Crescent Point
ENERGY LTD

balanced growth

acquire

exploit

explore

2002 Annual Report

Crescent Point Energy 2002 Annual Report

Contents

Notice of Annual Meeting

The Annual Meeting of shareholders of Crescent Point Energy Ltd. will be held at 10:00 a.m. on Thursday, June 19, 2003 in the Riverview Room A/B of The International Hotel of Calgary, 220 - 4th Avenue SW, Calgary, Alberta. Shareholders are encouraged to attend the meeting. Shareholders who are unable to attend are urged to complete, sign and return their form of proxy mailed with this report.

Company Definition

Throughout the Annual Report Crescent Point Energy Ltd. is referred to as "Crescent Point", or the "Company".

Volume Reporting

Barrel of oil equivalent [boe (6:1)] figures for the periods presented throughout this document are expressed at a conversion rate of six thousand cubic feet of natural gas to one barrel of crude oil. This conversion ratio approximates relative heating values, and is the generally accepted ratio used by Canadian oil and gas companies and investment analysts.

Forward Looking Statements

Certain information regarding the Company contained herein may constitute forward-looking statements under applicable securities laws. Such statements are subject to known or unknown risks and uncertainties that may cause actual results to differ materially from those anticipated or implied in the forward-looking statements.

corporate profile

Crescent Point Energy Ltd. is a junior oil and gas company engaged in the exploration for, and development and production of, natural gas and light oil reserves primarily in the provinces of Alberta, Saskatchewan, and British Columbia.

Crescent Point's Class A and B shares trade on the TSX under the symbols, "CPG.A" and "CPG.B", respectively.

Crescent Point strives to create sustainable growth in reserves, production and cash flow per share through the execution of management's integrated growth strategy of acquiring, exploiting and exploring for high quality, long life, light oil and natural gas reserves within the Company's core geographic project areas in the Western Canadian Sedimentary Basin.

Management continually investigates and searches out producing properties that will result in meaningful reserve and production additions. We focus capital to higher-quality, longer-life reservoirs in proven growth areas that offer existing infrastructure, low cost drilling, multi-zone potential and year round access. Our goal is to acquire operational control of those properties that we believe offer significant exploitation and exploration potential to the Company.

Management develops the Company's properties through a detailed technical analysis which includes reservoir characterization, assessment of original oil or gas in place, recovery factors, and the applicability of enhanced recovery techniques. Our goal is to increase reserves and production per share in a cost effective manner through a number of techniques including the drilling of infill and step-out wells, recompleting existing wells, and the implementation of waterflood or pressure support schemes.

Crescent Point's exploration program complements management's acquisition and exploitation efforts by internally developing technically-driven exploration prospects for deeper, multi-zone, liquids rich natural gas and light oil reservoirs that have significant reserve and production potential. Our geological and geophysical staff have proven track records in generating new exploration prospects through innovative conceptualization and technical interpretation.

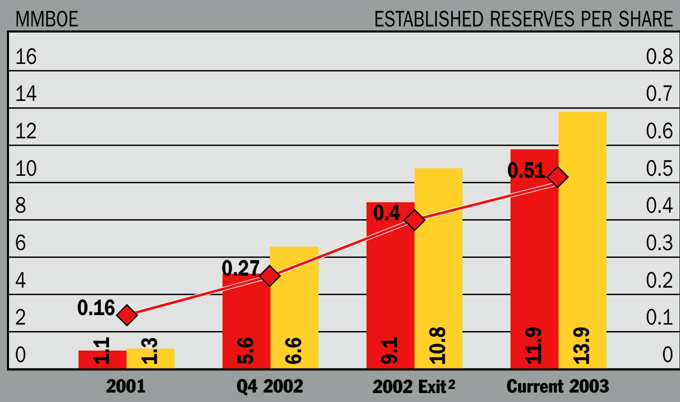
acquire, exploit, explore

Crescent Point went public in October 2001. In 2002 Crescent Point successfully built a solid foundation of reserves, production and cash flow from which to grow.

Accordingly, Crescent Point has now evolved into a full cycle production and exploration company that will strive to deliver sustainable per share growth in an integrated manner by "acquiring, exploiting and exploring". In 2003 Crescent Point will continue to focus on:

1. acquiring high quality, long-life reserves and production in the Plains areas of south/central Alberta and southern Saskatchewan;
2. exploiting its properties through development drilling, and field optimization activities to maximize shareholder value and provide a stable cash flow base from which to expand its successful exploration program; and
3. using the Company's in-house technical expertise to explore for natural gas and light oil in multi-zone, liquids rich exploration areas of NE British Columbia, and the West Peace River Arch and W5M areas of Alberta.

Reserves Per Share



TOTAL PROVEN

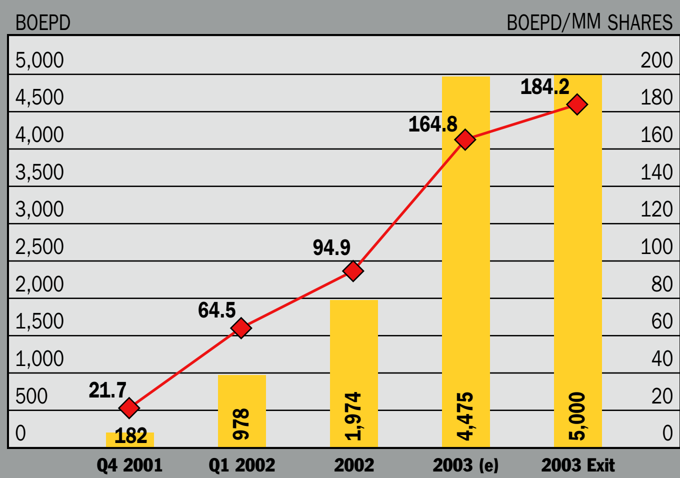
ESTABLISHED

ESTABLISHED RESERVES PER SHARE

Notes:

1. GLJ effective January 1, 2003.
2. Year end reserves GLJ January 1, 2003.
3. Includes basic Class A and B shares (B shares converted at 1 to 1).

