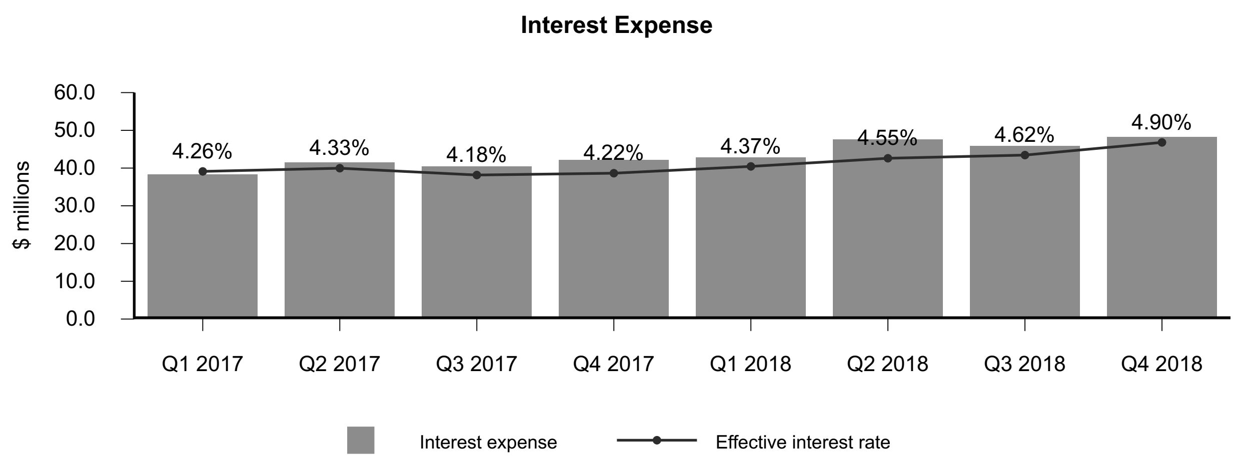
Interest Expense

($ millions, except per boe amounts)	**2018**	2017	% Change
Interest expense	**184.4**	162.3	14
Per boe	**2.84**	2.53	12

In the year ended December 31, 2018, interest expense per boe and interest expense increased 12 percent and 14 percent, respectively, compared to 2017, due to the increase in market interest rates. The Company's effective interest rate in the year ended December 31, 2018 increased to 4.61 percent from 4.25 percent in 2017.

Crescent Point actively manages interest rate exposure through a combination of interest rate swaps and a debt portfolio including short-term floating rate bank debt and long-term fixed rate senior guaranteed notes. At December 31, 2018, 57 percent of the Company's long-term debt, including the impact of CCS and the foreign exchange swap on its US dollar senior guaranteed notes, had fixed interest rates.

Exhibit 16



Foreign Exchange Gain (Loss)

($ millions)	**2018**	2017	% Change
Realized gain (loss)			
CCS - US dollar long-term debt maturities and interest payments	**88.3**	(39.3)	(325)
US dollar long-term debt maturities	**(70.3)**	54.6	(229)
Other	**4.3**	(0.6)	(817)
Unrealized gain (loss)			
Translation of US dollar long-term debt	**(254.2)**	201.2	(226)
Other	**(2.1)**	(0.2)	950
Foreign exchange gain (loss)	**(234.0)**	215.7	(208)

The Company has US dollar denominated debt, including London Inter-bank Offered Rate ("LIBOR") loans under its bank credit facilities and US dollar senior guaranteed notes. Concurrent with the drawdown of US$1.41 billion of LIBOR loans and the issuance of US$1.45 billion senior guaranteed notes, the Company entered into various CCS to hedge its foreign exchange exposure. Under the terms of the CCS, the US dollar amounts of the LIBOR loans and senior guaranteed notes were fixed for purposes of interest and principal repayments at notional amounts of $1.86 billion and $1.58 billion, respectively. Concurrent with the issuance of US$30.0 million senior guaranteed notes, the Company entered a foreign exchange swap which fixed the principal repayment at a notional amount of $32.2 million. The unrealized derivative gains and losses on the CCS and foreign exchange swap are recognized in derivative gains and losses. Refer to the Derivatives section in this MD&A for further information.

The Company records unrealized foreign exchange gains or losses on the translation of the US dollar long-term debt and related accrued interest. During the year ended December 31, 2018, the Company recorded an unrealized foreign exchange loss of $254.2 million on the translation of US dollar long-term debt and accrued interest compared to an unrealized gain of $201.2 million in 2017. The unrealized foreign exchange loss from the translation of US dollar long-term debt and accrued interest for the year ended December 31, 2018 is attributable to a weaker Canadian dollar at December 31, 2018 as compared to December 31, 2017.

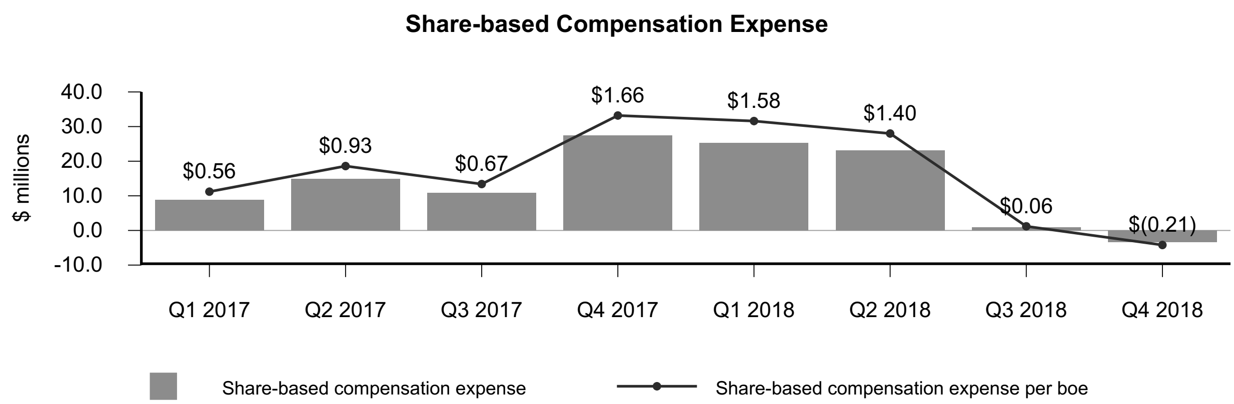
Share-based Compensation Expense

($ millions, except per boe amounts)	**2018**	2017	% Change
Share-based compensation costs	**53.7**	74.0	(27)
Capitalized	**(7.7)**	(12.0)	(36)
Share-based compensation expense	**46.0**	62.0	(26)
Per boe	**0.71**	0.97	(27)

During the year ended December 31, 2018, the Company recorded share-based compensation costs of $53.7 million. The 27 percent decrease in the year ended December 31, 2018 was due to the decrease in the Company's share price and the impact on its share-based compensation plans. The Company recorded share-based compensation expense of $2.8 million related to an organizational restructuring in the year ended December 31, 2018.

During the year ended December 31, 2018, the Company capitalized share-based compensation costs of $7.7 million, a decrease of 36 percent from 2017. The decrease was primarily due to the decrease in total share-based compensation costs as noted above.

Exhibit 17



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 shares are settled upon vesting, at the Company's discretion, in common shares or cash.

Under the Restricted Share Bonus Plan at December 31, 2018, the Company was authorized to issue up to 14,256,482 common shares (December 31, 2017 - 12,613,659 common shares). The Company had 3,241,684 restricted shares outstanding at December 31, 2018 (December 31, 2017 - 3,589,024 restricted shares outstanding).

As of the date of this report, the Company had 3,324,082 restricted shares outstanding.

Performance Share Unit Plan

The Company has a PSU Plan for designated employees. The PSUs vest on terms up to three years from the grant date as determined by the Board of Directors. PSUs are settled in cash upon vesting based on the prevailing Crescent Point share price, accrued dividends and the performance multipliers. Based on underlying units prior to any effect of the performance multiplier, the Company had 2,246,314 PSUs outstanding at December 31, 2018 (December 31, 2017 - 4,460,046 PSUs outstanding).

As of the date of this report, the Company had 4,732,353 PSUs outstanding based on underlying units prior to any effect of the performance multiplier.

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 301,614 DSUs outstanding at December 31, 2018 (December 31, 2017 - 229,470 DSUs outstanding).

As of the date of this report, the Company had 313,142 DSUs outstanding.

Stock Option Plan

In May 2018, the Company approved a Stock Option Plan for designated employees. The Options have a maximum term of seven years and vest on terms as determined by the Board of Directors. Share-based compensation expense is determined based on the estimated fair value of the stock options on the date of the grant. The Company had 2,048,115 stock options outstanding at December 31, 2018 (December 31, 2017 - nil) at a weighted average exercise price of $10.03 per share.

As of the date of this report, the Company had 2,048,115 stock options outstanding.

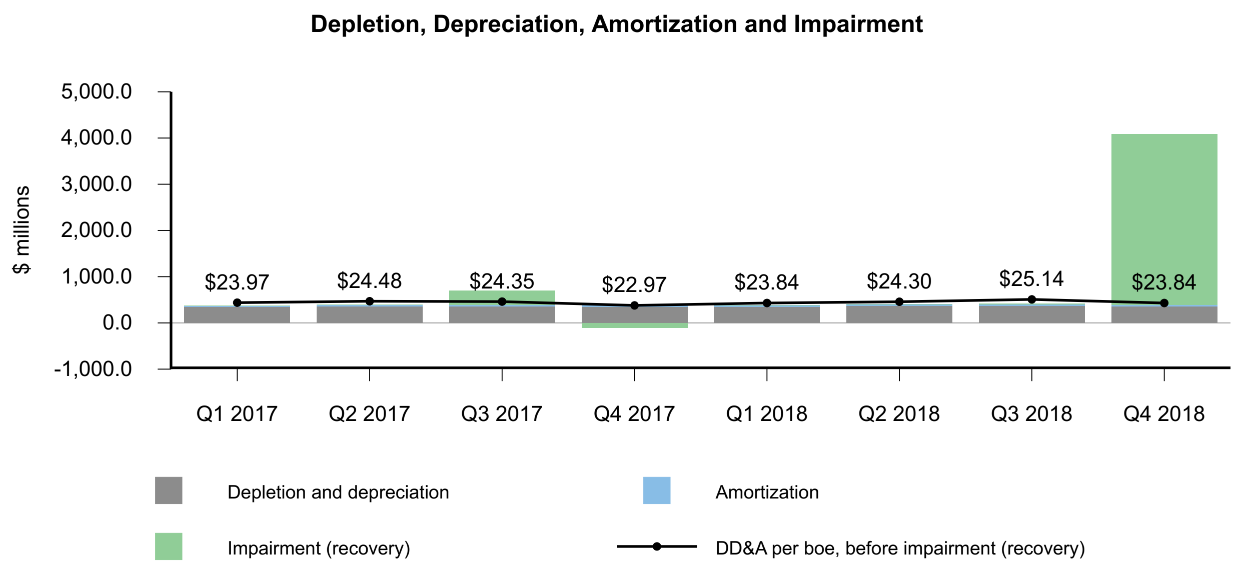
Depletion, Depreciation, Amortization and Impairment

($ millions, except per boe amounts)	**2018**	2017	% Change
Depletion and depreciation	**1,421.6**	1,403.5	1
Amortization of exploration and evaluation undeveloped land	**157.2**	134.3	17
Depletion, depreciation and amortization	**1,578.8**	1,537.8	3
Impairment	**3,705.9**	203.6	1,720
Depletion, depreciation, amortization and impairment	**5,284.7**	1,741.4	203
Per boe, before impairment	**24.28**	23.94	1
Per boe	**81.26**	27.11	200

The Company's depletion, depreciation and amortization ("DD&A") rate before impairment remained relatively consistent for the year ended December 31, 2018 compared to 2017.

During the year ended December 31, 2018 the Company recorded impairment expense of $3.71 billion on its development and production assets. The impairment charge reflects the estimated fair value of the Company's assets in the current macroeconomic environment facing Canadian oil and gas companies, including higher cost of capital, regulatory uncertainty and egress limitations, challenged acquisition and divestment markets and significant volatility in commodity prices and differentials. The value of the Company's assets was estimated based on independent evaluator pricing, proved plus probable reserves and discount rates ranging from 15-18 percent. The impairment charge does not impact the Company's adjusted funds flow, adjusted net earnings from operations or the amount of credit available under our bank credit facilities. The impairment can be reversed in future periods up to the original carrying value less any associated DD&A, should there be indicators that the value of the assets has increased.

Exhibit 18



Other Income (Loss)

The Company recorded other losses of $143.5 million in the year ended December 31, 2018 compared to other income of $27.8 million in 2017. The other losses in the year ended December 31, 2018 were comprised primarily of losses on capital dispositions and net unrealized losses on long-term investments. The other income in the year ended December 31, 2017 were comprised primarily of gains on capital dispositions, partially offset by unrealized losses on long-term investments.

Taxes

($ millions)	**2018**	2017	% Change
Current tax expense (recovery)	**0.3**	(1.7)	(100)
Deferred tax expense (recovery)	**(938.8)**	102.1	(1,019)

Current Tax Expense (Recovery)

In the year ended December 31, 2018, the Company recorded current tax expense of $0.3 million compared to a current tax recovery of $1.7 million in 2017. The current tax recovery of $1.7 million in the year ended December 31, 2017 was primarily comprised of investment tax credits earned through research and development expenditures on drilling and development activities. Refer to the Company's Annual Information Form for the year ended December 31, 2018 for information on the Company's expected tax horizon.

Deferred Tax Expense (Recovery)

In the year ended December 31, 2018, the Company recorded a deferred tax recovery of $938.8 million compared to a deferred tax expense of $102.1 million in 2017. The deferred tax recovery in the year ended December 31, 2018 is primarily the result of the net loss before income tax in 2018, which resulted primarily due to the impairment expense recorded in the year.

The deferred income tax expense in the year ended December 31, 2017 was primarily due to the impact of the decrease in the U.S. federal corporate tax rate. On December 22, 2017, the United States government enacted the Tax Cuts and Jobs Act, significantly amending U.S. federal income tax provisions which apply to Crescent Point’s U.S. subsidiary, Crescent Point Energy U.S. Corp. (“CPEUS”). The most significant change impacting CPEUS was the reduction in the federal corporate income tax rate from 35% to 21%, effective January 1, 2018. In the fourth quarter of 2018, the United States government issued proposed regulations to the interest deductibility, base erosion minimum tax, and anti-hybrid rules. Crescent Point does not expect these other amendments or proposed regulations to materially impact the Company’s ongoing provision for current income taxes. The impact of the legislation could differ from expectations, however, due to, among other things, changes in interpretations or assumptions or the announcement of any additional regulations or guidance relating to the legislation.

The deferred tax expense for 2017 also reflects the benefit from the decrease to the Saskatchewan corporate tax rate during the last six months of the year from 12% to 11.5%, as well as a benefit associated with a change in estimated future usable tax pools.

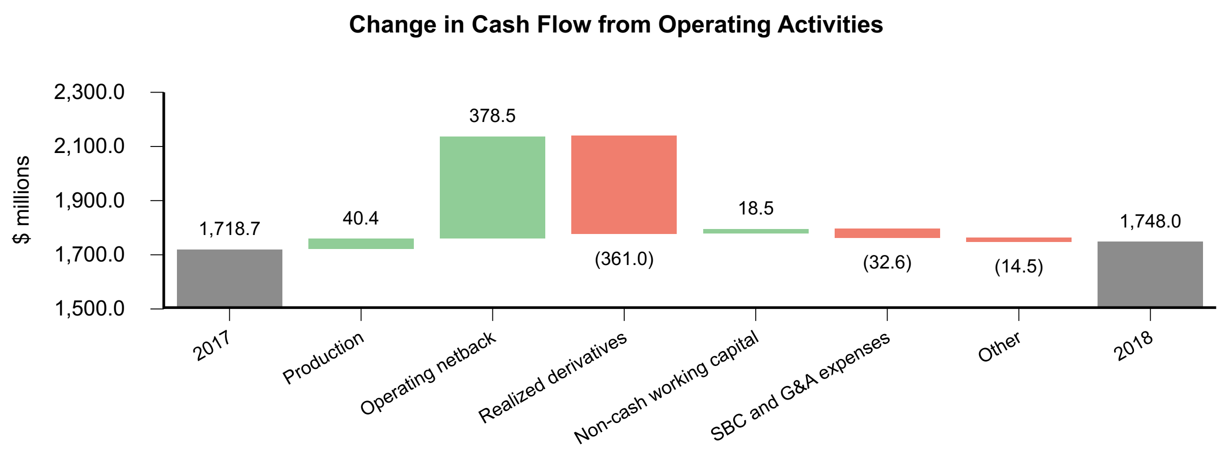
Cash Flow from Operating Activities, Adjusted Funds Flow from Operations, Net Income (Loss) and Adjusted Net Earnings from Operations

($ millions, except per share amounts)	**2018**	2017	% Change
Cash flow from operating activities	**1,748.0**	1,718.7	2
Adjusted funds flow from operations (1)	**1,741.2**	1,728.8	1
Net income (loss)	**(2,616.9)**	(124.0)	2,010
Net income (loss) per share - diluted	**(4.77)**	(0.23)	1,974
Adjusted net earnings from operations (1)	**234.6**	100.0	135
Adjusted net earnings from operations per share - diluted (1)	**0.43**	0.18	139

(1) Non-GAAP financial measure that does not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable with the calculation of similar measures presented by other entities. Refer to the Non-GAAP Financial Measures section in this MD&A for further information.

