



Crescent Point

TSX **CPG** | NYSE **CPG**

# Q2 2018 Conference Call

July 26, 2018



Knowledge  
First Culture



Innovation &  
Technology Leaders



Value  
Creators

# Forward Looking Information

This presentation contains "forward-looking statements" within the meaning of applicable securities legislation, such as section 27A of the Securities Act of 1933 and section 21E of the Securities Exchange Act of 1934, including estimates of future production, cash flows and reserves, business plans for drilling and exploration, the estimated amounts and timing of capital expenditures, the assumptions upon which estimates are based and related sensitivity analyses, and other expectations, beliefs, plans, objectives, assumptions or statements about future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimated" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved). In particular, this presentation contains forward-looking statements pertaining to the following: the priorities of the Corporation's strategy review and the expected resulting outlook improvements; Crescent Point's ongoing review of its asset base, business strategy and organizational structure; the Corporation's 2018 annual average production and capital expenditures guidance; the expected impact of a capital shift into Q4 on the Corporation's level of activity and production profile moving into 2019;

There are numerous uncertainties inherent in estimating crude oil, natural gas and NGL reserves and the future cash flow attributed to such reserves. The reserve and associated cash flows therefrom are based upon a number of variable factors and assumptions, such as historical production from the properties, production rates, ultimate reserve recovery, timing and amount of capital expenditures, marketability of oil and natural gas, royalty rates, the assumed effects of regulation by governmental agencies and future operating expenses, all of which may vary materially. Actual reserve values may be greater than or less than the estimates provided herein. Also, estimates of reserves and future net revenue for individual properties may not reflect the same confidence level as estimates and future net revenue for all properties due to the effect of aggregation. Information relating to "reserves" is deemed to be forward-looking information, as it involves the implied assessment, based on certain estimates and assumptions, that the reserves described exist in the quantities predicted or estimated, and that the reserves described can be profitably produced in the future. All required reserve information for the Corporation is contained in its Annual Information Form for the year ended December 31, 2017, which is accessible at [www.sedar.com](http://www.sedar.com). With respect to disclosure contained herein regarding resources other than reserves, there is uncertainty that it will be commercially viable to produce any portion of the resources and there is significant uncertainty regarding the ultimate recoverability of such resources.

All forward-looking statements are based on Crescent Point's beliefs and assumptions based on information available at the time the assumption was made. Crescent Point believes that the expectations reflected in these forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this report should not be unduly relied upon. By their nature, such forward-looking statements are subject to a number of risks, uncertainties and assumptions, which could cause actual results or other expectations to differ materially from those anticipated, expressed or implied by such statements, including those material risks discussed in the Corporation's Annual Information Form for the year ended December 31, 2017<sup>4</sup>, in our Management's Discussion and Analysis for the year ended December 31, 2017 and for the six months ended June 30, 2018. The material assumptions are disclosed in the Management's Discussion and Analysis for the year ended December 31, 2017 and for the six months ended June 30, 2018.

In addition, with respect to forward-looking information contained in this presentation, assumptions have been made regarding, among other things: future crude oil and natural gas prices; future interests rates and currency exchange rates; future cost escalation under different pricing scenarios; the Corporation's future production levels; the applicability of technologies for recovery and production of the Corporation's reserves and improvements therein; the recoverability of the Corporation's reserves; Crescent Point's ability to market its production at acceptable prices; future capital expenditures; future cash flows from production meeting the expectations stated in this presentation; future sources of funding for the Corporation's capital program; the Corporation's future debt levels; geological and engineering estimates in respect of the Corporation's reserves; the geography of the areas in which the Corporation is conducting exploration and development activities; the impact of competition on the Corporation; the Corporation's ability to obtain financing on acceptable terms.

These assumptions, risks and uncertainties could cause actual results or other expectations to differ materially from those anticipated, expressed or implied by such statements. The impact of any one assumption, risk, uncertainty or factor on a particular forward-looking statement is not determinable with certainty as these are interdependent. Except as required by law, Crescent Point assumes no obligation to update forward-looking statements should circumstances or management's estimates or opinions change. Certain information contained herein has been prepared by third-party sources.

Included in this presentation are Crescent Point's 2018 guidance in respect of capital expenditures and average annual production and net debt, which are based on various assumptions as to production levels, commodity prices and other assumptions and are provided for illustration only and are based on budgets and forecasts that have not been finalized and are subject to a variety of contingencies including prior years' results. To the extent such estimates constitute a "financial outlook" or "future oriented financial information" in this presentation, as defined by applicable securities legislation, such information has been approved by management of Crescent Point in July 2018. 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.