Production Per Share



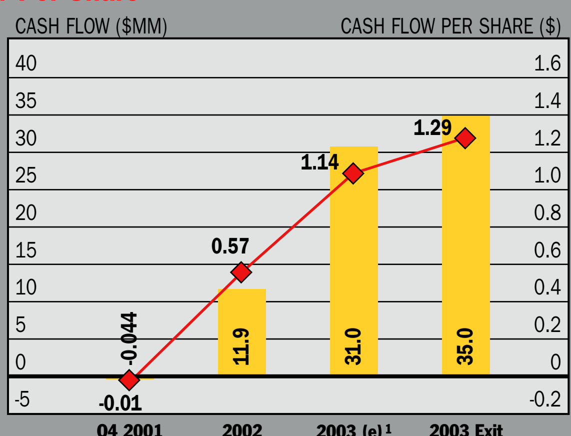
PRODUCTION

PRODUCTION PER MM SHARES

Note:

Includes basic Class A and B shares (B shares converted at 1 to 1).

Cash Flow Per Share



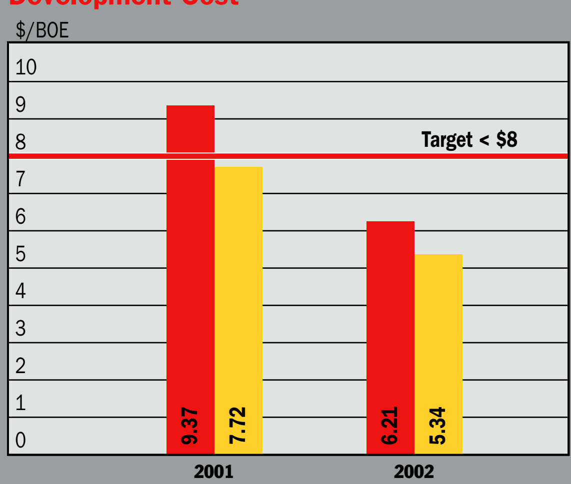
CASH FLOW

CASH FLOW PER SHARE

Notes:

1. Assumes US$25.75 WTI/bbl and C$5.75/GJ AECO pricing; C$0.65; C$4.75/bbl opex; C$18.67 BOE netback.
2. Includes basic Class A and B shares (B shares converted at 1 to 1).

Finding & Development Cost



TOTAL PROVEN

ESTABLISHED

TARGET < $8 PER BOE (ESTABLISHED)

Note:

Based on GLJ year end reserves (6:1).

president's letter to shareholders

In its first full year of operations as a public oil and gas company, Crescent Point Energy Ltd. ("Crescent Point" or the "Company") continued the successful implementation of the Company's business plan delivering significant per share growth in reserves, production and cash flow. Highlights for 2002 include the following:

- Increased the Company's reserves from 1.1 million proven boe, and 1.32 million boe of established reserves (6:1) at the end of 2001, to 9.13 million proven boe and 10.8 million boe of established reserves at the end of 2002, as independently engineered by Gilbert Lausten Jung Ltd. (These reserve additions do not include the Company's recent $21.5 million Little Bow acquisition, which closed on January 31, 2003, or any reserves from Crescent Point's NE British Columbia deep gas exploration program.)
- Generated an "all-in" 2002 finding and development cost of $6.21 per proven boe, and $5.34 per established boe of reserves, on capital expenditures of $54 million.
- Proven reserve additions resulted in a reserve replacement of 800 percent, and a 2002 production replacement of 1,200 percent.
- Increased average daily production from 86 boepd (6:1) in 2001 to 1,974 boepd in 2002.
- Increased production in 2002 from approximately 440 boepd (6:1) at the start of the year to more than 3,100 boepd exiting the year, an increase of more than 600 percent.
- Increased cash flow from a negative ($90,498), or ($0.01) per Class A share in 2001, to $11,893,063, or $0.54 per Class A share in 2002.
- Maintained an excellent balance sheet throughout the year which positions the Company for continued per share growth in 2003 and beyond.
- Continued to expand the Company's development drilling inventory for long life, light oil, and deep, multi-zone natural gas.
- Experienced exploration success in the Sikanni/Cypress area of NE British Columbia for deep, multi-zone natural gas by successfully drilling and casing 5 new exploration wells.

- Identified, negotiated and executed a purchase agreement in the fourth quarter of 2002 regarding the $21.5 million acquisition of an operated, 100 percent working interest crude oil and natural gas property at Little Bow in southeast Alberta, which subsequently closed on January 31, 2003.
- Initiated an equity offering of approximately $10 million in December of 2002, which offering subsequently closed in January, 2003.
- The Company commenced trading its Class A and Class B shares on the Toronto Stock Exchange, after graduating from the TSX Venture Exchange.

