



# Crescent Point Energy Trust

PRESS RELEASE

## **CRESCENT POINT ENERGY TRUST ANNOUNCES STRATEGIC S.E. SASKATCHEWAN ACQUISITION, UPWARDS REVISION TO GUIDANCE, \$230 MILLION BOUGHT DEAL AND INTENTION TO CONVERT TO A CORPORATION WITH A \$0.23 MONTHLY DIVIDEND**

March 4, 2009. CALGARY, ALBERTA. Crescent Point Energy Trust ("Crescent Point" or the "Trust") (TSX: CPG.UN) and TriStar Oil & Gas Ltd. ("TriStar") (TSX: TOG) are pleased to announce that they have entered into an agreement (the "Agreement") with Talisman Energy Inc. ("Talisman") to acquire (the "Acquisition") all of Talisman's assets in southeast Saskatchewan and Montana (the "Assets") for consideration of approximately \$720 million of cash effective April 1, 2009. The Assets include more than 8,500 boe/d of high quality, high netback, long life crude oil and natural gas production in southeast Saskatchewan, including approximately 1,900 boe/d of production from the southeast Saskatchewan Bakken light oil resource play. The Assets include reserves of 45.6 million boe proved plus probable and 31.7 million boe proved, independently evaluated as of March 31, 2009. A significant portion of the value is associated with the undeveloped land base in Saskatchewan of more than 600 net sections, 62 net sections of which are in the Bakken play. In addition, the Assets include ownership of freehold mineral rights associated with more than 440 net sections of land.

Based on the expected June 1, 2009 closing of the Acquisition, Crescent Point is upwardly revising its 2009 average daily production guidance to 40,500 boe/d from 38,250 boe/d. Exit 2009 production is forecast at more than 42,000 boe/d.

Crescent Point is also pleased to announce that it has entered into an agreement, on a bought deal basis, with a syndicate of underwriters co-led by BMO Capital Markets, Scotia Capital Inc. and CIBC World Markets Inc., and including RBC Capital Markets, FirstEnergy Capital Corp., TD Securities Inc., GMP Securities L.P., National Bank Financial and Tristone Capital Inc. for an offering of 10,825,000 trust units at \$21.25 per trust unit to raise gross proceeds of approximately \$230 million. Closing is expected to occur on or about March 24, 2009, and is subject to customary regulatory approvals. Including the equity issued in the bought deal financing, Crescent Point remains within its Safe Harbour limits as set out by the federal government.

The net proceeds of the financing will be used to fund a portion of the Trust's share of the Acquisition, with the remainder of Crescent Point's share to be financed utilizing the Trust's existing credit facilities. Closing of the financing is not subject to the successful closing of the Acquisition nor to the successful closing of the Conversion discussed below.

Crescent Point also announces that its Board of Directors has unanimously agreed to a strategic conversion (the "Conversion") to a dividend paying corporation. The Conversion, which the Trust expects to complete on or before May 31, 2009, will allow Crescent Point to continue to implement its proven business plan of growing value through its integrated strategy of acquiring, exploiting and developing high quality, long life reserves and will allow Crescent Point improved access to capital markets without the constraints of the Safe Harbour growth limitations placed on income trusts. Crescent Point's business model will remain unchanged, with Crescent Point paying a monthly dividend instead of the current monthly distribution. The initial dividend will be set at \$0.23 per share, equal to Crescent Point's current monthly distribution of \$0.23 per unit.

## **THE AGREEMENT**

Under the terms of the Agreement, Crescent Point and TriStar will jointly and severally acquire the Assets for consideration of approximately \$720 million of cash. Crescent Point and TriStar have agreed that Crescent Point and TriStar will each acquire 50 percent working interests in the Assets for approximately \$360 million. Crescent Point and TriStar have entered into a sharing agreement that outlines the obligations, indemnities and liabilities related to the Acquisition along with the joint operating plans of the Assets. Crescent Point and TriStar have further agreed between themselves that, upon completion of the Agreement, operatorship of the portion of the Assets currently operated by Talisman will be split equally between Crescent Point and TriStar.

