



FOR IMMEDIATE RELEASE  
January 28, 2009

CWV: TSX.V

### **Crown Point Ventures Ltd. January, 2010 Update**

Crown Point Ventures Ltd. during its first quarter achieved a number of its major short term goals regarding the development and implementation of its Argentine Business Plan.

- CWV's first commercial oil production at El Valle in the Golfo San Jorge Basin in Argentina
- Completed its earning under the El Valle Farmin Agreement
- Generated new lower risk drilling locations for El Valle
- Confirmed CWV's 3-D seismic and geological interpretation at El Valle
- Demonstrated the potential upside and value of our drilling inventory
- At November 30, 2009, 5,187,500 share purchase warrants had been exercised for gross proceeds of \$3,112,500.

Crown Point in the first quarter completed the drilling and completion of its first oil wells in Argentina and has placed them on commercial production. The above listed accomplishments have provided confidence to Crown Point regarding the potential gains to be made from further development at El Valle. The recent drilling and production results have started to demonstrate the economic potential of El Valle.

Crown Point has two producing oil wells (EVX-21 and EVX-19) and a currently shut in natural gas well (EVX-20) in the El Valle Field in Golfo San Jorge Basin in Argentina. The Company has developed a drilling inventory of eight new exploration targets and is expanding its inventory of development drilling locations. Crown Point is currently reviewing the El Valle 3-D seismic program giving consideration in the interpretation of its' recent drilling results. The Company is anticipating that this re-interpretation will generate additional drilling locations. Currently, the Company has identified 8 drill ready development locations in addition to the exploration locations. The next drilling program is expected to expand the Companies drilling inventory.

Crown Point plans to commence a six well drilling program consisting of three wells in commencing in late March and another three or more wells commencing three months later. The drilling program is designed to follow-up, define, and commence the exploitation the hydro-carbon pools discovered by the 2009 drilling program.

## **New Drilling Program**

An agreement has been reached with our 50% Argentine partners to ensure that Crown Point's capital plans can be carried out. This agreement provides Crown Point with the ability to propose and execute new drilling operations.

Under the agreement, Crown Point will pay for 100% of the capital costs of the wells and shall have an 80% interest in production until Crown Point has recovered 300% (in the case of development wells) and 500% (in the case of exploration wells). Once the production penalty has paid out the ownership will revert to 50/50. The structure by North American standards is unusual, it however has very similar economic features as a farmout and it does provide Crown Point with a satisfactory return to risk. Our Partners have the option to participate in any of the proposed programs as to their 50% interest.

The first of the new wells to be drilled has two primary geological objectives; the first is to commence the delineation of the new Mina El Carmen Pool discovered by the EVX-21 well. This is an important discovery as it is the first commercial Mina El Carmen light oil discovery in the vicinity of El Valle. EVX-21 upon completion flowed 30 degree oil from the Mina el Carmen formation.

The second objective is in the Caleta Olivia. EVX-21 was completed in the Caleta Olivia and produced natural gas at high rates with pentanes and ethane's. The presence of pentane and ethane in the natural gas stream is potentially indicative of a natural gas cap, this view is reinforced by the high seismic amplitudes seen at this location (typically and indicator of the presence of natural gas) in the Caleta Olivia. The new well is positioned to discover what is hoped to be a new Caleta Olivia oil pool at a structurally lower position than the gas cap. Historically, at El Valle, the Caleta Olivia has delivered the highest initial rates of production and total reserves in the field.

The second well is a twin of a well drilled in the 1960's which was abandoned despite displaying excellent petro-physical properties on logs in the Caleta Olivia and the Canadon Seco Formations.

The third is a follow up to EVX-20 and is conceptually similar to the first planned well. EVX-20 tested natural gas at high rates in two different members of the Canadon Seco Formation. The well was drilled at one of the highest structural points in El Valle and encountered what is believed to be a natural gas cap in the Canadon Seco formation. The third well is structurally lower than the EVX-20 well and a seismically defined geological continuity is seen between EVX-20 and the new drilling location. This sets up the potential for the well to encounter new oil pools at these structurally lower positions in the Canadon Seco.

The second objective of this well is to evaluate the Mina El Carmen Formation. The EVX-20 well encountered the same Mina El Carmen zone producing in EVX-21. Unfortunately, the zone in the EVX-21 well was either tight or damaged during well

control procedures and failed to produce oil despite good oil shows in samples and a positive petro- physical response on the logs.

Successful results on any or all of the wells will result in new development and exploitation drilling targets being defined, adding to our present drilling inventory.