Crescent Point's business strategy involves an integrated approach to per share growth in reserves, production and cash flow; balancing exploration risk with solid acquisition and exploitation opportunities. Crescent Point utilizes cash flow from its asset base in the plains areas of Alberta and Saskatchewan to fund internally generated exploration prospects for high quality, multi-zone natural gas and light oil reserves in gas-prone areas of NE British Columbia, and the West Peace River Arch and W5M areas of Alberta – areas in which Crescent Point has proven in-house technical expertise.

INDUSTRY CONDITIONS

In 2002 world crude oil prices averaged US$26.15 WTI per barrel rising throughout the year from a low of US$18.08 per barrel to US$30.83 at the end of the year. Based upon a number of OPEC supply cuts and continued low investment in crude oil projects, US inventories of crude oil dropped throughout the year to some of the lowest levels in the past 25 years. Given the war between the United States and Iraq, a weakening US economy, and uncertainty concerning OPEC's supply balance, we believe that crude oil price volatility will continue in 2003.

Prices for Canadian natural gas averaged $4.07 per mcf at AECO in 2002 compared to $6.21 per mcf in 2001, a decrease of approximately 34 percent. The forward curve for natural gas prices, however, has increased significantly as a result of a cold winter in the eastern United States, extremely low storage levels and higher than anticipated declines in a number of North American producing gas fields. Generally speaking, the long term pricing fundamentals for North American natural gas look very strong.

Prime interest rates in Canada continued at very low levels averaging 4.2 percent per annum in 2002 compared to 5.96 percent per annum in 2001. The United States continued to maintain very low interest rates in an effort to stimulate the slumping U.S. economy. In early 2003 the Bank of Canada adopted a policy of tightening interest rates and has increased rates twice in 2003.

The Canadian/U.S. dollar exchange rate decreased over 2001 from C$0.645 to C$0.636 in 2002. The start of 2003 however has seen a strengthening of the Canadian/US dollar exchange rate, with an average rate of C$0.67 in the first quarter of 2003.

OUTLOOK; 2003 GUIDANCE

The continued implementation of our business strategy in 2002 has enabled Crescent Point to build a significant foundation of reserves, production and cash flow which will allow for continued growth in 2003 and beyond.

As a result of our activities in 2002 and early 2003, Crescent Point now has:

- A reserve base of more than 14 MM boe of established reserves (proforma the Little Bow acquisition);
- Current production of more than 4,500 boepd (which exceeds our upwardly revised estimate for 2003);

- A large internal cash flow base of more than $31.5 million, based on the Company's current production annualized;
- A large development drilling inventory of more than 3,000 boepd of risked additions; and
- An excellent balance sheet with current debt of less than 0.8 times the forward 12 months cash flow.

As a result of our activities in 2002, Crescent Point has never been better positioned to deliver solid, sustainable per share growth in 2003 and beyond.

In addition, late in 2002 and early 2003 the Company experienced exploration success in the Sikanni/Cypress area of NE British Columbia, drilling and casing 5 wells for deep, multi-zone natural gas. These wells will be completed and production tested during the first 6 months of 2003. The Company anticipates having a majority of this gas on stream prior to the end of 2003.

Crescent Point now has more than 29 (9 net) seismically defined follow-up locations to the 5 successful exploration wells in NE British Columbia. These follow-up locations will be drilled later over the next 2-3 years.

In 2003 Crescent Point has already closed its $21.5 million Little Bow acquisition and raised $10 million of new equity capital.

Crescent Point has also revised upwards the Company's 2003 average daily production estimate to 4,475 boepd, and Crescent Point's 2003 exit rate to 5,000 boepd, based on excellent development drilling results at Wildwood, Queensdale and Manor in southeast Saskatchewan.

In 2003 Crescent Point is projecting an increase in production of more than 120 percent over 2002 based on a 37 well (30 net) drilling program and associated capital expenditures of approximately $25 million for drilling, land and seismic. Estimates for 2003 are as follows:

Production	
Oil and Ngl's (bbls/d)	3,625
Natural gas (mmcf/d)	5,100
BOE/D (6:1)	4,475
Cash flow ($000's)	31,500
Cash flow per share ($) (A shares only)	1.20
Capital Expenditures ($000's) (1)	$25,000
Gross Wells drilled (net)	37 (30)
Pricing (2)	
Crude oil ($US/bbl) – WTI	$25.75
($Cdn/bbl) – Corporate	$38.50
Natural gas ($US/mcf) - NYMEX	$4.22
($Cdn/mcf) – Corporate	$5.75
Exchange ($Cdn Equals $US)	$0.65

Notes:

(1) Capital includes drilling, land and seismic only; does not include $21.5 MM Little Bow acquisition.

(2) Estimates include January, February 2003 actual pricing, and budgeted estimates until December 31, 2003).

On behalf of the Board of Directors,

Paul Colborne
President and Chief Executive Officer
May 1, 2003

operations review

Overview

Crescent Point's business strategy involves an integrated approach to per share growth, balancing exploration risk with solid reserve acquisitions and development drilling opportunities. The Company's main focus in 2002 was to continue building a high quality reserve, production and cash flow base in the plains areas of southern/ central Alberta and southern Saskatchewan. Crescent Point will utilize this base to fund exploration for deeper, multi-zone natural gas and light oil reserves in NE British Columbia, and the West Peace River Arch and W5M areas of Alberta.

The plains areas are characterized by low cost drilling, multi-zone potential, year round access, abundant infrastructure, and the availability of open Crown and freehold lands. Crescent Point believes that, due in part to the significant corporate takeover activity of the past few years (particularly by U.S. independents looking for deeper natural gas reserves), and subsequent dispositions of non-core assets, competition in the plains areas has diminished. This reduced competition will result in lower acquisition costs for producing assets and undeveloped land.