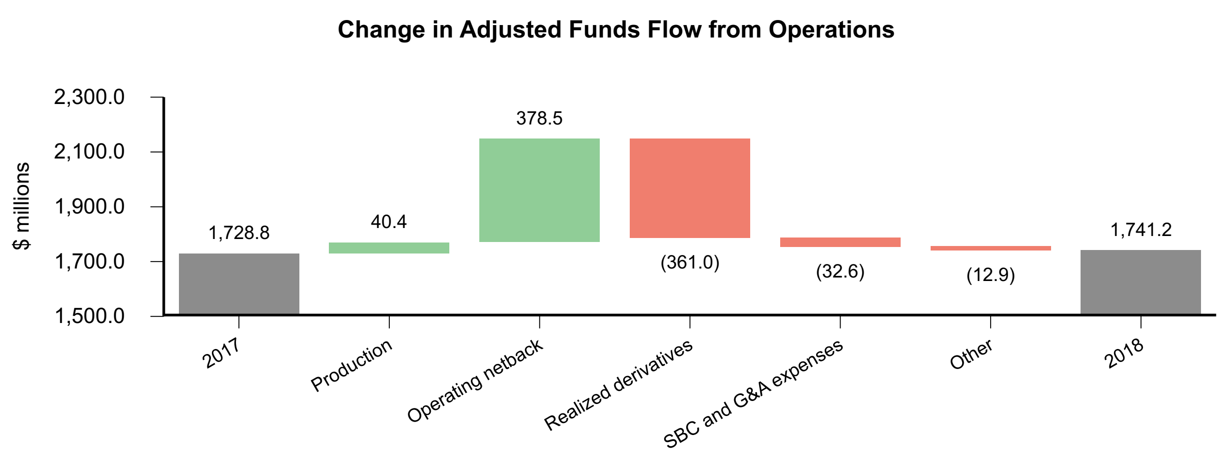
Cash flow from operating activities increased 2 percent to $1.75 billion in the year ended December 31, 2018, compared to $1.72 billion in 2017, due to the changes in adjusted funds flow from operations and fluctuations in working capital, transaction costs and decommissioning expenditures.

Exhibit 19



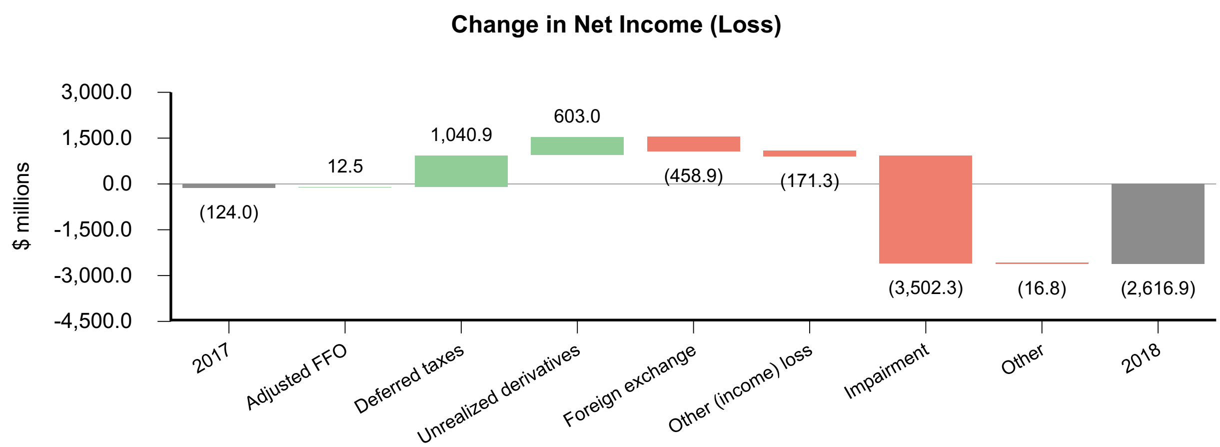
Adjusted funds flow from operations increased to $1.74 billion in the year ended December 31, 2018 from $1.73 billion in 2017. The increase is primarily the result of the increases in operating netback and production volumes, partially offset by the realized hedging loss, interest, cash-settled share-based compensation and severance charges.

Exhibit 20



The Company reported a net loss of $2.62 billion in the year ended December 31, 2018, compared to a net loss of $124.0 million in 2017, primarily as a result of the increase in impairment expense, the foreign exchange loss on long-term debt and losses on dispositions, partially offset by the unrealized derivative gain, the increase in adjusted funds flow from operations and fluctuations in deferred taxes. In the year ended December 31, 2018, the Company recorded net loss per share - diluted of $4.77 compared to net loss per share - diluted of $0.23 in 2017, due to the same reasons discussed above.

Exhibit 21



The Company reported adjusted net earnings from operations of $234.6 million in the year ended December 31, 2018 compared to adjusted net earnings of $100.0 million in 2017, primarily as a result of the increase in adjusted funds flow from operations, the decrease in equity-settled share-based compensation and fluctuations in deferred taxes. Adjusted net earnings from operations per share - diluted increased 139 percent to $0.43 in 2018 compared to $0.18 in 2017, primarily due to the same reasons discussed above.

Dividends

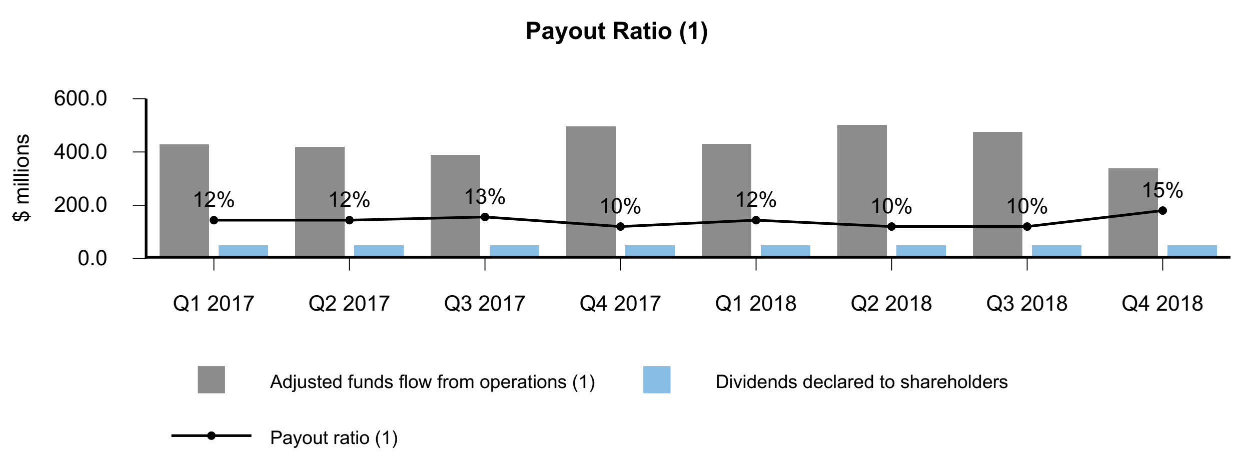
The following table provides a reconciliation of dividends:

($ millions, except per share amounts)	**2018**	2017	% Change
Accumulated dividends, beginning of year	**7,408.6**	7,210.9	3
Dividends declared to shareholders	**198.5**	197.7	—
Accumulated dividends, end of year	**7,607.1**	7,408.6	3
Accumulated dividends per share, beginning of year	**31.80**	31.44	1
Dividends declared to shareholders per share	**0.36**	0.36	—
Accumulated dividends per share, end of year	**32.16**	31.80	1

Dividends remained relatively consistent in the year ended December 31, 2018 compared to 2017.

On January 15, 2019, the Company announced a change to the dividend policy to a quarterly cash dividend of $0.01 per share.

Exhibit 22



(1) Non-GAAP financial measure that does not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable with the calculation of similar measures presented by other entities. Refer to the Non-GAAP Financial Measures section in this MD&A for further information.

Long-Term Investments

Public Companies

The Company holds common shares in publicly traded oil and gas companies. The investments are classified as financial assets at fair value through profit or loss and are fair valued each period with the resulting gain or loss recorded in net income. At December 31, 2018, the investments were recorded at a fair value of $8.7 million which was $2.6 million more than the original cost of the investments.

Private Company

During the year ended December 31, 2018, the Company disposed of its common shares in a private oil and gas company. The investment was classified as financial assets at fair value through profit or loss and fair valued each period with the resulting gain or loss recorded in net income.

Other Long-Term Assets

At December 31, 2018, other long-term assets consist of $18.7 million related to the reclamation fund and $15.8 million of investment tax credits.

The reclamation fund in 2018 remained unchanged from 2017 due to $27.6 million of expenditures offset by contributions of $27.6 million. The expenditures related primarily to decommissioning work completed in Alberta, Saskatchewan and the United States.

Related Party Transactions

All related party transactions are recorded at the exchange amount.

During the year ended December 31, 2018, Crescent Point recorded $11.6 million (year ended December 31, 2017 - $12.9 million) of expenditures in the normal course of business to an oilfield services company of which a director of Crescent Point is a director and officer. The oilfield services company is one of only a few specialized service providers in their area of expertise with capacity and geographical presence to meet the Company's needs. The service company was selected, along with a few other key vendors, to provide goods and services as part of a comprehensive and competitive request for proposal process with key factors of its success being the unique nature of proprietary products, the ability to service specific geographic regions, proven safety performance and/or competitive pricing.

Key management personnel of the Company consists 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 and PSU Plan. The Company recorded $7.7 million (year ended December 31, 2017 - $7.5 million) relating to compensation of key management personnel and $11.3 million (year ended December 31, 2017 - nil) relating to executive severance as general and administrative expenses for the year ended December 31, 2018. Share-based compensation costs relating to compensation of key management personnel and severance were $22.6 million (year ended December 31, 2017 – $21.7 million) and $2.8 million (year ended December 31, 2017 - nil), respectively.

Capital Expenditures

($ millions)	**2018**	2017	% Change
Capital acquisitions (dispositions), net [1]	**(340.5)**	1.8	(19,017)
Development capital expenditures	**1,769.8**	1,812.1	(2)
Capitalized administration [2]	**40.3**	38.4	5
Corporate assets	**7.7**	4.2	83
Total	**1,477.3**	1,856.5	(20)

(1) Capital acquisitions (dispositions), net represent total consideration for the transactions including net debt and acquired common shares and excludes transaction costs.

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

Capital Acquisitions and Dispositions

Major Property Disposition

Southeast Saskatchewan Asset Disposition

In the year ended December 31, 2018, the Company completed the disposition of non-core assets in southeast Saskatchewan and southwest Manitoba for total proceeds of $213.4 million, resulting in a loss on capital disposition of $57.1 million. This disposition was completed with full tax pools and no working capital items.

Minor Property Acquisitions and Dispositions

In the year ended December 31, 2018, the Company completed minor property acquisitions and dispositions including assets and associated liabilities held for sale at December 31, 2017 for total net proceeds of $127.1 million, resulting in a total loss on capital dispositions of $72.0 million. These minor property acquisitions and dispositions were completed with full tax pools and no working capital items.

Development Capital Expenditures

The Company's development capital expenditures in the year ended December 31, 2018 were $1.77 billion, compared to $1.81 billion in 2017. In 2018, 755 (605.4 net) wells were drilled and $233.6 million was spent on on facilities, land and seismic.

Crescent Point's budgeted capital expenditure guidance for 2019 is $1.20 billion to $1.30 billion, excluding any net land and property acquisitions.

Goodwill

The Company's goodwill balance is attributable to corporate acquisitions completed during the period 2003 through 2012. The goodwill balance as at December 31, 2018 was $244.0 million compared to $251.9 million at December 31, 2017. The decrease of $7.9 million is attributable to the southeast Saskatchewan asset disposition and other minor property dispositions.

Other Current Liabilities

At December 31, 2018, other current liabilities consist of $6.5 million related to the current portion of long-term compensation liability, $3.4 million related to a lease inducement, $2.6 million related to the estimated unrecoverable portion of building leases and $26.9 million related to decommissioning liability.

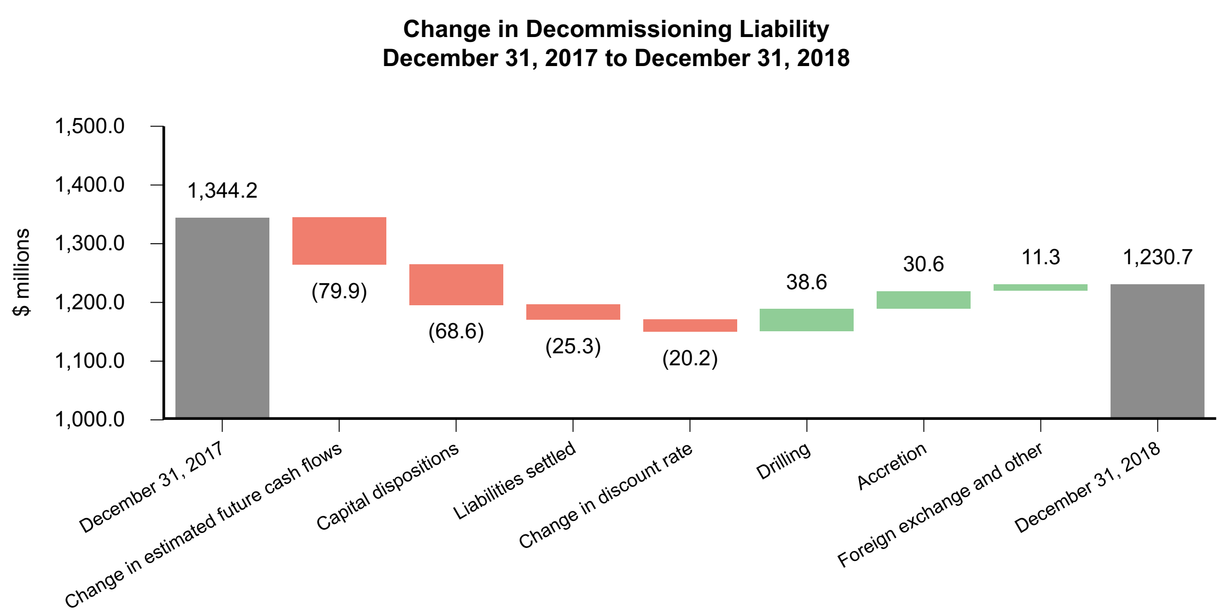
Other Long-Term Liabilities

At December 31, 2018, other long-term liabilities consist of $3.5 million of long-term compensation liability related to share-based compensation, $36.4 million related to a lease inducement and $8.4 million related to the estimated unrecoverable portion of building leases. The Company's lease inducement is associated with the building lease for Crescent Point's corporate office. This non-cash liability is amortized on a straight-line basis over the term of the lease to June 2030.

Decommissioning Liability

The decommissioning liability decreased by $113.5 million during 2018 from $1.34 billion at December 31, 2017 to $1.23 billion at December 31, 2018. The liability was based on estimated undiscounted cash flows to settle the obligation of $1.29 billion.

Exhibit 23



Liquidity and Capital Resources

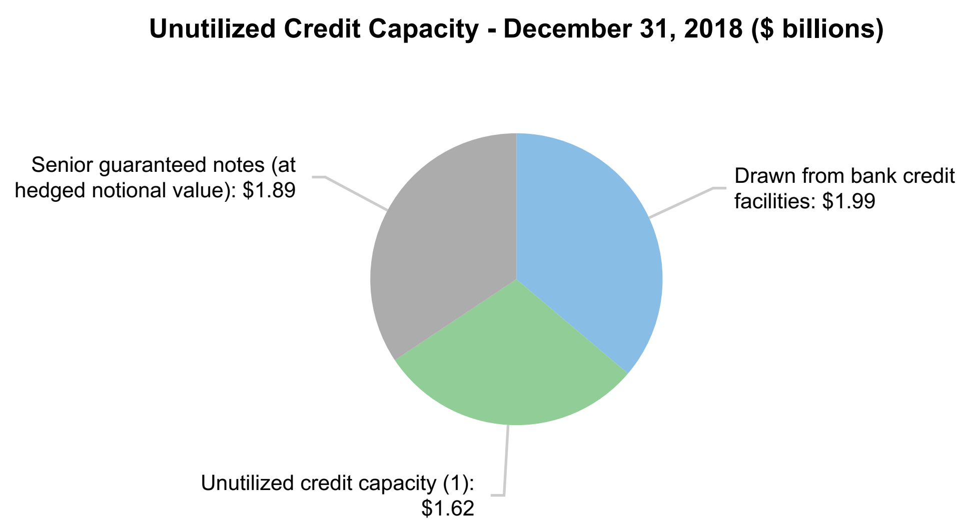
Capitalization Table ($ millions, except share, per share, ratio and percent amounts)	**December 31, 2018**	December 31, 2017
Net debt [1]	**4,011.3**	4,024.9
Shares outstanding	**550,151,561**	545,794,384
Market price at end of year (per share)	**4.14**	9.58
Market capitalization [1]	**2,277.6**	5,228.7
Enterprise value [1]	**6,288.9**	9,253.6
Net debt as a percentage of enterprise value	**64**	43
Adjusted funds flow from operations [1] [2]	**1,741.2**	1,728.8
Net debt to adjusted funds flow from operations [1]	**2.3**	2.3

(1) Non-GAAP financial measure that does not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable with the calculation of similar measures presented by other entities. Refer to the Non-GAAP Financial Measures section in this MD&A for further information.

(2) The sum of adjusted funds flow from operations for the trailing four quarters.

At December 31, 2018, Crescent Point's enterprise value was $6.29 billion and the Company was capitalized with 36 percent equity compared to $9.25 billion and 57 percent at December 31, 2017, respectively. The Company's net debt to adjusted funds flow from operations ratio at December 31, 2018 remained consistent at 2.3 times compared to December 31, 2017.

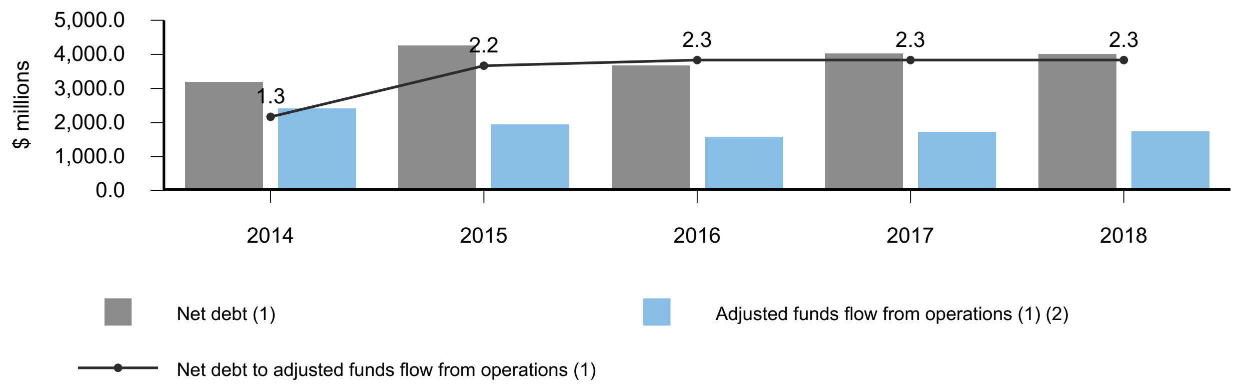
Exhibit 24



(1) Includes cash of $15.3 million.