The closing of the Acquisition is expected to occur on or before June 1, 2009 and is subject to regulatory approvals and to other conditions typical of transactions of this nature. Crescent Point and TriStar have deposited, in aggregate, \$72 million under the terms of the Agreement, which is refundable to Crescent Point and TriStar if the Acquisition does not close, except in the event of default by Crescent Point or TriStar.

Crescent Point and TriStar have also entered into an agreement with Shelter Bay Energy Inc. ("Shelter Bay"), a private Bakken growth company owned 21 percent by Crescent Point, under which Crescent Point and TriStar will sell to Shelter Bay a portion of the Bakken assets (the "Bakken Assets") acquired from Talisman. The Bakken Assets include production of approximately 500 boe/d, reserves of 3.5 million boe proved plus probable and 2.5 million boe proved, independently evaluated as of March 31, 2009, and approximately 12 net sections of undeveloped Bakken land. Consideration to be received for the Bakken Assets is approximately \$71 million, of which Crescent Point and TriStar will each receive approximately \$35.5 million. The proceeds from the sale of the Bakken Assets to Shelter Bay are expected to effectively reduce Crescent Point's net purchase price to \$324.5 million from \$360 million.

## **CRESCENT POINT'S SHARE OF THE ASSETS**

Upon completion of the Acquisition and the sale of the Bakken Assets to Shelter Bay, Crescent Point expects to acquire 4,000 boe/d of high quality, high netback production in southeast Saskatchewan, contiguous with and adjacent to existing Crescent Point properties. Approximately 700 boe/d of the production to be acquired by Crescent Point is in the Bakken light oil resource play, which will consolidate the Trust's dominant and controlling position in the Bakken play. The natural gas and natural gas liquids associated with the majority of the Bakken production to be acquired are expected to be tied in over time into Crescent Point's Viewfield gas plant in the heart of the southeast Saskatchewan Bakken resource play.

"The acquisition of Talisman's assets in southeast Saskatchewan will further solidify Crescent Point's position as the largest oil producer in the area and the leading player in the Bakken light oil resource play," says Scott Saxberg, President and Chief Executive Officer of Crescent Point. "These are high netback, long life, low decline, predictable assets that should provide many years of reserves growth and sustainable production. With this acquisition, our drilling inventory increases to more than 1,600 locations, or more than 16 years of drilling to maintain current production levels, and our reserve life index increases to 14.7 years."

*Key attributes of the assets acquired by Crescent Point:*

- Current production of approximately 4,000 boe/d comprised of 18 percent high netback, Bakken light oil and 82 percent non-Bakken crude oil and associated natural gas;
- 312 net sections of undeveloped Saskatchewan land, 25 of which are in the Bakken light oil resource play;
- 16 of the 25 net undeveloped Bakken sections have no associated reserves booked as of March 31, 2009;
- 70 net low risk drilling locations, 37 of which are in the southeast Saskatchewan Bakken light oil resource play;
- Ownership of freehold mineral rights on 217 net sections of land, resulting in overall royalties of less than 16 percent;
- 2.2 percent working interest in the Weyburn Unit CO<sub>2</sub> flood;
- More than 125 net sections of exploratory Bakken land in Montana;
- Tax pools estimated at more than \$324 million; and
- Operating costs of less than \$11.50 per boe.

*Reserves Summary*

Reserves have been assigned by GLJ Petroleum Consultants Ltd. ("GLJ"), effective March 31, 2009, as follows:

- Approximately 21.1 million boe of proved plus probable and 14.6 million boe of proved reserves; and
- Reserve life index of 14.4 years proved plus probable and 10.0 years proved.

*Acquisition Metrics*

A significant component of the value associated with the Assets is related to the undeveloped land value and the ownership of freehold mineral rights on 217 net sections of land. Assuming a value of \$45 million for undeveloped land with no assigned drilling locations under NI 51-101, the acquisition metrics are as follows:

1. 2009 Cash Flow Multiple:
  - 5.8 times based on production of 4,000 boe/d (US\$50.00/bbl WTI, Cdn\$5.00/mcf AECO and \$0.80 US\$/CDN\$ exchange rate)
2. Production:
  - \$69,875 per producing boe based on 4,000 boe/d
3. Reserves:
  - \$13.25 per proved plus probable boe
  - \$19.14 per proved boe

The acquisition is accretive to Crescent Point on a debt adjusted per unit basis to cash flow, production, reserves and net asset value.