In 2002 Crescent Point completed 13 property acquisitions within its core areas of central/ southern Alberta, and southern Saskatchewan.

In January of 2002 Crescent Point closed two significant acquisitions in its core areas. The Sounding Lake West and Manor acquisitions added operated, high quality, light oil reserves and production with significant optimization and development drilling potential to the Company.

The Company closed a $10.25 million acquisition of long life natural gas reserves and production at John Lake, Alberta in May of 2002. This acquisition provided the Company with operatorship and strategic control of a long life, multi-zone natural gas property with high working interests and over 15 development drilling locations.

Crescent Point also completed three strategic "top-up" acquisitions in June, 2002 in each of the Company's three core operated properties at Manor, John Lake and Sounding Lake.

In the second half of 2002, Crescent Point initiated a development drilling program with 4 vertical wells, 14 horizontal wells and 1 re-entry well being drilled. These wells added over 1,000 boepd of net production to the Company.

In conjunction with this development drilling program, Crescent Point continued to optimize production operations in all areas, reducing operating costs from $7.04 per boe in 2001 to $5.85 per boe in 2002.

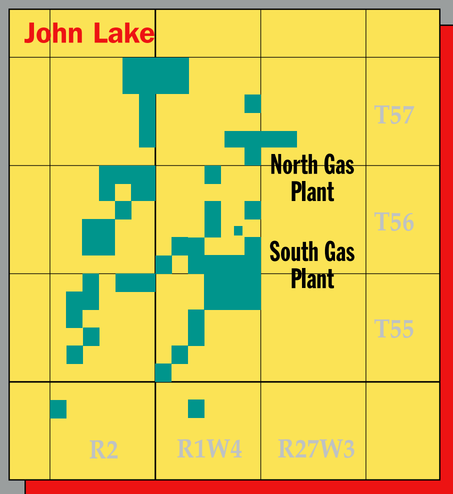
In the third quarter Crescent Point completed several smaller strategic consolidation acquisitions in the Manor area of southeast Saskatchewan which added several new development drilling locations to the Company's inventory.

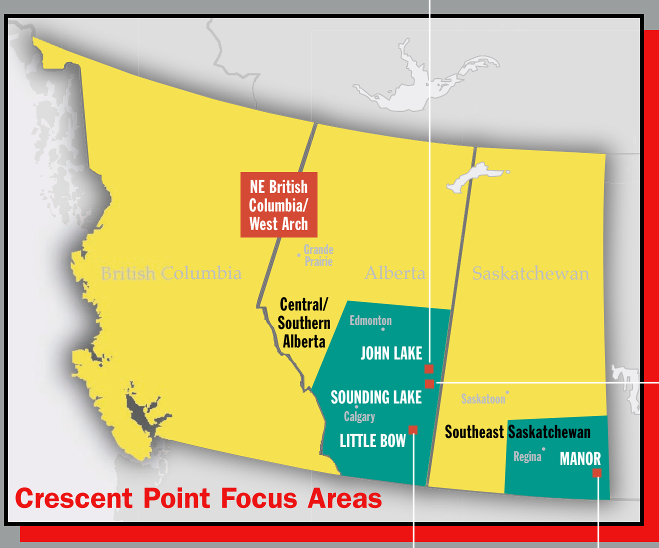
In December of 2002 Crescent Point executed a purchase agreement to acquire a new core asset consisting of an operated crude oil and natural gas property at Little Bow in southeast Alberta. The Little Bow property is a medium gravity crude oil reservoir, with large original oil in place of more than 18 million barrels, and a 100 percent working interest. This acquisition added more than 1,100 boepd of net production to the Company and more than 2.66 Mmboe of established reserves as at January 31, 2003. This oil pool has more than 5 horizontal drilling locations and significant reserve upside potential.

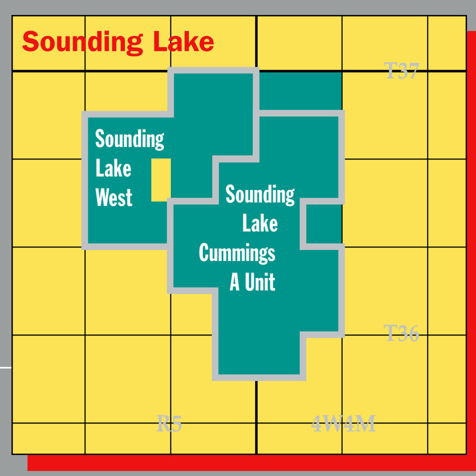
Crescent Point continues to develop a strong base of operated reserves and production that is concentrated in 4 operated assets, with large oil or gas in place reservoirs and high working interests.

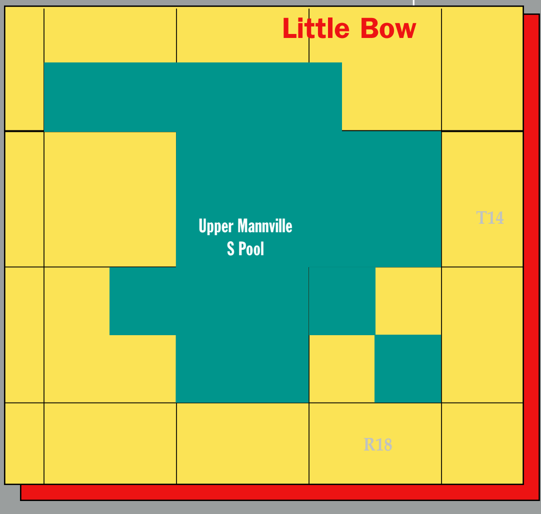
Today Crescent Point has an average 92 percent working interest in its assets, and operates 99 percent of the Company's production.