Exhibit 25

Net Debt to Adjusted Funds Flow from Operations (1)



(1) Non-GAAP financial measure that does not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable with the calculation of similar measures presented by other entities. Refer to the Non-GAAP Financial Measures section in this MD&A for further information.

(2) The sum of adjusted funds flow from operations for the trailing four quarters.

The Company has combined credit facilities of $3.60 billion, including a $3.50 billion syndicated unsecured credit facility with fourteen banks and a $100.0 million unsecured operating credit facility with one Canadian chartered bank. The current maturity date of the syndicated unsecured credit facility and the unsecured operating credit facility is June 10, 2021. Both of these facilities constitute revolving credit facilities and are extendible annually. As at December 31, 2018, the Company had approximately $1.99 billion drawn on bank credit facilities, including $8.0 million outstanding pursuant to letters of credit, leaving unutilized borrowing capacity of approximately $1.62 billion including cash of $15.3 million.

The Company has made private offerings of senior guaranteed notes raising total gross proceeds of US$1.48 billion and Cdn$277.0 million. The notes are unsecured and rank pari passu with the Company's bank credit facilities and carry a bullet repayment on maturity. Crescent Point entered into various CCS and foreign exchange swaps to hedge its foreign exchange exposure on its US dollar long-term debt.

The Company is in compliance with all debt covenants at December 31, 2018 which are listed in the table below:

Covenant Description	Maximum Ratio	**December 31, 2018**
Senior debt to adjusted EBITDA (1) (2)	3.5	**2.2**
Total debt to adjusted EBITDA (1) (3)	4.0	**2.2**
Senior debt to capital (2) (4)	0.55	**0.42**

(1) Adjusted EBITDA is calculated as earnings before interest, taxes, depletion, depreciation, amortization and impairment, adjusted for certain non-cash items. Adjusted EBITDA is calculated on a trailing twelve month basis adjusted for material acquisitions and dispositions.

(2) Senior debt is calculated as the sum of amounts drawn on the combined facilities, outstanding letters of credit and the principal amount of the senior guaranteed notes.

(3) Total debt is calculated as the sum of senior debt plus subordinated debt. Crescent Point does not have any subordinated debt.

(4) Capital is calculated as the sum of senior debt and shareholder's equity and excludes the effect of unrealized derivative gains or losses.

Crescent Point's budgeted capital expenditure guidance for 2019 is $1.20 billion to $1.30 billion, excluding any net land and property acquisitions, with average 2019 production forecast at 170,000 boe/d to 174,000 boe/d.

The Company expects to finance its working capital deficiency and its ongoing working capital requirements through cash, adjusted funds flow from operations and its bank credit facilities.

Shareholders' Equity

At December 31, 2018, Crescent Point had 550.2 million common shares issued and outstanding compared to 545.8 million common shares at December 31, 2017. The increase of 4.4 million shares relates to shares issued pursuant to the Restricted Share Bonus Plan.

Normal Course Issuer Bid ("NCIB")

On January 23, 2019, the Company announced the approval by the Toronto Stock Exchange of its notice to implement a NCIB. The NCIB allows the Company to purchase, for cancellation, up to 38,424,678 common shares, or seven percent of the Company's public float, as at January 14, 2019. The NCIB commenced on January 25, 2019 and is due to expire on January 24, 2020.

As of the date of this report, the Company has purchased, for cancellation, 1,284,400 common shares for total consideration of $5.0 million.

Contractual Obligations and Commitments

The Company has assumed various contractual obligations and commitments in the normal course of operations. At December 31, 2018, the Company had contractual obligations and commitments as follows:

($ millions)	1 year	2 to 3 years	4 to 5 years	More than 5 years	Total
Operating leases (building, vehicle and equipment) (1)	35.3	64.5	54.3	194.5	348.6
Senior guaranteed notes (2)	156.9	486.7	767.0	843.1	2,253.7
Bank credit facilities (3)	108.2	2,128.7	—	—	2,236.9
Transportation commitments	16.3	24.8	22.7	26.2	90.0
Total contractual commitments	316.7	2,704.7	844.0	1,063.8	4,929.2

(1) Included in operating leases are recoveries of rent expense on office space the Company has subleased of $44.8 million.

(2) These amounts include the notional principal and interest payments pursuant to the related CCS and foreign exchange swap, which fix the amounts due in Canadian dollars.

(3) These amounts include interest based on debt outstanding and interest rates effective as at December 31, 2018. The current maturity date of the Company's facilities is June 10, 2021. The Company expects that the facilities will be renewed and extended prior to their maturity dates.

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, 2018. 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 - "Significant Accounting Policies" in the annual consolidated financial statements for the year ended December 31, 2018. 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 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 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 its very nature, is 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 assets and liabilities recognize the extent that temporary differences will be receivable and payable in future periods. The calculation of the asset and 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 production at an acceptable price given market conditions; finding and producing reserves at a reasonable cost; volatility in market prices for oil and natural gas; volatility in crude oil price differentials; 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; adverse changes to income tax laws or other laws or government incentive programs and regulations relating to the oil and gas industry; 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.

In November 2015, the Province of Alberta released its Climate Leadership Plan which will impact businesses that contribute to carbon emissions in Alberta. The plan's four key areas include imposing carbon pricing that is applied across all sectors, starting at $20 per tonne on January 1, 2017 and moving to $30 per tonne on January 1, 2018, and a 45 percent reduction in methane emissions by the oil and gas sector by 2025. Prior to 2023, the plan is expected to have a minimal impact on the Company's results of operations as less than 10% of the Company's total production is from properties located in Alberta and the carbon levy exemption is available for fuel that is used, flared, or vented in a production process and sold to a consumer for use in an oil and gas production process. The Company continues to monitor developments in this plan for periods after 2023 and will evaluate the expected impact on its results of operations.

On June 21, 2018, the Government of Canada brought into force a pan-Canadian approach to the pricing of greenhouse gas emissions under the Greenhouse Gas Pollution Pricing Act ("GGPPA"). Previously, the federal government provided all Canadian provinces and territories a year to introduce their own carbon pricing models of either a cap and trade program or a carbon tax meeting a prescribed standard. For provinces that have failed to do so, including Saskatchewan, the federal government will begin to levy its own carbon tax on a broad set of emission sources on April 1, 2019. The initial carbon tax is $20 per tonne of GHG emissions and will increase by $10 per tonne per year until it reaches $50 per tonne in 2022. The federal government also has a greenhouse gas emission reporting requirement under the Canadian Environmental Protection Act, 1999 ("CEPA") whereby facilities that emitted 10,000 tonnes or more of GHGs in 2018 must report their emissions to Environment and Climate Change Canada.

On January 31, 2019, the Supreme Court of Canada released its decision in Orphan Well Association v Grant Thornton Ltd., overturning earlier decisions of the Alberta Court of Queen's Bench and the Alberta Court of Appeal to hold that receivers and trustees can no longer avoid the Alberta Energy Regulator (AER) legislated authority to: (i) impose abandonment orders against licensees, or (ii) require a licensee to pay a security deposit before approving a transfer when such a licensee is subject to formal insolvency proceedings. As a result, any financial resources of a bankrupt licensee in Alberta will first be used to satisfy outstanding abandonment obligations in respect of its unproductive assets. Remaining amounts, if any, will then satisfy the claims of secured creditors in accordance with the Bankruptcy and Insolvency Act. As a result of a recent Supreme Court of Canada decision, the provincial regulation of environmental liabilities and associated decommissioning liability in the oil and gas industry may face substantial changes in the near future. There remains a great deal of uncertainty as to what regulatory measures will be developed by the provinces, either on a province-by-province basis or in concert with the federal government to address the Orphan Well Association v Grant Thornton Ltd. decision. The impact of any such regulatory measures on the Corporation is uncertain at this time.

Refer to the Company's Annual Information Form for the year ended December 31, 2018 for additional information on the Company's risk factors.

Risk Management

Crescent Point is committed to identifying and managing its risks in the near term, as well as on a strategic and longer term basis at all levels in the organization in accordance with the Company's 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

In the current accounting period, the Company adopted the following changes to IFRS:

- IFRS 9 *Financial Instruments* - IFRS 9 was amended in July 2014 to include guidance to assess and recognize impairment losses on financial assets based on an expected loss model. The adoption of this amendment did not have a material impact on the valuation of its financial assets. The Company had previously early adopted IFRS 9 with a date of initial application of January 1, 2010 and the amendment to IFRS 9 which presented a new hedge accounting model.
- IFRS 15 *Revenue from Contracts with Customers* - The Company reviewed contracts with customers for its major revenue streams and concluded that the adoption of IFRS 15 did not have a material impact on the consolidated financial statements. The adoption of IFRS required the Company to expand its disclosures in the notes to the consolidated financial statements, including the disaggregation of revenue streams by product type.

In future accounting periods, the Company will adopt the following IFRS:

IFRS 16 *Leases*

IFRS 16 was issued January 2016 and replaces IAS 17 *Leases* and IFRIC 4 *Determining Whether an Arrangement Contains a Lease*. The standard introduces a single lessee accounting model for leases with required recognition of assets and liabilities for most leases, where the Company is acting as a lessee. The adoption of IFRS 16 for lessees eliminates the dual classification model of leases as either operating leases or finance leases, effectively treating almost all leases as finance leases. Certain short-term leases (less than 12 months) and leases of low-value assets are exempt from recognition and will continue to be treated as operating leases. There is no significant impact from the adoption of IFRS 16 for lessors as the dual classification model of leases and the accounting for lessors remains virtually unchanged. The standard is effective for fiscal years beginning on or after January 1, 2019 with early adoption permitted if the Company is also applying IFRS 15. The standard is required to be adopted either retrospectively or using a modified retrospective approach.

On January 1, 2019, the Company adopted IFRS 16 using the modified retrospective approach. The Company has applied the following practical expedients permitted under the standard. Some of these expedients are on a lease-by-lease basis and others are applicable by class of underlying assets.

- Account for leases with a remaining term of less than 12 months at January 1, 2019 as short-term leases;
- Account for lease payments as an expense and not recognize a right-of-use ("ROU") asset if the underlying asset is of a lower dollar value; and
- Use of the Company's previous assessment of impairment under IAS 37 for onerous contracts instead of re-assessing the ROU asset for impairment on January 1, 2019.

The Company has completed a detailed assessment on the impact of the standard on the consolidated financial statements. A number of leases have been identified with the most significant impact being the recognition of lease obligations on operating leases for office space and the corresponding ROU assets. The lease liability is calculated as the present value of the remaining lease payments, discounted using the Company's borrowing rate on January 1, 2019. The Company will record accretion expense on the lease liability and depreciation expense on the ROU asset and the associated ROU asset will be measured as follows on a lease-by-lease basis:

- The amount equal to the lease liability on January 1, 2019 with no impact on retained earnings: or
- The balance on January 1, 2019 as if IFRS 16 had always been applied on the commencement of the lease, using the Company's borrowing rate on January 1, 2019 and with an impact on retained earnings calculated as the difference between the lease liability and the ROU asset values.

Adoption of the new standard will result in the recognition of lease liabilities of approximately $220.0 million.

Outstanding Common Shares Data

As of the date of this report, the Company had 549,327,416 common shares outstanding.

Selected Annual Information

($ millions, except per share amounts)	2018	2017	2016
Oil and gas sales	**3,887.5**	3,303.9	2,548.5
Average daily production			
Crude oil (bbls/d)	**140,298**	139,996	133,172
NGLs (bbls/d)	**19,805**	18,250	17,372
Natural gas (mcf/d)	**108,376**	106,599	103,321
Total (boe/d)	**178,166**	176,013	167,764
Net income (loss) (1)	**(2,616.9)**	(124.0)	(932.7)
Net income (loss) per share (1)	**(4.77)**	(0.23)	(1.81)
Net income (loss) per share - diluted (1)	**(4.77)**	(0.23)	(1.81)
Adjusted net earnings from operations (2)	**234.6**	100.0	88.5
Adjusted net earnings from operations per share (2)	**0.43**	0.18	0.17
Adjusted net earnings from operations per share – diluted (2)	**0.43**	0.18	0.17
Cash flow from operating activities	**1,748.0**	1,718.7	1,524.3
Adjusted funds flow from operations (2)	**1,741.2**	1,728.8	1,572.5
Adjusted working capital (deficiency) (2) (3)	**(208.2)**	(133.3)	(277.0)
Total assets	**12,730.4**	16,005.3	16,163.6
Total liabilities	**6,117.6**	6,842.4	6,572.4
Net debt (2)	**4,011.3**	4,024.9	3,677.1
Total long-term derivative liability	**—**	16.6	3.0
Weighted average shares - diluted (millions)	**550.2**	546.8	519.3
Capital expenditures (4)	**1,477.3**	1,856.5	1,399.9
Dividends declared	**198.5**	197.7	260.3
Dividends declared per share	**0.36**	0.36	0.50

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

(2) Non-GAAP financial measure that does not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable with the calculation of similar measures presented by other entities. Refer to the Non-GAAP Financial Measures section in this MD&A for further information.

(3) Adjusted working capital deficiency is calculated as accounts payable and accrued liabilities, dividends payable and long-term compensation liablity, less cash, accounts receivable, prepaids and deposits and long-term investments.

(4) Capital expenditures exclude capitalized share-based compensation and include capital acquisitions and dispositions. Capital acquisitions and dispositions represent total consideration for the transactions including long-term debt, working capital assumed and acquired common shares, and excludes transaction costs.

Crescent Point's oil and gas sales, cash flow from operating activities, adjusted funds flow from operations and total assets have fluctuated for the years 2016 through 2018, primarily due to movement in the Cdn $ WTI benchmark price, fluctuations in corporate oil price differentials, numerous corporate and property acquisitions/dispositions and the Company's successful drilling program.

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 net impairments to PP&E along with associated fluctuations in deferred tax expense (recovery).

Adjusted net earnings from operations has fluctuated over the past three years primarily due to changes in adjusted funds flow from operations, depletion and share-based compensation expense along with associated fluctuations in the deferred tax expense (recovery).

Summary of Quarterly Results

	2018				2017			
($ millions, except per share amounts)	**Q4**	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Oil and gas sales	**791.6**	1,076.7	1,084.0	935.2	916.2	767.0	813.8	806.9
Average daily production								
Crude oil (bbls/d)	**140,281**	134,146	145,532	141,312	140,544	139,254	140,878	139,303
NGLs (bbls/d)	**20,210**	22,257	17,934	18,775	19,437	18,811	17,658	17,061
Natural gas (mcf/d)	**106,236**	107,231	110,110	109,983	113,963	108,021	102,471	101,791
Total (boe/d)	**178,198**	174,275	181,818	178,418	178,975	176,069	175,615	173,329
Net income (loss)	**(2,390.5)**	30.5	(166.2)	(90.7)	(56.4)	(270.6)	83.6	119.4
Net income (loss) per share	**(4.35)**	0.06	(0.30)	(0.17)	(0.10)	(0.50)	0.15	0.22
Net income (loss) per share – diluted	**(4.35)**	0.06	(0.30)	(0.17)	(0.10)	(0.50)	0.15	0.22
Adjusted net earnings (loss) from operations (1)	**(16.3)**	84.8	102.7	63.4	(35.1)	33.7	39.5	61.9
Adjusted net earnings (loss) from operations per share (1)	**(0.03)**	0.15	0.19	0.12	(0.06)	0.06	0.07	0.11
Adjusted net earnings (loss) from operations per share – diluted (1)	**(0.03)**	0.15	0.19	0.12	(0.06)	0.06	0.07	0.11
Cash flow from operating activities	**359.1**	474.1	452.8	462.0	449.6	437.0	415.9	416.2
Adjusted funds flow from operations (1)	**337.3**	474.7	500.3	428.9	494.7	389.0	418.0	427.1
Adjusted working capital (deficiency) (2)	**(208.2)**	(139.9)	(90.4)	(339.8)	(133.3)	(259.1)	(171.6)	(202.0)
Total assets	**12,730.4**	15,948.9	16,174.7	16,481.6	16,005.3	15,945.1	16,419.2	16,568.8
Total liabilities	**6,117.6**	7,049.5	7,210.1	7,374.7	6,842.4	6,696.7	6,777.0	6,910.7
Net debt (1)	**4,011.3**	4,006.9	4,015.7	4,409.3	4,024.9	4,135.9	3,966.7	3,987.7
Total long-term derivative liability	**—**	17.9	35.3	17.4	16.6	8.8	—	—
Weighted average shares – diluted (millions)	**550.2**	551.1	551.0	548.4	546.9	546.2	546.1	546.2
Capital expenditures (3)	**275.0**	406.0	57.6	738.7	334.2	503.8	338.3	680.2
Dividends declared	**49.4**	49.8	49.7	49.6	49.5	49.4	49.4	49.4
Dividends declared per share	**0.09**	0.09	0.09	0.09	0.09	0.09	0.09	0.09

(1) Non-GAAP financial measure that does not have any standardized meaning prescribed by IFRS and, therefore, may not be comparable with the calculation of similar measures presented by other entities. Refer to the Non-GAAP Financial Measures section in this MD&A for further information.

(2) Adjusted working capital deficiency is calculated as accounts payable and accrued liabilities, dividends payable and long-term compensation liability, less cash, accounts receivable, prepaids and deposits and long-term investments.

(3) Capital expenditures exclude capitalized share-based compensation and include capital acquisitions and dispositions. Capital acquisitions and dispositions represent total consideration for the transactions including long-term debt, working capital assumed and acquired common shares, and excludes transaction costs.

Over the past eight quarters, the Company's oil and gas sales have fluctuated due to movement in the Cdn$ WTI benchmark price, changes in production and fluctuations in corporate oil price differentials. The Company's production has fluctuated due to its successful capital development program, non-core dispositions and natural declines.