The successful completion of the Acquisition will further Crescent Point's Bakken consolidation strategy and provide a stable, predictable, high netback southeast Saskatchewan asset with production and reserves upside. It will add high quality assets that will increase Crescent Point's dominant position in the Bakken light oil resource play. The Acquisition should also provide the Trust with further economies of scale through infrastructure utilization and increased netbacks through tie-ins to Crescent Point's Viewfield gas plant. Crescent Point expects that the Acquisition will provide further capital and operating flexibility in the Bakken play and in southeast Saskatchewan with significant production and reserves growth potential.

## **PRELIMINARY SUMMARY OF CRESCENT POINT'S FOURTH QUARTER AND YEAR END RESERVES**

Crescent Point anticipates releasing its unaudited fourth quarter 2008 operating and financial results and year end reserves on March 16, 2009. To provide further clarity on the pro forma guidance related to the Acquisition and bought deal financing, Crescent Point provides the following summary of anticipated results:

- Crescent Point expects fourth quarter 2008 average daily production growth of approximately 5 percent over third quarter 2008 and expects to exceed production guidance by more than 7 percent; and
- The Trust expects 2008 finding and development ("F&D") costs in the range of approximately \$15.00 per proved plus probable boe, excluding change in future development costs. Excluding the Trust's expenditures on facilities, land and seismic, F&D costs are expected to be less than \$10.00 per proved plus probable boe, excluding change in future development costs.
- The Trust expects 2008 finding, development and acquisition ("FD&A") costs in the range of approximately \$16.00 per proved plus probable boe, excluding change in future development costs. Excluding the Trust's expenditures on facilities, land and seismic, FD&A costs are expected to be less than \$11.50 per proved plus probable boe, excluding change in future development costs.

## **CRESCENT POINT PRO FORMA**

Crescent Point continues to execute its business plan of creating sustainable value added growth in reserves, production and cash flow through management's integrated strategy of acquiring, exploiting and developing high quality, long life, light oil and natural gas properties in western Canada.

Based on the expected completion of the Acquisition, Crescent Point is revising upwards its 2009 average daily production expectation from 38,250 boe/d to 40,500 boe/d. Exit production is forecast at more than 42,000 boe/d while maintaining current capital expenditures plans of \$225 million for 2009.

Crescent Point's Bakken drilling inventory will increase by three percent from its current total of 1,095 net low risk locations to 1,132 net low risk locations. Crescent Point's drilling inventory, including non-Bakken locations, will increase to more than 1,600 net locations. This represents an inventory of 16 years to maintain current production levels.

Crescent Point continues to implement its balanced 3½ year price risk management program, using a combination of swaps, collars and purchased put options with investment grade counter parties all within the Trust's banking syndicate. Effective March 3, 2009, pro forma, the Trust has hedged 54 percent of production volumes net of royalty interests for the balance of 2009, 38 percent for 2010, 24 percent for 2011 and 12 percent for the first half of 2012. Quarterly floor prices range from Cdn\$74 per boe to Cdn\$108 per boe, with upside potential if prices strengthen above current levels. The Trust's hedge position is significantly in the money, with a mark to market value of \$234 million as of March 3, 2009, including \$98 million for the balance of 2009.

Crescent Point intends to monetize up to \$75 million of its 2011 and 2012 mark to market hedge value in the first quarter of 2009 and intends to reset those hedges at current market prices, expected to be in the Cdn\$75 per boe to Cdn\$80 per boe range. This capitalizes on the Trust's strong 2011 and 2012 hedges while continuing to provide cash flow stability to the Trust over the next 3½ years. Assuming the completion of the monetization and reset, the Trust's 3½ year average hedge price would be in the range of Cdn\$75 to Cdn\$80 per boe while increasing 2009 cash flows by up to \$75 million.