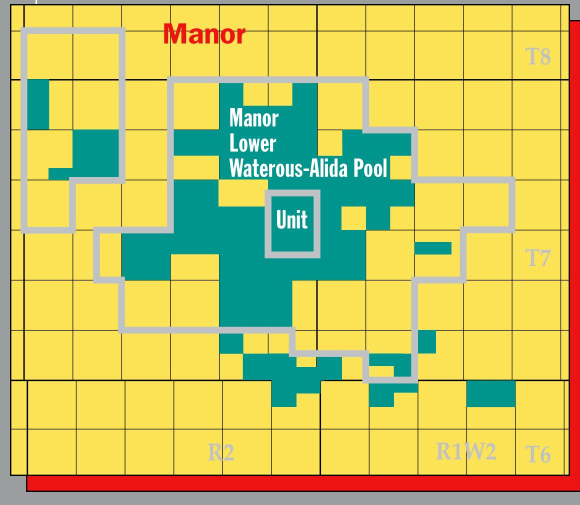
map of producing properties











Review of Producing Properties

SOUNDING LAKE

The Company's Sounding Lake property exited the year 2002 producing approximately 725 barrels of oil per day of operated light oil and 600 thousand cubic feet per day of natural gas, for total production of approximately 825 (net) boepd. Crescent Point holds a 100 percent, operated working interest in the water flooded Cummings "A" Unit, and various interests in several non-unit Dina G4G and Cummings "A" pool oil wells. Crescent Point holds a consolidated 90 percent working interest in the entire Cummings "A" Pool. All wells are tied into 3 operated oil batteries and oil production is shipped through the Hamilton Lake pipeline to market. The Sounding Lake property provides a low decline, predictable reserve base, with large original oil in place of more than 18 million barrels in the Cummings "A" pool, and more than 18 million barrels in the Dina G4G Pool.

In 2002 Crescent Point focused primarily on optimizing operations at Sounding Lake. The following projects were completed in 2002:

- 6 producing wells were converted to injectors to expand the water flood within the Cummings "A" pool;
- several start-ups and work-overs were completed to optimize production;
- 3 Colony gas wells were completed and tied-in; and
- field operations were combined and field staffing levels were reduced.

Crescent Point plans to continue with the development of the Sounding Lake field in 2003 through the implementation of the following plan:

- adding additional injectors to expand the water flood to the entire Cummings "A" pool;
- pump upgrades to optimize existing oil production;
- consolidate the 3 operated batteries to a single battery to lower operating costs;
- optimize fluid production from producing Dina oil wells; and
- continue to optimize the Cummings "A " water flood.

MANOR

The Manor property produced approximately 1,875 (net) barrels of 36° API light oil per day in December of 2002. The Company holds an average 95 percent, operated, working interest in the Manor area. The Manor area is comprised of 3 main pools, namely, the Manor Lower Waterous-Alida, Queensdale North Alida and Wildwood Alida pools. A majority of production is pipelined to a central operated facility.

The Manor Lower Waterous-Alida pool has more than 90 million barrels of original oil in place, with the Queensdale Alida and Wildwood Alida pools each having over 10 million barrels of original oil in place. Recovery factors are low, with only 11.5 percent of the original oil in place being recovered to date from the Manor Lower Waterous-Alida and Wildwood Alida pools, and a 5.4 percent recovery to date from the Queensdale Alida pool. Crescent Point has identified more than 30 horizontal development drilling locations within these pools.

In September of 2002, the Company also acquired a large proprietary 50 square kilometre 3D seismic program, covering all 3 pools in the Manor area. Utilizing the detail provided by the 3D seismic, in 2002 Crescent Point drilled 10 operated, horizontal light oil wells targeting Jurassic Spearfish oil-bearing sands at Manor, and Mississippian Alida oil-bearing carbonates at Queensdale and Wildwood, with a 100 percent success rate.

In 2002, Crescent Point focused on increasing the overall recovery factors at Manor, Wildwood and Queensdale through the following program:

- water disposal and injection optimization to eliminate trucking costs;
- battery optimization to increase fluid capacity;
- completed pressure surveys in over 10 wells;
- optimized existing horizontal well production;
- drilled 9 horizontal wells – 4 at Manor, 2 at Wildwood, and 3 at Queensdale; and
- drilled 1 re-entry horizontal well at Manor.

The Company's net initial oil production at the time of the first Manor acquisition was approximately 575 bopd, and Crescent Point's 2002 exit production rate for the Manor area was over 1,800 bopd. This illustrates the tremendous growth potential offered by these high quality, long life, light oil assets. Crescent Point currently has more than 30 operated development locations in inventory in the Manor area of southeast Saskatchewan.

In 2003 Crescent Point plans to continue increasing the overall recovery factor at Manor, Wildwood and Queensdale through the following program:

- drilling up to 11 infill horizontal wells;
- drilling up to 4 horizontal re-entries;
- continue to optimize existing horizontal well production; and
- continued facilities optimizations.

JOHN LAKE

The John Lake property produced approximately 4.05 million cubic feet per day of natural gas in December of 2002, for a total of approximately 675 (net) boepd. The Company holds a 74 percent operated working interest in the John Lake area.