Net income has fluctuated primarily due to changes in adjusted funds flow from operations, unrealized derivative gains and losses, which fluctuate with the changes in forward market prices, net impairments to PP&E recorded in the fourth quarter of 2018 and third quarter of 2017, net recovery of PP&E recorded in the fourth quarter of 2017 and gains and losses on capital dispositions, along with associated fluctuations in deferred tax expense (recovery).

Adjusted net earnings from operations has fluctuated over the past eight quarters primarily due to changes in adjusted funds flow from operations, depletion and share-based compensation expense along with associated fluctuations in deferred tax expense (recovery).

Capital expenditures fluctuated through this period as a result of timing of acquisitions, non-core dispositions and the Company's capital development program. Cash flow from operating activities and adjusted funds flow from operations throughout the last eight quarters has allowed the Company to pay monthly dividends.

Fourth Quarter Review

- Crescent Point achieved production averaging 178,198 boe/d in the fourth quarter of 2018, an increase of two percent from third quarter 2018. Strong fourth quarter production growth supported annual average production of 178,166 boe/d. Production in fourth quarter of 2018 was weighted 90 percent towards crude oil and liquids.
- The decrease in WTI benchmark prices and wider Canadian oil differentials in the fourth quarter of 2018 negatively impacted cash flows and earnings. The Company's corporate crude oil differential relative to Cdn$ WTI for the fourth quarter of 2018 was $23.34 per bbl compared to $10.74 per bbl in third quarter 2018. As a result, adjusted funds flow from operations totaled $337.3 million in fourth quarter 2018, a decrease of 29 percent from third quarter 2018 and adjusted net loss totaled $16.3 million compared to adjusted net earnings of $84.8 million in third quarter 2018.
- The Company realized cost improvements in Q4 2018, with lower G&A and operating expenses.
- During the fourth quarter of 2018, the Company spent $278.4 million on drilling and development activities, drilling 172 (139.6 net) wells with a 99.6 percent success rate. Crescent Point also spent $28.8 million on land, seismic and facilities, for total development capital expenditures of $307.2 million.

Disclosure Controls and Procedures

Disclosure controls and procedures (“DC&P”), as defined in Rule 13a-15 under the US Securities Exchange Act of 1934 and as defined in Canada by 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, 2018.

Internal Controls over Financial Reporting

Internal control over financial reporting (“ICFR”), as defined in Rule 13a-15 under the US Securities Exchange Act of 1934 and as defined in Canada by 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.

Management is responsible for establishing and maintaining ICFR for Crescent Point. They have, as at the financial year ended December 31, 2018, 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* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”).

Under the supervision of Management, Crescent Point conducted an evaluation of the effectiveness of the Company’s ICFR as at December 31, 2018 based on the COSO Framework. Based on this evaluation, Management concluded that as of December 31, 2018, Crescent Point maintained effective ICFR.

The effectiveness of Crescent Point's ICFR as of December 31, 2018 was audited by PricewaterhouseCoopers LLP, as reflected in their report for 2018. There were no changes in Crescent Point’s ICFR during the year ended December 31, 2018 that materially affected, or are reasonably likely to materially affect, the Company’s 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.

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 emissions, the Company contributed to a climate change initiatives fund directed to environmental initiatives. To date, $65.3 million has been contributed towards emissions reduction and $51.2 million has been expended to reduce emissions and to meet and exceed provincial and federal targets. In 2018, the Company spent a total of $2.4 million on emissions reduction, primarily on upgrading facilities in Saskatchewan. These upgrades have reduced the Company's emissions, which continue to meet or fall below provincial and federal emission limits.

Outlook

Crescent Point's guidance for 2019 is as follows:

Production	
Total average annual production (boe/d)	170,000 to 174,000
% Oil and NGLs	91%
Total capital expenditures ($ millions) (1) (2)	$1,200 to $1,300
Drilling and development (%)	90%
Facilities and seismic (%)	10%

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

(2) Based on US$50.00/bbl WTI, $0.75 US/CAD, MSW differential of ~US$8.75/bbl and WCS differential of ~US$18.00/bbl for 2019.

The Company is currently exploring further disposition opportunities, including certain upstream and infrastructure assets. Crescent Point will be disciplined and flexible during its divestiture process to ensure appropriate asset values are realized for shareholders.

Additional information relating to Crescent Point, including the Company's December 31, 2018 Annual Information Form, is available on SEDAR at www.sedar.com and on EDGAR at www.sec.gov/edgar.shtml.

Non-GAAP Financial Measures

Throughout this MD&A, the Company uses the terms "operating netback", "netback", “adjusted funds flow from operations”, “adjusted net earnings from operations”, “adjusted net earnings from operations per share”, “adjusted net earnings from operations per share - diluted”, "payout ratio", “net debt”, “net debt to adjusted funds flow from operations”, “market capitalization” and “enterprise value”. 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.

Operating netback is calculated on a per boe basis as oil and gas sales, less royalties, operating and transportation expenses. Netback is calculated on a per boe basis as operating netback plus realized derivative gains and losses. Operating netback and netback are common metrics used in the oil and gas industry and are used by management to measure operating results on a per boe basis to better analyze performance against prior periods on a comparable basis. The calculations of operating netback and netback are shown in the Results of Operations section in this MD&A.

Adjusted 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. Transaction costs are excluded as they vary based on the Company's acquisition and disposition activity and to ensure that this metric is more comparable between periods. Decommissioning expenditures are excluded as the Company has a voluntary reclamation fund to fund decommissioning costs. Management utilizes adjusted 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. Adjusted 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 adjusted funds flow from operations:

($ millions)	**2018**	2017	% Change
Cash flow from operating activities	**1,748.0**	1,718.7	2
Changes in non-cash working capital	**(37.2)**	(18.7)	99
Transaction costs	**5.1**	3.7	38
Decommissioning expenditures	**25.3**	25.1	1
Adjusted funds flow from operations	**1,741.2**	1,728.8	1

Adjusted net earnings from operations is calculated based on net income before amortization of E&E undeveloped land, impairment or impairment recoveries, unrealized derivative gains or losses, unrealized foreign exchange gain or loss on translation of hedged US dollar long-term debt, unrealized gains or losses on long-term investments, gains or losses on the sale of long-term investments and gains or losses on capital acquisitions and dispositions. Adjusted net earnings from operations per share and adjusted net earnings from operations per share - diluted are calculated as adjusted net earnings from operations divided by the number of weighted average basic and diluted shares outstanding, respectively. Management utilizes adjusted net earnings from operations to present a measure of financial performance that is more comparable between periods. Adjusted net earnings from operations 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 adjusted net earnings from operations:

($ millions)	**2018**	2017	% Change
Net income (loss)	**(2,616.9)**	(124.0)	2,010
Amortization of E&E undeveloped land	**157.2**	134.3	17
Impairment	**3,705.9**	203.6	1,720
Unrealized derivative (gains) losses	**(439.4)**	163.6	(369)
Unrealized foreign exchange (gain) loss on translation of hedged US dollar long-term debt	**254.2**	(201.2)	(226)
Unrealized loss on long-term investments	**16.2**	3.4	376
Gain on sale of long-term investments	**(0.7)**	—	—
Net (gain) loss on capital dispositions	**129.1**	(31.1)	(515)
Deferred tax relating to adjustments	**(971.0)**	(48.6)	1,898
Adjusted net earnings from operations	**234.6**	100.0	135

Payout ratio is calculated on a percentage basis as dividends declared divided by adjusted funds flow from operations. Payout ratio is used by management to monitor the dividend policy and the amount of adjusted funds flow from operations retained by the Company for capital reinvestment.

Net debt is calculated as long-term debt plus accounts payable and accrued liabilities, dividends payable and long-term compensation liability, less cash, accounts receivable, prepaids and deposits and long-term investments, excluding the unrealized foreign exchange on translation of US dollar long-term debt. 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:

($ millions)	**2018**	2017	% Change
Long-term debt [(1)]	**4,276.7**	4,111.0	4
Accounts payable and accrued liabilities	**532.9**	613.3	(13)
Dividends payable	**16.5**	16.8	(2)
Long-term compensation liability [(2)]	**10.0**	22.9	(56)
Cash	**(15.3)**	(62.4)	(75)
Accounts receivable	**(322.6)**	(380.2)	(15)
Prepaids and deposits	**(4.6)**	(4.5)	2
Long-term investments	**(8.7)**	(72.6)	(88)
Excludes:			
Unrealized foreign exchange on translation of US dollar long-term debt	**(473.6)**	(219.4)	116
Net debt	**4,011.3**	4,024.9	—

(1) Includes current portion of long-term debt.

(2) Includes current portion of long-term compensation liability.

Net debt to adjusted funds flow from operations is calculated as the period end net debt divided by the sum of adjusted funds flow from operations for the trailing four quarters. The ratio of net debt to adjusted funds flow from operations is used by management to measure the Company's overall debt position and to 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.

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. Refer to the Liquidity and Capital Resources section in this MD&A for further information.

Enterprise value is calculated as market capitalization plus net debt. Management uses enterprise value to assess the valuation of the Company. Refer to the Liquidity and Capital Resources section in this MD&A for further information.

Management believes the presentation of the Non-GAAP measures above provide useful information to investors and shareholders as the measures provide increased transparency and the ability to better analyze performance against prior periods on a comparable basis.

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. Crescent Point undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required to do so pursuant to applicable law.

Any “financial outlook” or “future oriented financial information” in this management’s discussion and analysis, as defined by applicable securities legislation, has been approved by management of Crescent Point. Such financial outlook or future oriented financial information is provided for the purpose of providing information about management’s current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes.

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 and factors in making these forward-looking statements are disclosed in this MD&A under the headings "Derivatives", “Liquidity and Capital Resources”, “Changes in Accounting Policies” and “Outlook”.

In particular, forward-looking statements include:

- Crescent Point's objective to manage net debt to adjusted funds flow from operations to be well positioned to maximize shareholder return;
- Crescent Point's approach to proactively manage 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 rates movements through the use of derivatives with investment-grade counterparties;
- Crescent Point's use of financial commodity derivatives to reduce the volatility of the selling price of its crude oil and natural gas production and how this provides a measure of stability to cash flow and the ability to fund dividends;
- Crescent Point’s 2019 average production and capital expenditure guidance;
- The Company's future disposition opportunities for certain upstream and infrastructure assets;
- Management's belief that the Company is well positioned to execute its business strategy;
- How the Company expects to finance its working capital deficiency and ongoing working capital requirements; and
- Expected adoption of new accounting policies.

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 dispositions, 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 or detriments 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. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different from the energy equivalency of oil, utilizing a conversion on a 6:1 basis may be misleading as an indication of value.

Crude oil and natural gas information is provided in accordance with the United States Financial Accounting Standards Board (FASB) Topic 932 - "Extractive Activities - Oil and Gas" and where applicable, financial information is prepared in accordance with International Financial Reporting Standards (IFRS).

For the years ended December 31, 2018, 2017, 2016, 2015, and 2014 the Company filed its reserves information under National Instrument 51-101 - "Standards of Disclosure of Oil and Gas Activities" (NI 51-101), which prescribes the standards for the preparation and disclosure of reserves and related information for companies listed in Canada.

There are significant differences to the type of volumes disclosed and the basis from which the volumes are economically determined under the United States Securities and Exchange Commission (“SEC”) requirements and NI 51-101. The SEC requires disclosure of net reserves, after royalties, using trailing 12-month average prices and current costs; whereas NI 51-101 requires Company gross reserves, before royalties, using forecast pricing and costs. Therefore the difference between the reported numbers under the two disclosure standards can be material.

Directors

Robert Heinemann, Chairman

Rene Amirault [4]

Peter Bannister [3] [4]

Laura Cillis [1] [2]

John Dielwart [6]

Ted Goldthorpe [1] [5]

Mike Jackson [1] [2] [5]

Francois Langlois [3] [4] [5]

Barbara Munroe [2] [5]

Gerald Romanzin [1] [3]

Craig Bryksa [4]

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

(2) Member of the Human Resources and Compensation Committee of the Board of Directors

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

(4) Member of the Environmental, Health & Safety Committee of the Board of Directors

(5) Member of the Corporate Governance and Nominating Committee

(6) Member effective March 7, 2019

Officers

Craig Bryksa
President and Chief Executive Officer

Ken Lamont
Chief Financial Officer

Ryan Gritzfeldt
Chief Operating Officer

Brad Borggard
Senior Vice President, Corporate Planning and Capital Markets

Derek Christie
Senior Vice President, Exploration and Corporate Development

Mark Eade
Senior Vice President, General Counsel and Corporate Secretary

Scott Tuttle
Senior Vice President, Human Resources and Corporate Services

Head Office

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Calgary, Alberta T2P 1G1
Tel: (403) 693-0020
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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:

Computershare Trust Company of Canada
600, 530 - 8th Avenue S.W.
Calgary, Alberta T2P 3S8
Tel: (403) 267-6800

Stock Exchanges

Toronto Stock Exchange - TSX
New York Stock Exchange - NYSE

Stock Symbol

CPG

Investor Contacts

Brad Borggard
Senior Vice President, Corporate Planning and Capital Markets
(403) 693-0020

Shant Madian
Vice President, Investor Relations and Corporate Communications
(403) 693-0020

MANAGEMENT'S REPORT

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.

PricewaterhouseCoopers LLP, an independent firm of chartered professional 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 Audit Committee meets regularly with management and PricewaterhouseCoopers LLP to review and approve the consolidated financial statements. The Board of Directors has approved the information contained in the consolidated financial statements based on the recommendation of the Audit Committee.

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements.

Management has assessed the effectiveness of the Company's internal control over financial reporting as at December 31, 2018. The assessment was based on the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") framework in Internal Control - Integrated Framework (2013) to evaluate the design and effectiveness of internal control over financial reporting. Management concluded that this system of internal controls was effective as of December 31, 2018. 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 and the United States Sarbanes - Oxley Act of 2002.

PricewaterhouseCoopers LLP, an independent firm of chartered professional accountants who also audited the Company's consolidated financial statement for the year ended December 31, 2018, has audited the effectiveness of the Company's internal control over financial reporting as at December 31, 2018.

Craig Bryksa President and Chief Executive Officer	Ken Lamont Chief Financial Officer

March 6, 2019

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and Board of Directors of Crescent Point Energy Corp.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Crescent Point Energy Corp. and its subsidiaries, (together, the “Company”) as of December 31, 2018 and 2017, and the related consolidated statements of comprehensive income, shareholders’ equity and cash flows for the years then ended, including the related notes (collectively referred to as the “consolidated financial statements”). We also have audited the Company's internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2018 and 2017, and their financial performance and their cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS”). Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2018, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report On Internal Controls Over Financial Reporting. Our responsibility is to express opinions on the Company’s consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (“PCAOB”) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) 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 the company are being made only in accordance with authorizations of management and directors of the company; and (iii) 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.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

PricewaterhouseCoopers LLP

Chartered Professional Accountants
Calgary, Alberta, Canada
March 6, 2019

We have served as the Company’s auditor since 2001.

CONSOLIDATED BALANCE SHEETS

As at December 31 (Cdn$ millions)	Notes	**2018**	2017
ASSETS			
Cash		**15.3**	62.4
Accounts receivable		**322.6**	380.2
Prepaids and deposits		**4.6**	4.5
Derivative asset	25	**244.1**	35.8
Assets held for sale	8, 9	**—**	26.4
Total current assets		**586.6**	509.3
Long-term investments	5	**8.7**	72.6
Derivative asset	25	**351.5**	246.9
Other long-term assets	6	**34.5**	34.5
Exploration and evaluation	7, 8	**472.6**	634.9
Property, plant and equipment	8, 9	**10,430.2**	14,062.4
Goodwill	10	**244.0**	251.9
Deferred income tax		**602.3**	192.8
Total assets		**12,730.4**	16,005.3
LIABILITIES			
Accounts payable and accrued liabilities		**532.9**	613.3
Dividends payable		**16.5**	16.8
Current portion of long-term debt	12	**99.8**	63.8
Derivative liability	25	**—**	107.3
Other current liabilities	11, 23	**39.4**	57.7
Liabilities associated with assets held for sale	14	**—**	4.6
Total current liabilities		**688.6**	863.5
Long-term debt	12	**4,176.9**	4,047.2
Derivative liability	25	**—**	16.6
Other long-term liabilities	13, 23	**48.3**	54.0
Decommissioning liability	14	**1,203.8**	1,310.5
Deferred income tax		**—**	550.6
Total liabilities		**6,117.6**	6,842.4
SHAREHOLDERS' EQUITY			
Shareholders' capital	15	**16,546.9**	16,489.6
Contributed surplus		**41.4**	72.9
Deficit	16	**(10,567.2)**	(7,751.8)
Accumulated other comprehensive income		**591.7**	352.2
Total shareholders' equity		**6,612.8**	9,162.9
Total liabilities and shareholders' equity		**12,730.4**	16,005.3

Commitments (Note 27)

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Board of Directors:

Laura A. Cillis
Director

Gerald A. Romanzin
Director

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31 (Cdn$ millions, except per share amounts)	Notes	2018	2017 (Revised)
REVENUE AND OTHER INCOME			
Oil and gas sales	18	**3,887.5**	3,303.9
Purchased product sales		**25.4**	27.0
Royalties		**(592.4)**	(472.2)
Oil and gas revenue		**3,320.5**	2,858.7
Derivative gains (losses)	19, 25	**179.6**	(62.4)
Other income (loss)	5, 20	**(143.5)**	27.8
		3,356.6	2,824.1
EXPENSES			
Operating		**853.8**	807.2
Purchased product		**24.0**	27.8
Transportation		**131.7**	133.8
General and administrative		**121.9**	98.0
Interest on long-term debt		**184.4**	162.3
Foreign exchange (gain) loss	21	**234.0**	(215.7)
Share-based compensation	23	**46.0**	62.0
Depletion, depreciation, amortization and impairment	7, 9	**5,284.7**	1,741.4
Accretion	13, 14	**31.5**	30.9
		6,912.0	2,847.7
Net income (loss) before tax		**(3,555.4)**	(23.6)
Tax expense (recovery)			
Current	22	**0.3**	(1.7)
Deferred	22	**(938.8)**	102.1
Net income (loss)		**(2,616.9)**	(124.0)
Other comprehensive income (loss)			
Items that may be subsequently reclassified to profit or loss			
Foreign currency translation of foreign operations		**239.5**	(160.3)
Comprehensive income (loss)		**(2,377.4)**	(284.3)
Net income (loss) per share	24		
Basic		**(4.77)**	(0.23)
Diluted		**(4.77)**	(0.23)