In North America, Crown Point, participated for a 25% interest (cost \$58,000 US) in the drilling of Tyler Sand Prospect in the Musselshell Area of Montana, USA. This drilling prospect was viewed as a low cost, medium risk and potentially high reward oil target. The well which was drilled and subsequently abandoned was jointly drilled with a company controlled by a Director of the Company.

### **Operational Update**

The Company has experienced some operational difficulties with the wells production relating to restricted rates, wax restriction and operational downtime. This is normal course in a new field and the problems are being worked through in a logical sequential process.

### **Well Update EVX-21**

EVX-21 continues to produce oil at rates of 5-10 cubic metres per day. This is believed to be a restricted rate due to the presence of packer in the well which allowed for a dual oil and gas completion. The Company thinks that the packer is impairing the productive performance of the well due to the lack of annulus causing poor bottom hole pump efficiencies due gas breaking out of solution. The presence of the packer also aggravates the tubing restriction problem caused by wax deposition as it limits the scope and type of preventative and corrective actions.

This issue is to be addressed in early February, when a service rig will cement squeeze the gas zone and remove the packer. Crown Point is waiting for the delivery of some new wax control technology from Canada prior to commencing the operation. Once the operation is completed the Company expects to see production rates improve from the Mina El Carmen formation in EVX-21.

### **Well Update EVX-19**

The EVX-19 well continues to produce between 8-12 cubic metres of oil per day from the Canadon Seco formation. The Company expects to see this production level to continue with low rate of decline. The Canadon Seco formation typically delivers lower rates than the Caleta Olivia but has significantly lower decline rates. Crown Point is evaluating the benefit of the installation of a different type of pumping system such as a progressive cavity pump. An alternate pumping system may be able to increase the rates of production. It is anticipated that the February electrification of this well site should improve the reliability and consistency of the production from this well.

## **Well Update EVX-20**

The EVX-20 well is a dual zone natural gas well. The well tested natural gas at rates of 5MMCF/D and 1 MMCF/D respectively from separate 4.5 metres and 4 metres thick sandstone layers of the Canadon Seco formation. The seismic interpretation indicates the potential for sizeable oil and gas pool, the third well of the new program is targeted at finding the structurally lower oil leg of the pool. The drilling this well will assist Crown Point in defining the size and nature of the pool.

The Company has initiated discussions to establish a market for the natural gas and take advantage of the Gas Plus program which was introduced in 2008 to provide better prices for natural gas within Argentina.

## **Operational Issues**

The last few months have been both rewarding and challenging for Crown Point. The drilling costs of 2009 drilling program were higher than anticipated, due primarily to three reasons, high wind conditions causing a loss of operating days during drilling and completion, a 28 day strike by the oil workers and extra costs incurred during well control procedures on EVX-20.

Crown Point encountered operational difficulties with keeping the wells consistently on production due to equipment configurations; lack electrification and wax build up. Improvement is expected with electrification and the determination of the optimal equipment configuration for each of the zones. The three zones have different oil types and production characteristics which mean there is not a single optimal configuration. The waxing issues of the Mina El Carmen will be dealt with the addition of scrapers to the rods and the insertion of a new and reputedly highly effective down hole wax control technology from Canada.

It may be possible to improve the rates of production from the existing wells by executing the work over program on EVX-21 and by the possible installation of a progressive cavity pump on EVX-19. In the new wells, the Company's recent drilling and completion experience should enable us to deliver better results from the drilling by reducing mud weights during the penetration of certain formations and continuing with underbalanced completion techniques.

Crown Point continues to develop its Argentine team; a new CFO for Argentina is joining the Company in February. We are fortunate to have her join us from her position as Director of Finance at a recently sold Argentine subsidiary of a Canadian company.

## **Future Plans**

Crown Point is currently evaluating several other growth opportunities in Argentina. The successful conclusion of these would add a new dimension to Crown Point in Argentina and expand the depth, breadth and size of our operations and asset base.

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Crown Point Ventures Ltd. is a junior Canadian oil and gas exploration company that trades on the TSX Venture Exchange under the symbols "CWV". Crown Point has 23,952,958 common shares, and 1,585,000 options (at an average price of \$0.61 per share) issued and outstanding. Crown Point has various working interests in oil and gas properties in Argentina and Canada.

**Advisory**

*This news release contains certain forward-looking statements, which are based on numerous assumptions including but limited to (i) drilling success; (ii) production; (iii) future capital expenditures; and (iv) cash flow from operating activities. The reader is cautioned that assumptions used in the preparation of such information may prove to be incorrect.*

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