Crescent Point focused on increasing production in the John Lake area during 2002 by:

- installing compression;
- renegotiating the Altagas gas processing agreement;
- adding siphon strings;
- drilling 2 exploration wells and re-completed 2 wells; and
- tying in 1 shut-in gas well.

In 2003 Crescent Point will focus on a 7-10 well infill drilling program for the Colony/Labiche horizons, and continue to optimize the Company's existing production base by installing well site compression.

LITTLE BOW

The Little Bow property is Crescent Point's newest acquisition, which closed on January 31, 2003. This property exited the year 2002 producing approximately 950 barrels of oil per day of operated medium gravity, crude oil and 900 thousand cubic feet per day of natural gas, for a total of approximately 1,100 (net) boepd. The Company holds a 100 percent, operated working interest in the Upper Mannville S pool, which has approximately 18 million barrels of original oil in place, together with a 4 bcf gas cap, and a partially active bottom aquifer.

Crescent Point's development plans are to increase reserves and production through optimized fluid withdrawal and drilling 2 water injectors. All production is tied into a central facility located at 10-27-14-18W4M. Currently, the 10-27 facility is restricted due to injectivity constraints and is processing approximately 20,000 barrels per day of fluid. The 10-27 facility is capable of over 40,000 barrels of fluid with increased water injection.

Reserves; F&D Costs

Crescent Point retained the independent engineering firm of Gilbert Laustsen Jung Associates Ltd. ("GLJ") to evaluate 100 percent of the Company's reserves. GLJ presented its reserve report to a meeting of the Reserves Committee of the Company, and reviewed the procedures utilized to determine the reserve estimates as of December 31, 2002. The Reserves Committee has recommended acceptance of the GLJ reserve estimates for purposes of this Annual Report.

Crescent Point's finding, development and acquisition costs for 2002 were $6.21 per proven boe, $5.34 per established boe, and $4.69 per proven plus probable boe. To date no reserves have been assigned to the exploration drilling program in the Sikanni/Cypress area of NE British Columbia. It is anticipated that reserves will be assigned to the Sikanni/Cypress drilling program during 2003.

SUMMARY OF RESERVES AND ECONOMICS

Company Interest (excluding Little Bow)

(as at December 31, 2002)

	RESERVES								BEFORE TAX PRESENT VALUE – $M			
	Oil (Mstb)		Gas (Mmcf)		NGL (Mstb)		Total (Mboe)		Discount Rate			
Description	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Undiscounted	10%	15%	18%
Proved producing	4,699	4,101	9,346	7,401	12	8	6,268	5,343	99,520	66,980	58,688	54,848
Proved non-producing	2,703	2,362	969	770	1	1	2,865	2,491	44,267	27,157	22,428	20,055
Total proved	**7,401**	**6,463**	**10,315**	**8,171**	**13**	**9**	**9,134**	**7,834**	**143,787**	**94,137**	**81,116**	**75,103**
Proved plus probable producing	6,034	5,270	12,469	9,874	15	10	8,128	6,926	132,328	78,445	66,973	61,895
Proved plus probable non-producing	3,999	3,516	1,963	1,615	4	3	4,330	3,787	69,636	39,166	31,784	28,494
Total proved plus probable	**10,033**	**8,786**	**14,432**	**11,489**	**19**	**13**	**12,457**	**10,713**	**201,964**	**117,612**	**98,757**	**90,389**
Total established	**8,717**	**7,624**	**12,373**	**9,830**	**16**	**11**	**10,796**	**9,273**	**172,876**	**105,874**	**89,937**	**82,746**

Note:
Based on GLJ's January 1, 2003 escalated price forecast. "Gross reserves" are the total Company's working interest share before deduction of any royalties. "Net reserves" are the total Company's working interest share after deducting royalties.

RESERVE RECONCILIATION

	Crude Oil & Liquids (Mstb)			Natural Gas (Mmcf)			BOE (Mboe)		
	Proved	Probable	Total	Proved	Probable	Total	Proved	Probable	Total
Total at December 31, 2001	**1,035**	**450**	**1,485**	**317**	**139**	**456**	**1,088**	**473**	**1,561**
Development	1,383	370	1,753	1,708	3,197	4,905	1,668	903	2,571
Acquisitions	5,507	1,899	7,406	9,404	981	10,385	7,074	2,063	9,137
Dispositions	0	0	0	0	0	0	0	0	0
Production	(554)	0	(554)	(1,000)	0	(1,000)	(720)	0	(720)
Revisions	44	(82)	(38)	(119)	(197)	(316)	24	(115)	(91)
Total at December 31, 2002	**7,415**	**2,637**	**10,052**	**10,310**	**4,120**	**14,430**	**9,134**	**3,324**	**12,457**

FINDING AND DEVELOPMENT COSTS

	Capital Expenditures		Total Proved		Established		Cost per BOE	
	$ million	%	Mboe	%	Mboe	%	Total Proved $/BOE	Established $/BOE
Exploration, Development and Revisions	$17,940	33.0%	1,692	19%	2,086	20%	$10.60	$8.60
Acquisitions net of Dispositions	$36,499	67.0%	7,074	81%	8,106	80%	$5.16	$4.50
TOTAL	**$54,439**	**100.0%**	**8,766**	**100%**	**10,191**	**100%**	**$6.21**	**$5.34**

PRODUCTION REPLACEMENT

Crescent Point replaced the Company's 2002 production of 0.72 million boe by more than 14 times based on established reserve additions.