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(Cdn$ millions, except per share amounts)	Notes	Shareholders' capital	Contributed surplus	Deficit	Accumulated other comprehensive income	Total shareholders' equity
December 31, 2017		**16,489.6**	**72.9**	**(7,751.8)**	**352.2**	**9,162.9**
Redemption of restricted shares	15	**57.3**	**(59.0)**			**(1.7)**
Share-based compensation	23		**35.1**			**35.1**
Forfeit of restricted shares	23		**(7.6)**			**(7.6)**
Net income (loss)				**(2,616.9)**		**(2,616.9)**
Dividends ($0.36 per share)				**(198.5)**		**(198.5)**
Foreign currency translation adjustment					**239.5**	**239.5**
December 31, 2018		**16,546.9**	**41.4**	**(10,567.2)**	**591.7**	**6,612.8**
December 31, 2016		16,400.2	110.6	(7,432.1)	512.5	9,591.2
Redemption of restricted shares		89.6	(91.9)	2.0		(0.3)
Share issue costs, net of tax		(0.2)				(0.2)
Share-based compensation			62.1			62.1
Forfeit of restricted shares			(7.9)			(7.9)
Net income (loss)				(124.0)		(124.0)
Dividends ($0.36 per share)				(197.7)		(197.7)
Foreign currency translation adjustment					(160.3)	(160.3)
December 31, 2017		16,489.6	72.9	(7,751.8)	352.2	9,162.9

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended December 31 (Cdn$ millions)	Notes	2018	2017
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES			
Net income (loss)		**(2,616.9)**	(124.0)
Items not affecting cash			
Other (income) loss	5, 20	**143.5**	(27.8)
Deferred tax expense (recovery)	22	**(938.8)**	102.1
Share-based compensation	23	**19.8**	42.2
Depletion, depreciation, amortization and impairment	7, 9	**5,284.7**	1,741.4
Accretion	13, 14	**31.5**	30.9
Unrealized (gains) losses on derivatives	19, 25	**(439.4)**	163.6
Translation of US dollar long-term debt	21	**324.5**	(255.8)
Other	29	**(2.5)**	(2.1)
Realized (gain) loss on cross currency swap maturity	21	**(70.3)**	54.6
Decommissioning expenditures		**(25.3)**	(25.1)
Change in non-cash working capital	29	**37.2**	18.7
		1,748.0	1,718.7
INVESTING ACTIVITIES			
Development capital and other expenditures	7, 9	**(1,817.8)**	(1,854.7)
Capital acquisitions, net	8	**(15.4)**	(308.1)
Capital dispositions	8	**243.3**	266.1
Other long-term assets	6	**—**	2.2
Long-term investments	5	**162.1**	0.1
Change in non-cash working capital	29	**(81.6)**	(65.8)
		(1,509.4)	(1,960.2)
FINANCING ACTIVITIES	29		
Issue of shares, net of issue costs		**(1.7)**	(2.6)
Increase (decrease) in bank debt, net		**(360.0)**	635.9
Issuance of senior guaranteed notes		**267.3**	—
Repayment of senior guaranteed notes		**(65.0)**	(90.3)
Realized gain (loss) on cross currency swap maturity	21	**70.3**	(54.6)
Cash dividends		**(198.5)**	(197.7)
Change in non-cash working capital	29	**(0.3)**	0.5
		(287.9)	291.2
Impact of foreign currency on cash balances		**2.2**	(0.7)
INCREASE (DECREASE) IN CASH		**(47.1)**	49.0
CASH AT BEGINNING OF YEAR		**62.4**	13.4
CASH AT END OF YEAR		**15.3**	62.4

See accompanying notes to the consolidated financial statements.

Supplementary Information:

Cash taxes paid	**—**	(0.3)
Cash interest paid	**(177.1)**	(159.2)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2018 and 2017

1. STRUCTURE OF THE BUSINESS

The principal undertaking of Crescent Point Energy Corp. (the “Company” or “Crescent Point”) is 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 and is amalgamated in Alberta, Canada under the Alberta Business Corporations Act. The address of the principal place of business is 2000, 585 - 8th Ave S.W., Calgary, Alberta, Canada, T2P 1G1.

These annual consolidated financial statements were approved and authorized for issue by the Company's Board of Directors on March 6, 2019.

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 6, 2019, 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 ("U.S.") dollars. Crescent Point's Canadian and U.S. operations are aggregated into one reportable segment based on similar economic characteristics and the similar nature of the assets, products, production processes and customers.

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 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 these 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 assets and liabilities recognize the extent that temporary differences will be receivable and payable in future periods. The calculation of the asset and 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 including reserve estimates 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 some 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 CGUs 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 the estimated useful lives of the related assets, ranging from 5 to 16 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, adjusted for the discounted abandonment and reclamation costs on proved plus probable undeveloped oil and gas reserves, 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 from proved plus probable oil and gas reserves. 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 from proved plus probable oil and gas reserves 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 income.

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, adjusted for the discounted abandonment and reclamation costs on proved plus probable undeveloped oil and gas reserves as described in the PP&E impairment test. 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 from proved plus probable oil and gas reserves, plus the fair market value of undeveloped land. Value-in-use is assessed using the expected future cash flows from proved plus probable oil and gas reserves 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, net of amortization, 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 voluntary reclamation fund to fund future decommissioning costs and environmental initiatives. Effective January 1, 2018, the Board of Directors approved contributions of $0.40 per barrel of oil equivalent of production. There were contributions to the fund of $27.6 million during 2018. 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, adjusted for the discounted abandonment and reclamation costs on proved plus probable undeveloped oil and gas reserves as described in the PP&E impairment test, 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 from proved plus probable oil and gas reserves, plus the fair market value of undeveloped land. Value-in-use is assessed using the expected future cash flows from proved plus probable oil and gas reserves 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. 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.

Performance share units ("PSUs") are accounted for at fair value. Share-based compensation expense is determined based on the estimated fair value of the PSUs on the date of the grant and subsequently adjusted to reflect the fair value at each period end. Market performance conditions are factored into the fair value and the best estimate of non-market performance conditions is used to determine an estimate of the number of units that will vest. Fair value is based on the expected cash payment per PSU and the expected number of PSUs to vest, calculated from multipliers based on internal and external performance metrics. The expense is recognized over the service period, with a corresponding increase to long-term compensation liability. PSUs are settled in cash upon vesting based on the prevailing Crescent Point share price, accrued dividends and the performance multipliers.

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 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.

Impairment of Financial Assets

Impairment losses are recognized using an expected credit loss model. The Company has adopted the simplified expected credit loss model for its accounts receivable, which permits the use of the lifetime expected loss provision.

To measure the expected credit losses, accounts receivable have been grouped based on shared credit risk characteristics and days past due. The Company uses judgment in making these assumptions and selecting the inputs into the expected loss calculation based on past history, existing market conditions and forward looking estimates at the end of each reporting period.

Prior to January 1, 2018, the Company recorded the financial asset at carrying value with any expected loss provided for through the use of an allowance account.

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 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

The Company’s major revenue sources are comprised of sales from the production of crude oil, natural gas liquids ("NGLs") and natural gas. Revenue is recognized when control of the product transfers to the customer and the collection is reasonably probable, generally upon delivery of the product. Sales of crude oil, NGLs and natural gas production are based on variable pricing as the transaction prices are based on benchmark commodity prices and other variable factors, including quality differentials and location.

Each contract is evaluated based on the nature of the performance obligations, including the Company's role as either principal or agent. Where the Company acts as principal, revenue is recognized on a gross basis. Where the Company acts as agent, revenue is recognized on a net basis.

Prior to January 1, 2018, the Company recorded oil and gas revenue for the sale of crude oil, natural gas and natural gas liquids when the risks and rewards of ownership had 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 current 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.

p) Assets Held for Sale

PP&E and E&E assets are classified as held for sale if it is highly probable their carrying amounts will be recovered through a capital disposition rather than through future operating cash flows. Before PP&E and E&E assets are classified as held for sale, they are assessed for indicators of impairment or reversal of previously recorded impairments and are measured at the lower of their carrying amount and fair value less costs of disposal. Any impairment charges or recoveries are recognized in net income. Assets held for sale are classified as current assets and are not subject to DD&A. Decommissioning liabilities associated with assets held for sale are classified as current liabilities.

4. CHANGES IN ACCOUNTING POLICIES

In the current accounting period, the Company adopted the July 2014 amendment to IFRS 9 *Financial Instruments* and IFRS 15 *Revenue from Contracts with Customers*. On January 1, 2019, the Company will adopt IFRS 16 *Leases*.

IFRS 9 *Financial Instruments*

On January 1, 2018, the Company adopted the July 2014 amendment to IFRS 9, which included guidance to assess and recognize impairment losses on financial assets based on an expected loss model. The adoption of this amendment did not have a material impact on the valuation of the Company's financial assets. Comparative periods have not been restated as the Company has elected to apply the limited exemption on transition.

The Company had previously early adopted IFRS 9 with a date of initial application of January 1, 2010 and the amendment to IFRS 9 which presented a new hedge accounting model.

IFRS 15 *Revenue from Contracts with Customers*

On January 1, 2018, the Company adopted IFRS 15 using the modified retrospective approach. The Company elected to use the following practical expedients:

- IFRS 15 was only applied retrospectively to contracts which were not completed as at January 1, 2018; and
- Modifications to any existing contracts will be assessed in aggregate with the original contract at the original date.

The Company reviewed contracts with customers for its major revenue streams and concluded that the adoption of IFRS 15 did not have a material impact on the consolidated financial statements. The adoption of IFRS 15 required the Company to expand its disclosures in the notes to the consolidated financial statements, including the disaggregation of revenue streams by product type.

As part of the review of contracts for compliance with IFRS 15, the Company performed a review of the presentation of its revenue transactions. The cost of purchases from third parties to fulfill the Company's sales commitments is presented as purchased product expense. The subsequent sales of these commodity products to customers is presented as purchased product sales. Previously, these transactions were presented on a net basis in oil and gas sales. The following table summarizes the amounts revised in the consolidated statements of comprehensive income for the year ended December 31, 2017:

($ millions)	2017
Oil and gas sales - previously reported	3,303.1
Purchased product sales	(27.0)
Purchased product	27.8
Oil and gas sales - revised	3,303.9

IFRS *16 Leases*

IFRS 16 was issued January 2016 and replaces IAS 17 *Leases* and IFRIC 4 *Determining Whether an Arrangement Contains a Lease*. The standard introduces a single lessee accounting model for leases with required recognition of assets and liabilities for most leases, where the Company is acting as a lessee. The adoption of IFRS 16 for lessees eliminates the dual classification model of leases as either operating leases or finance leases, effectively treating almost all leases as finance leases. Certain short-term leases (less than 12 months) and leases of low-value assets are exempt from recognition and will continue to be treated as operating leases. There is no significant impact from the adoption of IFRS 16 for lessors as the dual classification model of leases and the accounting for lessors remains virtually unchanged. The standard is effective for fiscal years beginning on or after January 1, 2019 with early adoption permitted if the Company is also applying IFRS 15. The standard is required to be adopted either retrospectively or using a modified retrospective approach.

On January 1, 2019, the Company adopted IFRS 16 using the modified retrospective approach. The Company has applied the following practical expedients permitted under the standard. Some of these expedients are on a lease-by-lease basis and others are applicable by class of underlying assets.

- Account for leases with a remaining term of less than 12 months at January 1, 2019 as short-term leases;
- Account for lease payments as an expense and not recognize a right-of-use ("ROU") asset if the underlying asset is of a lower dollar value; and
- Use of the Company's previous assessment of impairment under IAS 37 for onerous contracts instead of re-assessing the ROU asset for impairment on January 1, 2019.

The Company has completed a detailed assessment on the impact of the standard on the consolidated financial statements. A number of leases have been identified with the most significant impact being the recognition of lease obligations on operating leases for office space and the corresponding ROU assets. The lease liability is calculated as the present value of the remaining lease payments, discounted using the Company's borrowing rate on January 1, 2019. The Company will record accretion expense on the lease liability and depreciation expense on the ROU asset and the associated ROU asset will be measured as follows on a lease-by-lease basis:

- The amount equal to the lease liability on January 1, 2019 with no impact on retained earnings: or
- The balance on January 1, 2019 as if IFRS 16 had always been applied on the commencement of the lease, using the Company's borrowing rate on January 1, 2019 and with an impact on retained earnings calculated as the difference between the lease liability and the ROU asset values.

Adoption of the new standard will result in the recognition of lease liabilities of approximately $220.0 million.

5. LONG-TERM INVESTMENTS

($ millions)	**2018**	2017
Investments in public companies, beginning of year	**65.1**	28.3
Acquired through capital dispositions	**112.6**	40.2
Dispositions	**(152.8)**	—
Unrealized loss recognized in other income (loss)	**(16.2)**	(3.4)
Investments in public companies, end of year	**8.7**	65.1
Investment in private company, beginning of year	**7.5**	7.5
Dispositions	**(7.5)**	—
Investment in private company, end of year	**—**	7.5
Long-term investments, end of year	**8.7**	72.6

a) Public companies

The Company holds common shares in publicly traded oil and gas companies. The investments are classified as financial assets at fair value through profit or loss and are fair valued at each period with the resulting gain or loss recorded in net income. At December 31, 2018, the investments were recorded at a fair value of $8.7 million which was $2.6 million more than the original cost of the investments. At December 31, 2017, the investments were recorded at a fair value of $65.1 million which was $14.4 million more than the original cost of the investments.

b) Private company

During the year ended December 31, 2018, the Company disposed of its common shares in a private oil and gas company. The investment was classified as financial assets at fair value through profit or loss and was fair valued at each period with the resulting gain or loss recorded in net income. At December 31, 2017, the investment was recorded at a fair value of $7.5 million which was $17.5 million less than the original cost of the investment.

6. OTHER LONG-TERM ASSETS

($ millions)	**2018**	2017
Reclamation fund	**18.7**	18.7
Other receivables	**15.8**	15.8
Other long-term assets	**34.5**	34.5

a) Reclamation fund

The following table reconciles the reclamation fund:

($ millions)	**2018**	2017
Balance, beginning of year	**18.7**	22.7
Contributions	**27.6**	22.5
Expenditures	**(27.6)**	(26.5)
Balance, end of year	**18.7**	18.7

b) Other receivables

At December 31, 2018, the Company had investment tax credits of $15.8 million (December 31, 2017 - $15.8 million).

7. EXPLORATION AND EVALUATION ASSETS

($ millions)	**2018**	2017
Exploration and evaluation assets at cost	**2,325.0**	2,305.1
Accumulated amortization	**(1,852.4)**	(1,670.2)
Net carrying amount	**472.6**	634.9
Reconciliation of movements during the year		
Cost, beginning of year	**2,305.1**	2,080.7
Accumulated amortization, beginning of year	**(1,670.2)**	(1,582.6)
Net carrying amount, beginning of year	**634.9**	498.1
Net carrying amount, beginning of year	**634.9**	498.1
Acquisitions through business combinations, net	**10.2**	116.9
Additions	**673.3**	729.1
Dispositions	**(7.5)**	(12.9)
Transfers to property, plant and equipment	**(705.9)**	(541.4)
Amortization	**(157.2)**	(134.3)
Foreign exchange	**24.8**	(20.6)
Net carrying amount, end of year	**472.6**	634.9

Exploration and evaluation ("E&E") assets consist of the Company's undeveloped land and exploration projects which are pending the determination of technical feasibility. At December 31, 2018, $472.6 million remained in E&E assets after $705.9 million was transferred to property, plant and equipment ("PP&E") following the determination of technical feasibility during the year ended December 31, 2018 (year ended December 31, 2017 - $634.9 million and $541.4 million, respectively).

Impairment test of exploration and evaluation assets

For the year ended December 31, 2018, the decrease in the value of the Company's market capitalization as compared to shareholders' equity was an indicator of impairment. As a result, impairment testing was required and the Company prepared estimates of future cash flows and fair market values of undeveloped land to determine the recoverable amount of the respective assets. As a result of these tests, the Company concluded that the estimated recoverable amounts exceeded the carrying amounts and no impairments were recorded.

8. CAPITAL ACQUISITIONS AND DISPOSITIONS

In the year ended December 31, 2018, the Company incurred $5.1 million (year ended December 31, 2017 - $3.7 million) of transaction costs related to acquisitions through business combinations and dispositions that were recorded as general and administrative expenses.

a) Major Property Disposition

Southeast Saskatchewan asset disposition

In the year ended December 31, 2018, the Company completed the disposition of non-core assets in southeast Saskatchewan and southwest Manitoba for total proceeds of $213.4 million. This disposition was completed with full tax pools and no working capital items.

($ millions)	
Exploration and evaluation	(2.4)
Property, plant and equipment	(288.7)
Goodwill	(6.2)
Decommissioning liability	26.8
	(270.5)
Proceeds	
Cash	112.5
Long-term investments	100.9
	213.4
Loss on capital dispositions	(57.1)

b) Minor property acquisitions and dispositions

In the year ended December 31, 2018, the Company completed minor property acquisitions and dispositions including assets and associated liabilities held for sale at December 31, 2017 for total proceeds received of $127.1 million. These minor property acquisitions and dispositions were completed with full tax pools and no working capital items.

($ millions)	
Acquisitions	
Exploration and evaluation	10.2
Property, plant and equipment	12.2
Decommissioning liability	(0.4)
	22.0
Dispositions	
Exploration and evaluation	(5.1)
Property, plant and equipment [(1)]	(261.5)
Goodwill	(0.6)
Decommissioning liability [(1)]	46.1
	(221.1)
Proceeds received, net	
Cash	115.4
Long-term investments	11.7
	127.1
Loss on capital dispositions	(72.0)

(1) Includes assets and associated liabilities classified as held for sale at December 31, 2017.