Including the hedge monetization and reset, and the completion of the Acquisition, 2009 cash flow is expected to increase to \$593 million (\$3.91 per unit – diluted), based on forecast pricing of US\$46.50 per barrel WTI, Cdn\$5.00 per mcf AECO gas and US\$0.79 exchange rate.

Crescent Point will continue to have a strong balance sheet with projected net debt to cash flow of 1.1 times and unutilized credit capacity in excess of \$350 million.

Crescent Point's upwardly revised projections for 2009 are as follows:

Production	
Oil and NGL (bbls/d)	36,200
Natural gas (mcf/d)	25,800
Total (boe/d)	40,500
Funds flow from operations (\$000)	593,000
Funds flow from operations per share (fully diluted) (\$)	3.91
Combined cash distributions per unit and dividends per share (\$)	2.76
Payout ratio – per share (fully diluted) (%)	71
Capital expenditures (\$000) <sup>(1)</sup>	225,000
Wells drilled, net	82
Pricing	
Crude oil – WTI (US\$/bbl)	46.50
Crude oil – WTI (Cdn\$/bbl)	58.86
Natural gas – Corporate (Cdn\$/mcf)	5.00
Exchange rate (US\$/Cdn\$)	0.79

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

## CORPORATE CONVERSION

"Conversion to a corporation is an exciting and necessary step in the continued growth of Crescent Point," says Mr. Saxberg. "At the current growth and development stage of the southeast Saskatchewan Bakken light oil resource play, there are too many opportunities available to Crescent Point to be constrained by the federal government's Safe Harbour growth limitations. Our business model will remain unchanged. We will continue our strategy of exploiting and developing our high quality asset base that includes a low risk development drilling inventory of more than 1,600 locations and we will continue to look to acquire additional high quality assets that are accretive to Crescent Point."

Under the planned Conversion, Crescent Point unitholders will receive one share in a dividend paying corporation for each Crescent Point trust unit they hold. The Conversion is intended to be tax deferred for Canadian and U.S. income tax purposes.

With the planned Conversion, Crescent Point intends to pay a monthly dividend, initially set at \$0.23 per share. Crescent Point's dividend policy is intended to be similar to the distribution policy currently in use by the Trust. It is Crescent Point's understanding that dividends paid in respect of shares held by Canadians outside of a Registered Retirement Savings Plan ("RRSP"), Registered Retirement Income Fund ("RRIF"), or Deferred Profit Sharing Plan ("DPSP") will be eligible for the Canadian Dividend Tax

Credit. As such, under the intended monthly dividend of \$0.23 per share, Canadians holding shares outside of a RRSP, RRIF or DPSP will receive an increase on an after tax basis when they receive the intended dividend instead of the current distribution.

Including tax pools associated with the Acquisition, Crescent Point has approximately \$1.8 billion of tax pools available to shelter future taxable income. Under its current forecasts and assuming the approval of the Conversion and enactment of the present form of proposed legislation dealing with the conversion of income trusts to corporations, Crescent Point believes it has sufficient tax pools to shelter taxable income until 2012.

The planned Conversion requires the approval of Crescent Point unitholders, as well as customary court and regulatory approvals. A management information circular and proxy statement outlining the details of the Conversion will be mailed to Crescent Point unitholders in connection with a unitholder meeting, expected to be scheduled on or before May 27, 2009. To be implemented, the Conversion must be approved by not less than two-thirds of the votes cast by unitholders voting at the related unitholder meeting. Closing of the Conversion is anticipated on or before May 31, 2009. Closing of the Acquisition and closing of the bought deal financing are not subject to the closing of the Conversion.