RESERVE LIFE INDEX

Crescent Point's established reserve life index is greater than 8.5 years based on the Company's 2003 average daily production estimate of 4,475 boepd and current established reserves of 14 Mboe.

exploration

Overview

In 2002 Crescent Point implemented management's exploration strategy by utilizing cash flow from the Company's high quality, long life producing properties in the plains of southern Alberta and Saskatchewan, to explore for deeper, multi-zone natural gas and light oil reserves in NE British Columbia, and the West Peace River Arch/ W5M areas of Alberta.

In addition to successfully exploiting the Company's core producing properties through lower risk development drilling, during 2002 Crescent Point made 5 new natural gas discoveries in the Company's Sikanni/ Chowade exploration focus area of NE British Columbia. Over 80 percent of the high risk, deep exploration wells were drilled on internally generated prospects. Average estimated pre-drill probability of success for the exploration wells was 25 percent, and realized post-drill success rate of over 83 percent.

Crescent Point drilled a total of 27 wells in 2002, achieving an overall success rate of 88 percent. Of these wells, 8 were exploratory and 19 were classified as development.

The following table summarizes the Company's 2002 exploration and development drilling results:

EXPLORATION AND DEVELOPMENT DRILLING SUMMARY

Area	Gas	Oil	D&A	Total	Net	Success
Southeast Saskatchewan	0	10	0	10	9	100%
Central Alberta	4	5	2	11	4.5	82%
NE British Columbia, West Peace River Arch, Alberta	5	0	1	6	3.5	83%
TOTAL	**9**	**15**	**3**	**27**	**17**	**88%**

SOUTHEAST SASKATCHEWAN

As part of management's corporate growth strategy, Crescent Point continues to focus in the southern plains of Saskatchewan for acquisition and exploitation opportunities in 2002. Through a series of strategic acquisitions the Company created a new core production area at Manor in southeast Saskatchewan. As a result of this strategic acquisition program, Crescent Point gained operatorship and high working interests in 3 long life, light oil pools at Manor, Queensdale and Wildwood, with total original oil-in-place of more than 120 million barrels (combined from the 3 pools). In 2002, Crescent Point drilled 10 horizontal development wells (9 net) in the greater Manor area. All wells were successful, and have been completed, tied-in, and put on production. The Company has over 30 operated, development locations in inventory in the Manor area; up to 15 of these wells will be drilled in 2003.

SOUTH/CENTRAL ALBERTA

During 2002 Crescent Point also continued to expand the Company's asset base in South/Central Alberta, acquiring a long life, high netback natural gas property at John Lake, Alberta in May, 2002. The assets include an operated, high working interest in low decline natural gas production from multi-zone Cretaceous sands. In December, 2002 the Company drilled 2 exploration wells at John Lake; both wells were successfully cased and completed as gas wells from the Labiche horizon. Crescent Point has over 15 operated development wells in inventory on the John Lake property, 7 to 10 of which will be drilled in 2003.

SIKANNI/CHOWADE, NE BRITISH COLUMBIA

As operator, Crescent Point drilled 5 exploration wells during 2002 in the Sikanni/Chowade area of British Columbia on 2 separate farm-ins, targeting multi-zone Triassic natural gas reservoirs. The wells were drilled on internally-generated prospects, and all 5 wells were cased as new pool gas discoveries. To date, through a series of drill stem and extended-flow production tests, a total of more than 20 Mmcf/d of gas (gross) has been tested from these 5 wells in multiple horizons. This equates to more than 6 Mmcf/d net of potential gas production from this program utilizing Crescent Point's 30 percent, after-payout, interest.

Production testing will be completed during the second quarter of 2003, at which time gas reserves associated with the discoveries will be assessed by Gilbert Laustsen Jung Associates Ltd., the Company's external engineering firm.

Tie-in and pipeline operations have been initiated, with gas production expected in the fourth quarter of 2003.

Using an extensive grid of high-quality 2D seismic, multiple prospect fairways have been mapped, and 7 seismically-defined follow-up locations have been identified on earned farm-in lands. An additional 22 seismically-defined drilling locations have now been captured on lands purchased by the Company at recent British Columbia Crown land sales. As a result, Crescent Point now has up to 29 (9 net) operated, follow-up locations for multi-zone natural gas in this area.

Crescent Point currently holds 57 gross sections (36,500 acres) and 17 net sections (11,000 acres) of undeveloped land inventory in the Sikanni/Chowade area. The Company plans on expanding its operations in the area, and has recently entered a Joint Venture agreement with its two partners encompassing 750,000 acres. Up to 6 additional wells are planned for 2003, with drilling operations commencing in the third quarter.

2003 EXPLORATION AND DEVELOPMENT STRATEGY

Crescent Point will continue to generate shareholder value by carefully assessing risk/reward metrics on all exploration and development opportunities before any funds are allocated to prospects. The Company will develop internally-generated exploration prospects, and capture key lands through Crown land sales and applicable freehold land acquisitions. In addition, Crescent Point will farm into high-quality exploration ventures with other companies, and earn working interests through drilling and/or seismic commitments. Where appropriate, in an effort to capture prospect upside and effectively manage risk, the Company will seek partners for high cost/high reward ventures.

In 2003, Crescent Point will invest approximately C$18 million on drilling, land, and seismic. The Company's development drilling plans include up to 15 horizontal development wells in the greater Manor, southeast Saskatchewan area. Up to 10 development wells are budgeted for the John Lake, Alberta property. Two injector wells and 2 development wells are planned for the Little Bow, Alberta area, and 2 development wells will be drilled at Garden Plains, Alberta. Approximately 30 percent of the 2003 budget is dedicated to higher risk, high reward exploration drilling, land, and seismic. The majority of the exploration component will be spent in the Sikanni/Chowade, NE British Columbia area, following up on new pool discoveries, as well as establishing new exploration fairways.