9. PROPERTY, PLANT AND EQUIPMENT

($ millions)	**2018**	2017
Development and production assets	**26,635.3**	25,881.1
Corporate assets	**114.6**	106.4
Property, plant and equipment at cost	**26,749.9**	25,987.5
Accumulated depletion, depreciation and impairment	**(16,319.7)**	(11,925.1)
Net carrying amount	**10,430.2**	14,062.4

Reconciliation of movements during the year		
Development and production assets		
Cost, beginning of year	**25,881.1**	24,846.9
Accumulated depletion and impairment, beginning of year	**(11,877.1)**	(10,735.5)
Net carrying amount, beginning of year	**14,004.0**	14,111.4
Net carrying amount, beginning of year	**14,004.0**	14,111.4
Acquisitions through business combinations, net	**12.2**	220.2
Additions	**1,083.6**	1,211.8
Dispositions, net	**(523.8)**	(332.7)
Transfers from exploration and evaluation assets	**705.9**	541.4
Reclassified as assets held for sale	**—**	(26.4)
Depletion	**(1,412.4)**	(1,394.4)
Impairment	**(3,704.8)**	(203.6)
Foreign exchange	**208.4**	(123.7)
Net carrying amount, end of year	**10,373.1**	14,004.0
Cost, end of year	**26,635.3**	25,881.1
Accumulated depletion and impairment, end of year	**(16,262.2)**	(11,877.1)
Net carrying amount, end of year	**10,373.1**	14,004.0
Corporate assets		
Cost, beginning of year	**106.4**	102.4
Accumulated depreciation, beginning of year	**(48.0)**	(38.9)
Net carrying amount, beginning of year	**58.4**	63.5
Net carrying amount, beginning of year	**58.4**	63.5
Additions	**7.7**	4.2
Depreciation	**(9.2)**	(9.1)
Foreign exchange	**0.2**	(0.2)
Net carrying amount, end of year	**57.1**	58.4
Cost, end of year	**114.6**	106.4
Accumulated depreciation, end of year	**(57.5)**	(48.0)
Net carrying amount, end of year	**57.1**	58.4

At December 31, 2018, future development costs of $7.23 billion (December 31, 2017 - $7.00 billion) were included in costs subject to depletion.

Direct general and administrative costs capitalized by the Company during the year ended December 31, 2018 were $48.0 million (year ended December 31, 2017 - $50.4 million), including $7.7 million of share-based compensation costs (year ended December 31, 2017 - $12.0 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, forecast benchmark commodity prices, royalties, operating costs, capital costs and discount rates. The fair value less costs of disposal and value in use estimates are categorized as Level 3 according to the IFRS 13 fair value hierarchy.

2018 Impairment

For the year ended December 31, 2018, the decrease in the value of the Company's market capitalization as compared to shareholders' equity was an indicator of impairment. As a result, impairment and recovery testing were required and the Company prepared estimates of future cash flows to determine the recoverable amount of the respective assets.

The following table outlines the forecast benchmark commodity prices and the exchange rate used in the impairment calculation of PP&E at December 31, 2018:

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029 (3)
WTI ($US/bbl) (1)	58.58	64.60	68.20	71.00	72.81	74.59	76.42	78.40	79.98	81.59	83.22
Exchange Rate ($US/$Cdn)	0.757	0.782	0.797	0.803	0.807	0.808	0.808	0.808	0.808	0.808	0.808
WTI ($Cdn/bbl)	77.38	82.61	85.57	88.42	90.22	92.31	94.58	97.03	98.99	100.98	103.00
AECO ($Cdn/MMbtu) (1)	1.88	2.31	2.74	3.05	3.21	3.31	3.39	3.46	3.54	3.62	3.70

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

(2) Forecast benchmark commodity prices are assumed to increase by 2.0% in each year after 2029 to the end of the reserve life. Exchange rates are assumed to be constant at 0.808.

At December 31, 2018, the Company determined that the carrying amount of all CGUs exceeded their recoverable amount. The full amount of the impairments were attributed to PP&E and, as a result, impairment losses of $3.70 billion were recorded as a component of depletion, depreciation, amortization and impairment expense.

The following table summarizes the impairment expense for the year ended December 31, 2018 by CGU:

CGU ($ millions, except %)	**Operating segment**	**Recoverable amount**	**Discount rate**	**Impairment**	**Impairment, net of tax**
Southeast Saskatchewan	Canada	5,250.6	15.00%	1,782.1	1,300.9
Utah	U.S.	931.7	18.00%	873.5	658.4
Southwest Saskatchewan	Canada	1,975.2	15.00%	549.4	401.1
Southern Alberta (1)	Canada	872.7	15.00%	404.8	295.5
Northern U.S.	U.S.	878.7	15.00%	83.8	63.2
Northern Alberta	Canada	3.9	15.00%	11.2	8.2
Total impairment (2)		9,912.8		3,704.8	2,727.3

(1) At September 30, 2018, the Company classified certain non-core assets as held for sale. Immediately before classifying the assets as held for sale, the Company conducted a review of the assets' recoverable amounts and recorded an impairment loss of $14.1 million related to PP&E.

(2) At December 31, 2018, accumulated after tax impairment losses, net of depletion had no impairment loss been recognized in prior periods for the Canada and U.S. operating segments were $3.29 billion and $879.9 million, respectively.

Impairments were recognized in all CGUs largely due to the increase in discount rates used in impairment testing, reflecting the higher industry weighted average cost of capital at December 31, 2018 compared to December 31, 2017 and current economic factors. The increased industry weighted average cost of capital is the result of increased volatility in the Canadian energy sector due to limited crude oil market access and the current regulatory environment, causing industry participants to have limited access to new capital.

Changes in any of the key judgments, such as a revision in reserves, changes in forecast benchmark commodity prices, foreign exchange rates, capital or operating costs would impact the recoverable amounts of assets and any recoveries or impairment charges would affect net income. The following sensitivities show the resulting impact on income before tax of the changes in discount rate and forecast benchmark commodity price estimates at December 31, 2018, with all other variables held constant:

CGU ($ millions)	Discount Rate Increase 1%	Discount Rate Decrease 1%	Commodity Prices Increase 5%	Commodity Prices Decrease 5%
Southeast Saskatchewan	(350.2)	385.5	640.6	(639.8)
Utah	(46.8)	53.8	140.7	(111.0)
Southwest Saskatchewan	(135.8)	149.7	240.9	(240.6)
Southern Alberta	(70.0)	77.2	133.8	(132.5)
Northern U.S.	(57.6)	65.6	83.8	(101.0)
Northern Alberta	(0.4)	0.5	1.0	(1.0)
Increase (decrease)	(660.8)	732.3	1,240.8	(1,225.9)

2017 Impairment and recovery

For the year ended December 31, 2017, the decrease in near-term forecast benchmark commodity prices as compared to December 31, 2016 and the value of the Company's market capitalization as compared to net asset value were indicators of impairment. In addition, the significant changes to U.S. tax legislation in December 2017 including, among other things, a significant decrease to the federal corporate income tax rate, was an indicator of recovery in the U.S. operating segment. As a result, impairment and recovery testing were required and the Company prepared estimates of future cash flows to determine the recoverable amount of the respective assets.

The following table outlines the forecast benchmark commodity prices and the exchange rate used in the impairment calculation of PP&E at December 31, 2017:

	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028 (2)
WTI ($US/bbl) (1)	55.00	65.00	70.00	73.00	74.46	75.95	77.47	79.02	80.60	82.21	83.85
Exchange Rate ($US/$Cdn)	0.790	0.820	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850	0.850
WTI ($Cdn/bbl)	69.62	79.27	82.35	85.88	87.60	89.35	91.14	92.96	94.82	96.72	98.65
AECO ($Cdn/MMbtu) (1)	2.85	3.11	3.65	3.80	3.95	4.05	4.15	4.25	4.36	4.46	4.57

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

(2) Forecast benchmark commodity prices are assumed to increase by 2.0% in each year after 2028 to the end of the reserve life. Exchange rates are assumed to be constant at 0.850.

At December 31, 2017, the Company determined that the carrying amount of the Southeast Saskatchewan, Southwest Saskatchewan and Southern Alberta CGUs exceeded their recoverable amount. In addition, the recoverable amount of the Northern U.S. and Utah CGUs exceeded their carrying amount. The full amount of the impairments and recoveries were attributed to PP&E and, as a result, net impairment losses of $203.6 million were recorded as a component of depletion, depreciation, amortization and impairment expense.

The following table summarizes the impairment and recovery for the year ended December 31, 2017 by CGU:

CGU ($ millions, except %)	**Operating segment**	**Recoverable amount**	**Discount rate**	**(Impairment) / Recovery**	**(Impairment) / Recovery, net of tax**
Southeast Saskatchewan	Canada	6,946.2	10.25%	(281.7)	(206.1)
Southwest Saskatchewan	Canada	2,412.6	10.25%	(164.1)	(120.0)
Southern Alberta	Canada	1,217.9	11.00%	(109.6)	(80.2)
Northern U.S.	U.S.	976.5	10.50%	87.9	54.6
Utah	U.S.	1,482.4	10.25%	263.9	164.0
Total impairment		13,035.6		(203.6)	(187.7)

The impairments in the Southeast Saskatchewan, Southwest Saskatchewan and Southern Alberta CGUs were largely a result of the decrease in near-term forecast benchmark commodity prices and the increase in discount rates, partially offset by the positive impact of technical and development reserve additions. The recoveries in the Northern U.S. and Utah CGUs were largely a result of the positive impact of technical and development reserve additions and the positive impact of the changes to U.S. tax legislation, partially offset by the decrease in near-term forecast benchmark commodity prices and the increase in discount rates.

The following sensitivities show the resulting impact on income before tax of the changes in discount rate and forecast benchmark commodity price estimates at December 31, 2017, with all other variables held constant:

CGU ($ millions)	Discount Rate Increase 1%	Discount Rate Decrease 1%	Commodity Prices Increase 5%	Commodity Prices Decrease 5%
Southeast Saskatchewan	(559.4)	627.7	831.9	(839.6)
Southwest Saskatchewan	(209.6)	235.6	306.0	(305.7)
Southern Alberta	(114.3)	128.1	176.7	(175.8)
Northern U.S.	—	—	—	—
Utah	(103.6)	116.4	174.9	(173.6)
Increase (decrease)	(986.9)	1,107.8	1,489.5	(1,494.7)

10. GOODWILL

($ millions)	**2018**	2017
Goodwill, beginning of year	**251.9**	251.9
Southeast Saskatchewan asset disposition	**(6.2)**	—
Minor property dispositions	**(0.6)**	—
Transferred to assets held for sale [(1)]	**(1.1)**	—
Goodwill, end of year	**244.0**	251.9

(1) At September 30, 2018, the Company classified certain non-core assets in the Canadian operating segment as held for sale. Immediately before classifying the assets as held for sale, the Company conducted a review of the assets' recoverable amounts and recorded an impairment loss of $1.1 million related to goodwill. These assets have been disposed of prior to December 31, 2018.

Goodwill has been assigned to the Canadian operating segment.

Impairment test of goodwill

The impairment tests of goodwill compared the recoverable amount of the Company's PP&E and E&E to the carrying amount of the combined PP&E, E&E and goodwill at December 31, 2018 and December 31, 2017. As a result of these tests, the Company concluded that the estimated recoverable amounts exceeded the carrying amounts and no impairments were recorded. The recoverable amount estimates 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. OTHER CURRENT LIABILITIES

($ millions)	**2018**	2017
Long-term compensation liability	**6.5**	17.7
Lease inducement	**3.4**	3.4
Onerous contracts provision	**2.6**	2.9
Decommissioning liability	**26.9**	33.7
Other current liabilities	**39.4**	57.7

12. LONG-TERM DEBT

The following table reconciles long-term debt:

($ millions)	**2018**	2017
Bank debt	**1,982.1**	2,179.0
Senior guaranteed notes [(1)]	**2,294.6**	1,932.0
Long-term debt	**4,276.7**	4,111.0
Long-term debt due within one year	**99.8**	63.8
Long-term debt due beyond one year	**4,176.9**	4,047.2

(1) The Company entered into cross currency swaps and a foreign exchange swap concurrent with the issuance of the US dollar senior guaranteed notes to fix the US dollar amount of the notes for the purpose of principal repayment at Canadian dollar notional amounts. At December 31, 2018, the total notional principal due on the maturity of the senior guaranteed notes was $1.89 billion (December 31, 2017 - $1.67 billion) of which $73.7 million (December 31, 2017 - $50.3 million) was due within one year.

Bank debt

The Company has combined credit facilities of $3.60 billion, including a $3.50 billion syndicated unsecured credit facility with fourteen banks and a $100.0 million unsecured operating credit facility with one Canadian chartered bank. The current maturity date of the syndicated unsecured credit facility and the unsecured operating credit facility is June 10, 2021. Both of these facilities constitute revolving credit facilities and are extendible annually.

The credit facilities bear interest at the applicable market rate plus a margin based on a sliding scale ratio of the Company's senior debt to earnings before interest, taxes, depletion, depreciation, amortization and impairment, adjusted for certain non-cash items including unrealized derivatives, unrealized foreign exchange, equity settled share-based compensation expense and accretion ("adjusted EBITDA").

The credit facilities and senior guaranteed notes have covenants which restrict the Company's ratio of senior debt to adjusted EBITDA to a maximum of 3.5:1.0, the ratio of total debt to adjusted EBITDA to a maximum of 4.0:1.0 and the ratio of senior debt to capital, adjusted for certain non-cash items as noted above, to a maximum of 0.55:1.0. The Company was in compliance with all debt covenants at December 31, 2018.

The Company had letters of credit in the amount of $8.0 million outstanding at December 31, 2018 (December 31, 2017 - $7.5 million).

The Company manages its credit facilities through a combination of bankers' acceptance loans, US dollar London Inter-bank Offered Rate ("LIBOR") loans and interest rate swaps.

Senior guaranteed notes

The Company has closed private offerings of senior guaranteed notes raising total gross proceeds of US$1.48 billion and Cdn$277.0 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, amounts due on maturity and carrying amounts of the Company's outstanding senior guaranteed notes are detailed below:

Principal ($ millions)	Coupon Rate	Principal Due on Maturity (1) (Cdn$ millions)	Interest Payment Dates	Maturity Date	Financial statement carrying value 2018	2017
US$31.0	4.58%	—	October 14 and April 14	April 14, 2018	**—**	38.8
US$20.0	2.65%	—	December 12 and June 12	June 12, 2018	**—**	25.0
Cdn$7.0	4.29%	7.0	November 22 and May 22	May 22, 2019	**7.0**	7.0
US$68.0	3.39%	66.7	November 22 and May 22	May 22, 2019	**92.8**	85.1
US$155.0	6.03%	158.3	September 24 and March 24	March 24, 2020	**211.5**	194.0
Cdn$50.0	5.53%	50.0	October 14 and April 14	April 14, 2021	**50.0**	50.0
US$82.0	5.13%	79.0	October 14 and April 14	April 14, 2021	**111.9**	102.7
US$52.5	3.29%	56.3	December 20 and June 20	June 20, 2021	**71.6**	65.7
Cdn$25.0	4.76%	25.0	November 22 and May 22	May 22, 2022	**25.0**	25.0
US$200.0	4.00%	199.1	November 22 and May 22	May 22, 2022	**272.9**	250.4
US$61.5	4.12%	80.3	October 11 and April 11	April 11, 2023	**83.9**	—
Cdn$80.0	3.58%	80.0	October 11 and April 11	April 11, 2023	**80.0**	—
Cdn$10.0	4.11%	10.0	December 12 and June 12	June 12, 2023	**10.0**	10.0
US$270.0	3.78%	274.7	December 12 and June 12	June 12, 2023	**368.4**	338.0
Cdn$40.0	3.85%	40.0	December 20 and June 20	June 20, 2024	**40.0**	40.0
US$257.5	3.75%	276.4	December 20 and June 20	June 20, 2024	**351.4**	322.4
US$82.0	4.30%	107.0	October 11 and April 11	April 11, 2025	**111.9**	—
Cdn$65.0	3.94%	65.0	October 22 and April 22	April 22, 2025	**65.0**	65.0
US$230.0	4.08%	291.1	October 22 and April 22	April 22, 2025	**313.9**	287.9
US$20.0	4.18%	25.3	October 22 and April 22	April 22, 2027	**27.4**	25.0
Senior guaranteed notes		1,891.2			**2,294.6**	1,932.0
Senior guaranteed notes due within one year					**99.8**	63.8
Senior guaranteed notes due beyond one year					**2,194.8**	1,868.2

(1) Includes underlying derivatives which manage the Company's foreign exchange exposure on its US dollar senior guaranteed notes. The Company considers this to be the economic amount due at maturity instead of the financial statement carrying amount.

Concurrent with the issuance of US$1.45 billion senior guaranteed notes, the Company entered into cross currency swaps ("CCS") to manage the Company's foreign exchange risk. The CCS fix the US dollar amount of the notes for purposes of interest and principal repayments at a notional amount of $1.58 billion. Concurrent with the issuance of US$30.0 million senior guaranteed notes, the Company entered a foreign exchange swap which fixed the principal repayment at a notional amount of $32.2 million. See Note 25 - “Financial Instruments and Derivatives” for additional information.

13. OTHER LONG-TERM LIABILITIES

($ millions)	**2018**	2017
Long-term compensation liability (1)	**3.5**	5.2
Lease inducement (2)	**36.4**	40.0
Onerous contracts provision (3) (4)	**8.4**	8.8
Other long-term liabilities	**48.3**	54.0

(1) Long-term compensation liability relates to share-based compensation. See Note 23 - "Share-based Compensation" for additional information.

(2) The Company's lease inducement is associated with the building lease for Crescent Point's corporate office. This non-cash liability is amortized on a straight-line basis over the term of the lease to June 2030.

(3) Onerous contracts provision is related to the estimated unrecoverable portion of building leases.

(4) For the year ended December 31, 2018, the Company recorded $0.9 million of accretion expense related to the onerous contract provision (year ended December 31, 2017 - $0.6 million).