# Priorities of Strategy Review

## Key Value Drivers

**Balance Sheet Improvement**

**Disciplined Capital Allocation**

**Cost Reductions**



## Improved Outlook

**Rates of Return**

**Free Cash Flow Generation**

**Debt-Adjusted Per Share Metrics**

**Long-Term Sustainability**

The new leadership team is focused on prioritizing the business strategy based on its key value drivers



# Initial Actions Tied to Key Value Drivers

- ✓ Allocated proceeds from recent dispositions toward debt reduction
- ✓ Streamlined executive team with fewer members
- ✓ Shut-in uneconomic production and rescheduled capital to create a more consistent activity profile
- ✓ Reviewing asset base, business strategy and organizational structure

● Balance Sheet Improvement

● Disciplined Capital Allocation

● Cost Reductions

# Q2 2018 Highlights

## Financial

- Q2 funds flow from operations of \$500.3 million (\$0.91 per share diluted)
- Reduced net debt by over \$390 million
- Closed previously announced dispositions of approximately \$280 million
- Extended credit facilities to 2021 and closed a private placement of senior notes

## Operational

- Q2 production of 181,818 boe/d (~90% oil and liquids)
- Minimal Q2 activity in Canadian operations due to spring break-up
- Continued to advance U.S. operations in the Uinta Basin and North Dakota
- Encouraging initial results in the East Shale Duvernay

## Corporate

- Appointed new senior leadership team
- Streamlined executive structure with fewer members
- Initiated comprehensive review of the asset base, business strategy and organizational structure

# 2018 Updated Guidance

## 2018 Guidance

	Prior	Revised
Total Average Annual Production (boe/d)	181,000	177,000
% Oil and NGLs	90%	90%
Capital Expenditures (\$ millions)		
Drilling and Development	\$1,595	\$1,595
Facilities and Seismic	\$180	\$180
Total Capital Expenditures, before net land and property acquisitions (\$ millions)	\$1,775	\$1,775

Annual average production guidance adjusted by approximately 2% reflecting:

- Rescheduling the timing of capital expenditures
  - A portion of capital expenditures previously planned for Q3 2018 has been moved later into the year
  - Production volumes previously budgeted to come on stream earlier in H2 2018 are now expected to come on line later in 2018, or in Q1 2019
  - Allows for a more consistent level of activity and production profile moving into 2019
- Shut-in of ~1,000 boe/d of uneconomic production

# Capital Markets Summary

CPG (TSX and NYSE)	
Trading Price (July 20, 2018)	\$9.61 (TSX), US\$7.32 (NYSE)
Shares Outstanding	554.9 million
Avg. Daily Trading Volume	~7.2 million
Dividend (Yield)	\$0.03 per month (3.7%)
Market Capitalization	\$5.3 billion
Net Debt	\$4.0 billion
Enterprise Value	\$9.3 billion
Unutilized Credit Capacity	\$1.5 billion

Net debt and unutilized credit capacity as of June 30, 2018

Market capitalization and dividend yield based on share price as of market close on July 20, 2018 and 554.9 million fully diluted shares outstanding as of June 30, 2018

Average daily trading volume based on Canadian and US volumes from trailing 3-months as of July 20, 2018

# Definitions / Non-GAAP Financial Measures

## Oil and Gas Definitions

1. 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.
2. Cash flow equates to funds flow from operations. Cash flow from operations per share equals funds flow from operations per share.

## Non-GAAP Measures

Throughout this presentation the Company uses the terms “funds flow from operations”, “fund flow from operations per share – diluted”, “market capitalization”, “net debt”, 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.

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

Market capitalization is an indication of enterprise value and is calculated by applying a recent share trading price to the number of diluted shares outstanding. Market capitalization is an indication of enterprise value.

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.

Enterprise value is calculated as market capitalization plus net debt. Management uses enterprise value to assess the valuation of the Company.

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. This information should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS. For definitions of the non-GAAP measures listed above along with reconciliations from the non-GAAP measure to the most directly comparable GAAP measure, each of which is incorporated by reference please see the Company’s most recent annual Management’s Discussion & Analysis (“MD&A”) available on SEDAR at [sedar.com](http://sedar.com), or EDGAR as [www.sec.gov](http://www.sec.gov) and on our website as [www.crescentpointenergy.com](http://www.crescentpointenergy.com).

# Disclosure Committee

## NOTE TO READER REGARDING DISCLOSURE

In addition to obtaining all necessary Board approvals, the Company's long-established Disclosure Committee's mandate is to review and confirm the accuracy of the data and information contained in the documents, including this presentation, Crescent Point uses to communicate to the public. This review and confirmation process is formally completed prior to any such disclosure being released. This Committee is comprised of senior representatives (including officers) from each of the following departments: accounting and finance; engineering and operations (including drilling and completions, environment, health and safety and regulatory); exploration and geosciences; investor relations; land; legal; marketing and reserves.

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# Company Information

<b>BANKER</b>	Bank of Nova Scotia
<b>AUDITOR</b>	PricewaterhouseCoopers LLP
<b>LEGAL COUNSEL</b>	Norton Rose Fulbright Canada LLP
<b>EVALUATION ENGINEERS</b>	GLJ Petroleum Consultants Ltd. Sproule Associates Limited
<b>REGISTRAR &amp; TRANSFER AGENT</b>	Computershare Trust Company
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