## **BOUGHT DEAL FINANCING**

Crescent Point is also pleased to announce that it has entered into an agreement, on a bought deal basis, with a syndicate of underwriters co-led by BMO Capital Markets, Scotia Capital Inc. and CIBC World Markets Inc., and including RBC Capital Markets, FirstEnergy Capital Corp., TD Securities Inc., GMP Securities L.P., National Bank Financial and Tristone Capital Inc. for an offering of 10,825,000 trust units at \$21.25 per trust unit to raise gross proceeds of approximately \$230 million. Closing is expected to occur on or about March 24, 2009, and is subject to customary regulatory approvals. Including the equity issued in the bought deal financing, Crescent Point remains within its Safe Harbour limits as set out by the federal government.

The net proceeds of the financing will be used to fund a portion of the Trust's share of the Acquisition, with the remainder of Crescent Point's share to be financed utilizing the Trust's existing credit facilities. Closing of the financing is not subject to the successful closing of the Acquisition nor to the successful approval of the Conversion.

The offering will be a bought underwritten public issue in all provinces of Canada by way of a short form prospectus. The offering will be offered for sale to Qualified Institutional Buyers in the United States pursuant to the registration exemptions provided by Rule 144A of the Securities Act of 1933 and internationally as permitted.

## **FINANCIAL ADVISORS**

BMO Capital Markets and RBC Capital Markets acted as financial advisors to Crescent Point and Macquarie Capital Markets and BMO Capital Markets acted as financial advisors to TriStar with respect to the Acquisition. FirstEnergy Capital Corp. acted as financial advisor to Talisman with respect to the Acquisition.

BMO Capital Markets, Scotia Waterous Inc., CIBC World Markets Inc., and RBC Capital Markets acted as financial advisors to Crescent Point with respect to the Conversion.

## **FORWARD LOOKING STATEMENTS**

Certain statements contained in this press release constitute forward looking statements, including statements in respect of oil and natural gas production levels, capital expenditure programs; the quantity of the Trust's oil and natural gas reserves; projections of commodity prices and costs; supply and demand for oil and natural gas; expectations regarding the ability to raise capital and to continually add

to reserves through acquisitions and development; treatment under governmental regulatory regimes; the completion and closing of the Offering and the timing thereof; the completion of the conversion of the Trust to a corporation and the timing thereof and the ability of the Trust to monetize and reset its hedges. All forward-looking statements are based on the Crescent Point's beliefs and assumptions based on information available at the time the assumption was made. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe" and similar expressions are intended to identify forward looking statements. By their nature, such forward-looking information involve 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, including those material risks discussed in our annual information form under "Risk Factors", those described in our MD&A under "Business Risks and Prospects" and those material risk factors specifically described herein. These risks include, but are not limited to: volatility in market prices for oil and natural gas; uncertainties associated with estimating oil and natural gas reserves; competition for, among other things, capital, acquisitions of reserves, undeveloped lands and skilled personnel; incorrect assessments of the value of acquisitions; geological, technical, drilling and processing problems; fluctuations in foreign exchange or interest rates and stock market volatility; failure to realize the anticipated benefits of acquisitions; general business and market condition; operational risks in development, exploration and production of oil and natural gas; delays or changes in plans with respect to exploration or development projects or capital expenditures; the uncertainty of estimates and projections relating to production, costs and expenses; health, safety and environmental risks, and uncertainties resulting from potential delays or changes in plans with respect to exploration or development projects or capital expenditures. Additional information on these and other factors that could affect Crescent Point's operations or financial results are included in Crescent Point's reports on file with Canadian securities regulatory authorities. These statements speak only as of the date of this press release or as of the date specified in this press release Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date it is expressed herein or otherwise and, unless required by law, Crescent Point undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise.

This news release is not for dissemination in the United States or to any United States news services. The trust units of Crescent Point have not and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold in the United States or to any U.S. person except in certain transactions exempt from the registration requirements of the U.S. Securities Act and applicable state securities laws.

Crescent Point is a conventional oil and gas income trust with assets strategically focused in properties comprised of high quality, long life, operated, light oil and natural gas reserves in western Canada.

## **CRESCENT POINT ENERGY TRUST**

Scott Saxberg,  
President and Chief Executive Officer

### **FOR FURTHER INFORMATION ON CRESCENT POINT ENERGY TRUST PLEASE CONTACT:**

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