14. DECOMMISSIONING LIABILITY

The following table reconciles the decommissioning liability:

($ millions)	**2018**	2017
Decommissioning liability, beginning of year	**1,344.2**	1,314.4
Liabilities incurred	**38.6**	39.9
Liabilities acquired through capital acquisitions	**0.4**	25.1
Liabilities disposed through capital dispositions	**(68.3)**	(66.5)
Liabilities settled	**(25.3)**	(25.1)
Revaluation of acquired decommissioning liabilities (1)	**0.6**	42.8
Change in estimated future costs	**(79.9)**	2.8
Change in discount rate	**(20.2)**	(7.2)
Accretion expense	**30.6**	30.3
Reclassified as liabilities associated with assets held for sale	**—**	(4.6)
Foreign exchange	**10.0**	(7.7)
Decommissioning liability, end of year	**1,230.7**	1,344.2
Expected to be incurred within one year	**26.9**	33.7
Expected to be incurred beyond one year	**1,203.8**	1,310.5

(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.

Upon retirement of its oil and gas assets, the Company anticipates substantial costs associated with decommissioning. 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 $1.23 billion at December 31, 2018 (December 31, 2017 - $1.34 billion) based on total estimated undiscounted cash flows to settle the obligation of $1.29 billion (December 31, 2017 - $1.41 billion). These obligations are expected to be settled through 2053, with the majority expected after 2039. The estimated cash flows have been discounted using a risk free rate of approximately 2.25 percent and an inflation rate of 2 percent (December 31, 2017 - approximately 2.25 percent and 2 percent, respectively).

15. SHAREHOLDERS' CAPITAL

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

	2018		2017	
	Number of shares	**Amount ($ millions)**	Number of shares	Amount ($ millions)
Common shares, beginning of year	**545,794,384**	**16,745.7**	541,742,592	16,656.1
Issued on redemption of restricted shares (1)	**4,357,177**	**57.3**	4,051,792	89.6
Common shares, end of year	**550,151,561**	**16,803.0**	545,794,384	16,745.7
Cumulative share issue costs, net of tax	**—**	**(256.1)**	—	(256.1)
Total shareholders' capital, end of year	**550,151,561**	**16,546.9**	545,794,384	16,489.6

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

Normal Course Issuer Bid ("NCIB")

On January 23, 2019, the Company announced the approval by the Toronto Stock Exchange of its notice to implement a NCIB. The NCIB allows the Company to purchase, for cancellation, up to 38,424,678 common shares, or seven percent of the Company's public float, as at January 14, 2019. The NCIB commenced on January 25, 2019 and is due to expire on January 24, 2020.

As of the date of this report, the Company has purchased, for cancellation, 1,284,400 common shares for total consideration of $5.0 million.

16. DEFICIT

($ millions)	2018	2017
Accumulated earnings (deficit)	**(2,980.6)**	(363.7)
Accumulated gain on shares issued pursuant to DRIP (1) and SDP (2)	**8.4**	8.4
Accumulated tax effect on redemption of restricted shares	**12.1**	12.1
Accumulated dividends	**(7,607.1)**	(7,408.6)
Deficit	**(10,567.2)**	(7,751.8)

(1) Premium Dividend ™ and Dividend Reinvestment Plan.

(2) Share Dividend Plan.

17. CAPITAL MANAGEMENT

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

($ millions)	2018	2017
Long-term debt	**4,276.7**	4,111.0
Adjusted working capital deficiency (1)	**208.2**	133.3
Unrealized foreign exchange on translation of US dollar long-term debt	**(473.6)**	(219.4)
Net debt	**4,011.3**	4,024.9
Shareholders' equity	**6,612.8**	9,162.9
Total capitalization	**10,624.1**	13,187.8

(1) Adjusted working capital deficiency is calculated as accounts payable and accrued liabilities, dividends payable and long-term compensation liability, less cash, accounts receivable, prepaids and deposits and long-term investments.

The following table reconciles cash flow from operating activities to adjusted funds flow from operations for the years ended December 31, 2018 and December 31, 2017:

($ millions)	2018	2017
Cash flow from operating activities	**1,748.0**	1,718.7
Changes in non-cash working capital	**(37.2)**	(18.7)
Transaction costs	**5.1**	3.7
Decommissioning expenditures	**25.3**	25.1
Adjusted funds flow from operations	**1,741.2**	1,728.8

Crescent Point's objective for managing capital is to maintain a strong balance sheet and capital base to provide financial flexibility, position the Company to fund future development projects and provide returns to shareholders.

Crescent Point manages and monitors its capital structure and short-term financing requirements using a measure not defined in IFRS, the ratio of net debt to adjusted funds flow from operations. Net debt is calculated as long-term debt plus accounts payable and accrued liabilities, dividends payable and long-term compensation liability, less cash, accounts receivable, prepaids and deposits and long-term investments, excluding the unrealized foreign exchange on translation of US dollar long-term debt. Adjusted funds flow from operations is calculated as cash flow from operating activities before changes in non-cash working capital, transaction costs and decommissioning expenditures. Net debt to adjusted funds flow from operations is used to measure the Company's overall debt position and to measure the strength of the Company's balance sheet. Crescent Point's objective is to manage this metric to be well positioned to execute its business objectives during periods of volatile commodity prices. 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 adjusted funds flow from operations ratio at December 31, 2018 was 2.3 times (December 31, 2017 - 2.3 times).

Crescent Point strives to fund its capital expenditures, decommissioning expenditures and dividends over time by managing risks associated with the oil and gas industry. To accomplish this, the Company aims to maintain a conservative balance sheet with significant liquidity and 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 through its risk management program. See Note 25 - "Financial Instruments and Derivatives" for additional information regarding the Company's derivative contracts.

Crescent Point is subject to certain financial covenants on its credit facilities and senior guaranteed notes agreements and was in compliance with all financial covenants as at December 31, 2018. See Note 12 - "Long-term Debt" for additional information regarding the Company's financial covenant requirements.

18. OIL AND GAS SALES

The following table reconciles oil and gas sales by country and product type:

($ millions) [1]	**2018**	2017
Canada		
Crude oil sales	**2,743.6**	2,581.9
NGL sales	**202.1**	158.2
Natural gas sales	**54.3**	70.6
Total Canada	**3,000.0**	2,810.7
U.S.		
Crude oil sales	**811.7**	435.3
NGL sales	**41.2**	27.0
Natural gas sales	**34.6**	30.9
Total U.S.	**887.5**	493.2
Total oil and gas sales	**3,887.5**	3,303.9

(1) Oil and gas sales are reported before realized derivatives.

19. DERIVATIVE GAINS (LOSSES)

($ millions)	**2018**	2017
Realized gains (losses)	**(259.8)**	101.2
Unrealized gains (losses)	**439.4**	(163.6)
Derivative gains (losses)	**179.6**	(62.4)

20. OTHER INCOME (LOSS)

($ millions)	**2018**	2017
Long-term investments	**(15.5)**	(3.4)
Gain (loss) on capital dispositions	**(129.1)**	31.1
Dividend income	**1.1**	—
Other gain	**—**	0.1
Other income (loss)	**(143.5)**	27.8

21. FOREIGN EXCHANGE GAIN (LOSS)

($ millions)	**2018**	2017
Realized gain (loss)		
CCS - US dollar long-term debt maturities and interest payments	**88.3**	(39.3)
US dollar long-term debt maturities	**(70.3)**	54.6
Other	**4.3**	(0.6)
Unrealized gain (loss)		
Translation of US dollar long-term debt	**(254.2)**	201.2
Other	**(2.1)**	(0.2)
Foreign exchange gain (loss)	**(234.0)**	215.7

22. INCOME TAXES

The provision for income taxes is as follows:

($ millions)	**2018**	2017
Current tax:		
Canada	**—**	(1.9)
Luxembourg	**0.3**	0.2
Current tax expense (recovery)	**0.3**	(1.7)
Deferred tax:		
Canada	**(690.5)**	(99.2)
United States	**(248.3)**	201.3
Deferred tax expense (recovery)	**(938.8)**	102.1
Income tax expense (recovery)	**(938.5)**	100.4

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

($ millions)	**2018**	2017
Net income (loss) before tax	**(3,555.4)**	(23.6)
Statutory income tax rate	**27.00%**	26.85%
Expected provision for income taxes	**(960.0)**	(6.3)
Effect of change in corporate tax rates	**—**	106.9
Effect of tax rates in foreign jurisdictions	**13.9**	22.9
Effect of restricted share bonus plan	**1.8**	(2.7)
Effect of change in recognition of deferred tax assets	**(1.1)**	(14.7)
Effect of non-taxable capital (gains) losses	**0.6**	(1.1)
Non-deductible disposition of goodwill	**2.1**	—
Other	**4.2**	(4.6)
Income tax recovery	**(938.5)**	100.4

The statutory combined federal and provincial income tax rate decreased from 27.00% in 2016 to 26.85% in 2017 primarily due to the decrease in the Saskatchewan corporate tax rate from 12.00% to 11.50%, effective July 1, 2017. The Saskatchewan corporate tax rate was subsequently changed back to 12.00% effective January 1, 2018, resulting in an increase in the combined federal and provincial income tax rate from 26.85% in 2017 to 27.00% in 2018.

On December 22, 2017, the United States government enacted the Tax Cuts and Jobs Act which implemented significant changes to the U.S. tax legislation including, among other changes, a decrease to the federal corporate income tax rate from 35% to 21% effective January 1, 2018. As a result, the Company reduced its deferred income tax asset by $107.5 million at December 31, 2017 and recognized a corresponding deferred income tax expense.

The composition of net deferred income tax asset (liability) is as follows:

($ millions)	**2018**	2017
Deferred income tax assets	**602.3**	192.8
Deferred income tax liabilities	**—**	(550.6)
Net deferred income tax assets (liabilities)	**602.3**	(357.8)

The net deferred income tax assets (liabilities) are expected to be settled in the following periods:

($ millions)	**2018**	2017
Deferred income tax:		
To be settled within one year	**(57.9)**	29.1
To be settled beyond one year	**660.2**	(386.9)
Deferred income tax	**602.3**	(357.8)

The movement in deferred income tax assets (liabilities) are as follows:

($ millions)	At January 1, 2018	(Charges) / credits due to acquisitions & other	(Charged) / credited to earnings	**At December 31, 2018**
Deferred income tax assets:				
Decommissioning liability	361.3	—	(31.7)	**329.6**
Income tax losses carried forward	649.5	—	268.6	**918.1**
Debt financing costs	—	—	—	**—**
Share issue costs	10.2	—	(4.9)	**5.3**
Risk management contracts	33.5	—	(33.5)	**—**
Other	22.2	21.3	(27.2)	**16.3**
	1,076.7	21.3	171.3	**1,269.3**
Deferred income tax liabilities:				
Property, plant and equipment	(1,417.5)	—	783.6	**(633.9)**
Risk management contracts	(17.0)	—	(16.1)	**(33.1)**
	(1,434.5)	—	767.5	**(667.0)**
Net deferred income tax assets (liabilities)	(357.8)	21.3	938.8	**602.3**

($ millions)	At January 1, 2017	(Charges) / credits due to acquisitions & other	(Charged) / credited to earnings	At December 31, 2017
Deferred income tax assets:				
Decommissioning liability	361.8	—	(0.5)	361.3
Income tax losses carried forward	632.4	—	17.1	649.5
Debt financing costs	4.8	—	(4.8)	—
Share issue costs	15.3	0.1	(5.2)	10.2
Risk management contracts	18.3	—	15.2	33.5
Other	16.6	(26.7)	32.3	22.2
	1,049.2	(26.6)	54.1	1,076.7
Deferred income tax liabilities:				
Property, plant and equipment	(1,286.7)	—	(130.8)	(1,417.5)
Risk management contracts	8.4	—	(25.4)	(17.0)
	(1,278.3)	—	(156.2)	(1,434.5)
Net deferred income tax liabilities	(229.1)	(26.6)	(102.1)	(357.8)

The approximate amounts of tax pools available as at December 31, 2018 and 2017 are as follows:

($ millions)	**2018**	2017
Tax pools:		
Canada	**8,389.0**	8,746.2
United States	**3,830.0**	3,287.6
Total	**12,219.0**	12,033.8

Deferred income tax assets have been recognized in both Canada and the U.S. as it is probable given the Company's anticipated future earnings that the tax pools will be utilized in the future against future profits. The above tax pools include estimated Canadian non-capital losses carried forward of $1.90 billion (December 31, 2017 - $1.40 billion) that expire in the years 2026 through 2038, and U.S. net operating losses of $1.73 billion (December 31, 2017 - $1.20 billion) which expire in the years 2024 through 2037. A deferred income tax asset has not been recognized for U.S. net operating losses of $89.7 million (December 31, 2017 - $82.3 million) or for other temporary differences of $56.2 million (December 31, 2017 - $33.2 million) as there is not sufficient certainty regarding future utilization.

At December 31, 2017, 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 $1.2 million. 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 $1.3 billion (December 31, 2017 - $555.2 million).

The Company received notices of reassessment from the Canada Revenue Agency in 2014 and 2015 disallowing $149.3 million of tax pools and $12.6 million of investment tax credits relating to an acquired entity. The Company has filed notices of objections in response to these reassessments and management believes that it will be successful in defending its positions. Therefore, no provision for the potential income tax liability was recorded at December 31, 2018 and December 31, 2017.

23. 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 shares are settled upon vesting, at the Company's discretion, in common shares or cash. The expense is recognized over the service period and is included in shareholder's equity.

Performance Share Unit Plan

The Company has a Performance Share Unit ("PSU") Plan for designated employees. The PSUs vest on terms up to three years from the grant date as determined by the Board of Directors. PSUs are settled in cash upon vesting based on the prevailing Crescent Point share price, accrued dividends and performance multipliers. The expense is recognized over the service period and is included in long-term compensation liability.

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. DSUs are settled in cash based on the prevailing Crescent Point share price. The expense is recognized at fair value at each period end and is included in long-term compensation liability.

The following table reconciles the number of restricted shares, PSUs and DSUs for the year ended December 31, 2018:

	Restricted Shares	Performance Share Units (1)	Deferred Share Units
Balance, beginning of year	3,589,024	4,460,046	229,470
Granted	5,219,156	1,238,518	118,999
Redeemed	(4,557,768)	(2,839,865)	(46,855)
Forfeited	(1,008,728)	(612,385)	—
Balance, end of year	3,241,684	2,246,314	301,614

(1) Based on underlying units before any effect of performance multipliers.

The following table reconciles the number of restricted shares, PSUs and DSUs for the year ended December 31, 2017:

	Restricted Shares	Performance Share Units [1]	Deferred Share Units
Balance, beginning of year	5,188,358	—	204,653
Granted	3,424,610	4,460,046	70,609
Redeemed	(4,195,754)	—	(45,792)
Forfeited	(235,162)	—	—
Modified to PSUs	(593,028)	—	—
Balance, end of year	3,589,024	4,460,046	229,470

(1) Based on underlying units before any effect of performance multipliers.

Stock Option Plan

In May 2018, the Company approved a Stock Option Plan for designated employees. The Options have a maximum term of seven years and vest on terms as determined by the Board of Directors. Share-based compensation expense is determined based on the estimated fair value of the stock options on the date of the grant. Upon vest, the stock option holder may either exercise their stock options to purchase one common share per option at the exercise price or, at the Company's discretion, surrender their stock options for a cash payment in an amount equal to the aggregate positive difference, if any, between the market price and the exercise price of the number of common shares associated with the stock options surrendered. Alternatively, the stock option holder may also, at the Company's discretion, surrender their stock options for common shares having a value equivalent to the cash payment.

The following table reconciles the number of stock options and the related weighted average exercise prices for the year ended December 31, 2018:

	Stock Options (number of units)	Weighted average exercise price ($)
Balance, beginning of year	—	—
Granted	3,158,490	10.04
Exercised	—	—
Forfeited	(1,110,375)	10.06
Balance, end of year	2,048,115	10.03

The following table summarizes information regarding stock options outstanding as at December 31, 2018:

Number of stock options outstanding	Weighted average exercise price per share for options outstanding ($)	Vest year	Weighted average remaining term (years)	Number of stock options exercisable	Weighted average exercise price per share for options exercisable ($)
621,323	10.04	2019	6.03	—	—
356,698	10.02	2020	6.05	—	—
356,698	10.02	2021	6.05	—	—
713,396	10.02	2022	6.05	—	—

The Company estimates the fair value of stock options on the date of the grant using a Black-Scholes option pricing model. The following weighted average assumptions were used to estimate the fair value of the stock options at their grant date:

	2018	2017
Grant date share price ($)	**10.04**	—
Exercise price ($)	**10.04**	—
Expected annual dividends ($)	**0.36**	—
Expected volatility (%)	**35.9%**	—
Risk-free interest rate (%)	**2.00%**	—
Expected life of stock option	**4.9 years**	—
Fair value per stock option ($)	**2.34**	—

For the year ended December 31, 2018, the Company calculated total share-based compensation of $53.7 million (year ended December 31, 2017 - $74.0 million), net of estimated forfeitures, of which $7.7 million was capitalized (year ended December 31, 2017 - $12.0 million).

At December 31, 2018, the current portion of long-term compensation liability of $6.5 million was included in other current liabilities (December 31, 2017 - $17.7 million) and $3.5 million was included in other long-term liabilities (December 31, 2017 - $5.2 million).

24. PER SHARE AMOUNTS

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

	2018	2017
Weighted average shares – basic	**549,109,960**	545,162,580
Dilutive impact of share-based compensation	**—**	—
Weighted average shares – diluted (1)	**549,109,960**	545,162,580

(1) Excludes the impact of 1,086,922 weighted average shares related to share-based compensation that were anti-dilutive for the year ended December 31, 2018 (year ended December 31, 2017 - 1,603,575).

25. 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 and whether the applicable company is publicly traded or private. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy.

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

a) Carrying amount and fair value of financial instruments

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 facilities bear interest at floating rates and credit spreads that 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 carrying value of the Company's remaining financial assets and liabilities as compared to their respective fair values as at December 31, 2018:

($ millions)	2018 Carrying Value	2018 Fair Value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Derivatives	595.6	595.6	—	595.6	—
Long-term investments (1)	8.7	8.7	8.7	—	—
	604.3	604.3	8.7	595.6	—
Financial liabilities					
Senior guaranteed notes (2)	2,294.6	2,273.5	—	2,273.5	—
	2,294.6	2,273.5	—	2,273.5	—

(1) Long-term investments are comprised of equity securities in public 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 carrying value of the Company's remaining financial assets and liabilities as compared to their respective fair values as at December 31, 2017:

($ millions)	2017 Carrying Value	2017 Fair Value	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets					
Derivatives	282.7	282.7	—	282.7	—
Long-term investments [(1)]	72.6	72.6	65.1	—	7.5
	355.3	355.3	65.1	282.7	7.5
Financial liabilities					
Derivatives	123.9	123.9	—	123.9	—
Senior guaranteed notes [(2)]	1,932.0	1,951.3	—	1,951.3	—
	2,055.9	2,075.2	—	2,075.2	—

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

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, 2018 and the change in fair value for the year ended December 31, 2018:

($ millions)	Commodity contracts [(1)]	Interest contracts	CCS contracts	Foreign exchange contracts	Total
Derivative assets / (liabilities), beginning of year	(53.8)	9.5	198.0	5.1	158.8
Unrealized change in fair value	203.4	(4.0)	236.7	3.3	439.4
Foreign exchange	(2.6)	—	—	—	(2.6)
Derivative assets, end of year	147.0	5.5	434.7	8.4	595.6

(1) Includes oil and gas contracts.

The following table summarizes the fair value as at December 31, 2017 and the change in fair value for the year ended December 31, 2017:

($ millions)	Commodity contracts [(1)]	Interest contracts	CCS contracts	Foreign exchange contracts	Total
Derivative assets / (liabilities), beginning of year	(60.6)	2.1	373.3	6.9	321.7
Unrealized change in fair value	6.1	7.4	(175.3)	(1.8)	(163.6)
Foreign exchange	0.7	—	—	—	0.7
Derivative assets / (liabilities), end of year	(53.8)	9.5	198.0	5.1	158.8
Derivative assets, end of year	23.2	9.5	244.9	5.1	282.7
Derivative liabilities, end of year	(77.0)	—	(46.9)	—	(123.9)

(1) Includes oil, gas and power contracts.

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, 2018 and December 31, 2017:

			2018			2017
($ millions)	Asset	Liability	Net	Asset	Liability	Net
Gross amount	595.6	—	595.6	283.5	(124.7)	158.8
Amount offset	—	—	—	(0.8)	0.8	—
Net amount	595.6	—	595.6	282.7	(123.9)	158.8

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, NGLs 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. Unless otherwise approved by the Board of Directors, the Company can hedge benchmark prices on up to 65 percent of after royalty volumes using a portfolio of swaps, collars and put option instruments and can hedge price differentials on up to 35 percent of after royalty volumes using a combination of financial derivatives and fixed differential physical contracts.

Crude oil - To partially mitigate exposure to crude oil commodity price risk, the Company enters into option contracts and swaps to manage the Cdn$ and US$ 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 with fixed differentials on a month-to-month spot and on a term contract basis. As at December 31, 2018, Crescent Point had committed, on a term contract basis, to deliver an average of approximately 14,900 bbl/d of liquids for calendar 2019, 9,900 bbl/d of crude oil for calendar 2020, 9,500 bbl/d of crude oil for calendar 2021, 6,500 bbl/d of crude oil for calendar 2022 and 4,000 bbl/d of crude oil for calendar 2023 to 2027.

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

Power - To partially mitigate exposure to electricity price changes, the Company enters into swaps 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, 2018 and December 31, 2017 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 a 10 percent near-term volatility is a reasonable measure. Fluctuations in commodity prices or differentials potentially would have resulted in unrealized gains (losses) impacting income before tax as follows:

($ millions)	Impact on Income Before Tax Year ended December 31, 2018		Impact on Income Before Tax Year ended December 31, 2017	
	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Commodity price				
Crude oil	(75.6)	61.6	(150.9)	139.4
Natural gas	(0.7)	0.7	(2.9)	2.9

Interest rate risk

The Company is exposed to interest rate risk on bank credit facilities to the extent of changes in market interest rates. Based on the Company's floating rate debt position as at December 31, 2018, a 1% increase or decrease in the interest rate on floating rate debt would amount to an impact on income before tax of $16.1 million (December 31, 2017 - $17.8 million, respectively).

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, 2018 and December 31, 2017 with all other variables held constant:

($ millions)	Impact on Income Before Tax Year ended December 31, 2018		Impact on Income Before Tax Year ended December 31, 2017	
Forward interest rates	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Interest rate swaps	1.1	(1.1)	1.9	(1.9)

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. The Company is exposed to foreign exchange risk in relation to its US dollar denominated long-term debt, investment in U.S. subsidiaries and in relation to its crude oil sales.

The Company partially mitigates its exposure to foreign exchange rate changes by entering into US dollar swaps. Crescent Point entered into various CCS and foreign exchange swaps to hedge its foreign exchange exposure on its US dollar denominated long-term debt. 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, 2018 and December 31, 2017 with all other variables held constant:

($ millions)	Exchange Rate	Impact on Income Before Tax Year ended December 31, 2018		Impact on Income Before Tax Year ended December 31, 2017	
Cdn$ relative to US$		Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
US dollar long-term debt	Period End	394.2	(394.2)	390.1	(390.1)
Cross currency swaps	Forward	(402.3)	402.3	(402.5)	402.5
Foreign exchange swaps	Forward	(9.4)	9.4	(3.7)	3.7

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. To mitigate credit risk associated with its physical sales portfolio, Crescent Point obtains financial assurances such as parental guarantees, letters of credit and third party credit insurance. Including these assurances, approximately 95% of the Company's oil and gas sales are with entities considered investment grade.

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.

At December 31, 2018, approximately 5 percent (December 31, 2017 - 4 percent) of the Company's accounts receivable balance was outstanding for more than 90 days and the Company's average expected credit loss was 2.95% on a portion of the Company’s accounts receivable balance relating to joint venture receivables.

Liquidity risk

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 managing its capital structure and continuously monitoring forecast cash flows and available credit under existing banking arrangements as well as other potential sources of capital.

At December 31, 2018, the Company had available unused borrowing capacity on bank credit facilities of approximately $1.62 billion, including $8.0 million outstanding letters of credit and cash of $15.3 million.

The timing of undiscounted cash outflows relating to the financial liabilities outstanding as at December 31, 2018 is outlined in the table below:

($ millions)	1 year	2 to 3 years	4 to 5 years	More than 5 years	Total
Accounts payable and accrued liabilities	532.9	—	—	—	532.9
Dividends payable	16.5	—	—	—	16.5
Senior guaranteed notes (1)	156.9	486.7	767.0	843.1	2,253.7
Bank credit facilities (2)	108.2	2,128.7	—	—	2,236.9

(1) These amounts include the notional principal and interest payments pursuant to the CCS and foreign exchange swap related to the senior guaranteed notes, which fix the amounts due in Canadian dollars.

(2) These amounts include interest based on debt outstanding and interest rates effective as at December 31, 2018 and includes undiscounted cash outflows pursuant to the CCS related to LIBOR loans. The current maturity date of the Company's facilities is June 10, 2021. The Company expects that the facilities will continue to be renewed and extended prior to their maturity dates.

The timing of undiscounted cash outflows relating to the financial liabilities outstanding as at December 31, 2017 is outlined in the table below:

($ millions)	1 year	2 to 3 years	4 to 5 years	More than 5 years	Total
Accounts payable and accrued liabilities	613.3	—	—	—	613.3
Dividends payable	16.8	—	—	—	16.8
Derivative liabilities (1)	55.6	2.5	—	—	58.1
Senior guaranteed notes (2)	126.0	371.1	512.0	1,048.9	2,058.0
Bank credit facilities (3)	98.3	2,316.7	—	—	2,415.0

(1) These amounts exclude undiscounted cash outflows pursuant to the CCS and foreign exchange swap related to the senior guaranteed notes, and the CCS related to LIBOR loans.

(2) These amounts include the notional principal and interest payments pursuant to the CCS and foreign exchange swap related to the senior guaranteed notes, which fix the amounts due in Canadian dollars.

(3) These amounts include interest based on debt outstanding and interest rates effective as at December 31, 2017 and includes undiscounted cash outflows pursuant to the CCS related to LIBOR loans.

c) Derivative contracts

The Company enters into derivative crude oil, natural gas, power, interest rate, cross currency and foreign exchange contracts along with 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, 2018**:**

Financial WTI Crude Oil Derivative Contracts – Canadian Dollar (1)

		Swap	Three-way Collar		
Term	Volume (bbls/d)	Average Price ($/bbl)	Average Sold Call Price ($/bbl)	Average Bought Put Price ($/bbl)	Average Sold Put Price ($/bbl)
2019	47,151	73.51	82.31	77.24	66.52
2020 January - June	8,470	—	92.08	84.77	71.00

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

Financial WTI Crude Oil Derivative Contracts – US Dollar (1)

		Three-way Collar		
Term	Volume (bbls/d)	Average Sold Call Price (US$/bbl)	Average Bought Put Price (US$/bbl)	Average Sold Put Price (US$/bbl)
2019 January - June	8,972	56.01	49.89	43.00

(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)
2019	19,948	2.71

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

Financial Interest Rate Derivative Contracts – Canadian Dollar Term	Contract	Notional Principal ($ millions)	Fixed Rate (%)
January 2019 - August 2020	Swap	50.0	1.16
January 2019 - August 2020	Swap	50.0	1.16
January 2019 - August 2020	Swap	100.0	1.15
January 2019 - September 2020	Swap	50.0	1.14
January 2019 - September 2020	Swap	50.0	1.11

Financial Cross Currency Derivative Contracts Term	Contract	Receive Notional Principal (US$ millions)	Fixed Rate (US%)	Pay Notional Principal (Cdn$ millions)	Fixed Rate (Cdn%)
January 2019	Swap	250.0	4.54	327.9	3.80
January 2019	Swap	230.0	4.54	301.8	3.80
January 2019	Swap	100.0	4.54	131.1	3.80
January 2019	Swap	200.0	4.54	262.5	3.80
January 2019	Swap	150.0	4.54	196.6	3.81
January 2019	Swap	200.0	4.52	265.7	3.75
January 2019	Swap	100.0	4.52	132.9	3.75
January 2019	Swap	90.0	4.52	119.5	3.73
January 2019	Swap	90.0	4.52	119.6	3.74
January 2019 - May 2019	Swap	68.0	3.39	66.7	4.53
January 2019 - March 2020	Swap	155.0	6.03	158.3	6.45
January 2019 - April 2021	Swap	82.0	5.13	79.0	5.83
January 2019 - June 2021	Swap	52.5	3.29	56.3	3.59
January 2019 - May 2022	Swap	170.0	4.00	166.9	5.03
January 2019 - April 2023	Swap	61.5	4.12	80.3	3.71
January 2019 - June 2023	Swap	270.0	3.78	274.7	4.32
January 2019 - June 2024	Swap	257.5	3.75	276.4	4.03
January 2019 - April 2025	Swap	82.0	4.30	107.0	3.98
January 2019 - April 2025	Swap	230.0	4.08	291.1	4.13
January 2019 - April 2027	Swap	20.0	4.18	25.3	4.25

Financial Foreign Exchange Forward Derivative Contracts Settlement Date	Contract	Receive Notional Principal (US$ millions)	Pay Notional Principal (Cdn$ millions)
January 2019	Swap	39.3	53.1
May 2022	Swap	30.0	32.2

26. RELATED PARTY TRANSACTIONS

All related party transactions are recorded at the exchange amount.

During the year ended December 31, 2018, Crescent Point recorded $11.6 million (year ended December 31, 2017 - $12.9 million) of expenditures in the normal course of business to an oilfield services company of which a director of Crescent Point is a director and officer. The oilfield services company is one of only a few specialized service providers in their area of expertise with capacity and geographical presence to meet the Company’s needs. The service company was selected, along with a few other key vendors, to provide goods and services as part of a comprehensive and competitive request for proposal process with key factors of its success including the unique nature of proprietary products, the ability to service specific geographic regions, proven safety performance and competitive pricing.

Compensation of Key Management Personnel

Key management personnel of the Company consists 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 and PSU Plan. The Company recorded $7.7 million (year ended December 31, 2017 - $7.5 million) relating to compensation of key management personnel and $11.3 million (year ended December 31, 2017 - nil) relating to executive severance as general and administrative expenses for the year ended December 31, 2018. Share-based compensation costs relating to compensation of key management personnel and severance were $22.6 million (year ended December 31, 2017 –$21.7 million) and $2.8 million (year ended December 31, 2017 - nil), respectively.

27. COMMITMENTS

At December 31, 2018, the Company had contractual obligations and commitments as follows:

($ millions)	1 year	2 to 3 years	4 to 5 years	More than 5 years	Total
Operating leases (building, vehicle and equipment) (1)	35.3	64.5	54.3	194.5	348.6
Transportation commitments	16.3	24.8	22.7	26.2	90.0
Total contractual commitments	51.6	89.3	77.0	220.7	438.6

(1) Included in operating leases are recoveries of rent expense on office space the Company has subleased of $44.8 million.

At December 31, 2017, the Company had contractual obligations and commitments as follows:

($ millions)	1 year	2 to 3 years	4 to 5 years	More than 5 years	Total
Operating leases (building and vehicle) (1)	30.2	53.1	52.1	217.0	352.4
Transportation commitments	17.8	29.6	22.9	37.4	107.7
Total contractual commitments	48.0	82.7	75.0	254.4	460.1

(1) Included in operating leases are recoveries of rent expense on office space the Company has subleased of $50.6 million.

28. SIGNIFICANT SUBSIDIARIES

The Company has the following significant subsidiaries, each owned 100% directly and indirectly, at December 31, 2018:

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

29. SUPPLEMENTAL DISCLOSURES

Comprehensive Income Statement Presentation

The Company's statements of comprehensive income are 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:

($ millions)	**2018**	2017
Operating	**96.3**	92.9
General and administrative	**88.8**	69.6
Share-based compensation	**46.0**	62.0
Total compensation expenses	**231.1**	224.5

Cash flow statement presentation

($ millions)	**2018**	2017
Operating activities		
Changes in non-cash working capital:		
Accounts receivable	**89.8**	(21.6)
Prepaids and deposits	**—**	0.9
Accounts payable and accrued liabilities	**(39.6)**	13.9
Other current liabilities	**(11.5)**	24.0
Other long-term liabilities	**(1.5)**	1.5
	37.2	18.7
Investing activities		
Changes in non-cash working capital:		
Accounts receivable	**(25.0)**	(26.0)
Accounts payable and accrued liabilities	**(56.6)**	(39.8)
	(81.6)	(65.8)
Financing activities		
Changes in non-cash working capital:		
Dividends payable	**(0.3)**	0.5

($ millions)	**2018**	2017
Other		
Lease inducement	**(3.6)**	(3.6)
Onerous contract provision	**(1.5)**	2.2
Translation of US dollar derivatives	**2.6**	(0.7)
	(2.5)	(2.1)

Supplementary Financing Cash Flow Information

The Company's reconciliation of cash flow from financing activities is outlined in the table below:

($ millions)	Dividends payable	Current portion of long-term debt	Long-term debt	Shareholders' capital
December 31, 2017	**16.8**	**63.8**	**4,047.2**	**16,489.6**
Changes from cash flow from financing activities:				
Redemption of restricted shares				**(1.7)**
Decrease in bank debt, net			**(360.0)**	
Issuance of senior guaranteed notes			**267.3**	
Repayment of senior guaranteed notes		**(65.0)**		
Realized gain on cross currency swap maturity		**14.7**	**55.6**	
Cash dividends paid	**(198.8)**			
Non-cash changes:				
Redemption of restricted shares				**59.0**
Reclassified to current		**94.2**	**(94.2)**	
Cash dividends declared	**198.5**			
Foreign exchange		**(7.9)**	**261.0**	
December 31, 2018	**16.5**	**99.8**	**4,176.9**	**16,546.9**
December 31, 2016	16.3	90.6	3,730.1	16,400.2
Changes from cash flow from financing activities:				
Redemption of restricted shares				(2.3)
Share issue costs				(0.3)
Increase in bank debt, net			635.9	
Repayment of senior guaranteed notes		(90.3)		
Realized gain (loss) on cross currency swap maturity		21.4	(76.0)	
Cash dividends paid	(197.2)			
Non-cash changes:				
Redemption of restricted shares				91.9
Deferred taxes on share issue costs				0.1
Reclassified to current		68.3	(68.3)	
Cash dividends declared	197.7			
Foreign exchange		(26.2)	(174.5)	
December 31, 2017	16.8	63.8	4,047.2	16,489.6

30. GEOGRAPHICAL DISCLOSURE

As at December 31, 2018, Crescent Point's non-current assets related to the U.S. foreign operations was $2.46 billion (December 31, 2017 - $2.74 billion). See Note 18 - "Oil and Gas Sales" for Crescent Point's oil and gas sales related to the U.S. foreign operations.

Directors

Robert Heinemann, Chairman

Rene Amirault (4)

Peter Bannister (3) (4)

Laura Cillis (1) (2)

John Dielwart (6)

Ted Goldthorpe (1) (5)

Mike Jackson (1) (2) (5)

Francois Langlois (3) (4) (5)

Barbara Munroe (2) (5)

Gerald Romanzin (1) (3)

Craig Bryksa (4)

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

(2) Member of the Human Resources and Compensation Committee of the Board of Directors

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

(4) Member of the Environmental, Health & Safety Committee of the Board of Directors

(5) Member of the Corporate Governance and Nominating Committee

(6) Member effective March 7, 2019

Officers

Craig Bryksa
President and Chief Executive Officer

Ken Lamont
Chief Financial Officer

Ryan Gritzfeldt
Chief Operating Officer

Brad Borggard
Senior Vice President, Corporate Planning and Capital Markets

Derek Christie
Senior Vice President, Exploration and Corporate Development

Mark Eade
Senior Vice President, General Counsel and Corporate Secretary

Scott Tuttle
Senior Vice President, Human Resources and Corporate Services

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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:

Computershare Trust Company of Canada
600, 530 - 8th Avenue S.W.
Calgary, Alberta T2P 3S8
Tel: (403) 267-6800

Stock Exchanges

Toronto Stock Exchange - TSX
New York Stock Exchange - NYSE

Stock Symbol

CPG

Investor Contacts

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