2003 DRILLING UPDATE

To date in 2003, Crescent Point has successfully drilled 5 horizontal wells at Manor in southeast Saskatchewan. All were completed as light oil wells, and will be on stream by the end of March, 2003. Net initial production from this program is over 500 bopd. The 100 percent success rate experienced on this program reclassifies the 5 wells from proven undeveloped status to proven developed producing, illustrating the low-risk nature of the Company's 25 plus well development drilling inventory at Manor.

LAND HOLDINGS

Crescent Point's land acquisition strategy is prospect driven and adheres to the Company's business plan of being geographically focused with an integrated approach to growth that balances development, exploitation and exploration.

In the Company's southern Alberta and southeast Saskatchewan core plains areas, Crescent Point seeks to acquire high working interests in technically defined prospects in close proximity to Crescent Point's owned and operated production infrastructure. Land acquisitions are made through Crown acquisitions, freehold leasing and selective farm-ins.

In the Company's emerging exploration areas of NE British Columbia, the West Peace River Arch and the W5M areas, land acquisitions are targeted towards internally generated exploration and exploitation opportunities. Crescent Point attempts to acquire key lands on a prospect which allows the Company to maintain operatorship and control of the play. Acquisitions are made primarily through farm-ins, option arrangements and Crown sales.

While strictly adhering to its land acquisition strategy, in 2002 Crescent Point was successful in expanding its undeveloped land base by approximately 150 percent from 11,500 net acres of undeveloped land at the end of 2001 to 29,000 net acres of undeveloped land at the end of 2002, adding key holdings in all of its core operating and exploration focus areas.

The Company's undeveloped land holdings are summarized below:

ACREAGE SUMMARY

	Current	2002	2001
Gross (acres)	**77,000**	**51,000**	14,900
Net (acres)	**37,000**	**29,000**	11,500

management's discussion and analysis

The following discussion and analysis should be read in conjunction with the consolidated financial statements and related notes for a full understanding of the financial position and results of operations of Crescent Point Energy Ltd. ("Crescent Point" or the "Company"). All amounts are expressed in Canadian dollars. A barrel of oil equivalent ("boe") is based on a conversion rate of six thousand cubic feet of natural gas to one barrel of oil. Certain information regarding the Company contained herein may constitute forward-looking statements under applicable securities laws. Such statements are subject to known or unknown risks and uncertainties that may cause actual results to differ materially from those anticipated or implied in the forward-looking statements.

In 2002 Crescent Point continued to build a solid foundation for sustainable per share growth by assembling high quality, long life reserves, production and cash flow in the plains areas of southern Alberta and southern Saskatchewan. The Company also met its initial flow-through commitment by successfully exploring for deep, multi-zone natural gas in NE British Columbia.

The following discussion details Crescent Point's 2002 financial results and outlook for 2003.

REVENUE

The year 2002 was the first year that Crescent Point generated revenue for an entire year. The Company started the year with production at Sounding Lake, Alberta. During the year, the Company completed acquisitions at Sounding Lake West, Alberta, Manor, Saskatchewan and John Lake, Alberta.

	2002	2001
Oil and liquids (after hedging)	**$18,846,062**	$365,052
Per barrel	**34.04**	24.43
Natural gas	**4,266,034**	31,365
Per mcf	**4.26**	2.95
Miscellaneous revenue	**-**	8,603
Other revenue	**-**	30,470
Total gross revenue	**$23,112,096**	$435,490
Oil and gas sales per boe (6:1)	**$32.08**	$23.71

In 2002 the Company's production averaged 1,517 boepd of oil and 2,741 mcfpd of natural gas for total production of 1,974 boepd (6:1). In 2001 the Company's production averaged 77 boepd of oil and 55 mcfpd of natural gas for average production of 86 boepd. This represents a year over year increase in production of 2,195 percent. 2002 was a year of significant growth due to several acquisitions and successful development drilling. Crescent Point owned and operated the Sounding Lake property for a total of only 40 days in 2001.

In 2002 the Company recorded oil sales of $18,846,062 and gas sales of $4,266,034, net of hedging. The Company had oil sales revenue of $365,052 and gas sales of $31,365, net of hedging in 2001.

Revenue from other sources in 2002 was nil, while in 2001 the Company had other income of $39,073, including $23,275 in interest income.

In 2003 Crescent Point will continue to pursue a combination of opportunities for exploration and development of crude oil and natural gas reserves, and strategic property acquisitions that meet the Company's business strategy.

The average price received by the Company for crude oil and NGL's in 2002 was $37.01 per bbl before hedging, and $34.04 per bbl after hedging. In 2001 the average price received by the Company for crude and NGL's was $20.40 per bbl before hedging, and $24.43 per bbl after hedging. For natural gas the average price realized by the Company in 2002 was $4.16 per mcf before hedging and $4.26 after hedging. In 2001, the Company received a price of $2.95 per mcf for its natural gas production. This represents a year over year increase of 39 percent for crude oil and NGL's and 44 percent for natural gas.

ROYALTY EXPENSES

Royalty costs for all production in 2002 were $4,352,968, resulting in net oil and gas revenue before expenses of $18,759,128. In 2001 royalty costs was $21,324, and net oil and gas revenue before expenses was $383,696. The average royalty rate Crescent Point incurred in 2002, net of the Alberta Royalty Credit, was 18 percent. This rate reflects an oil and liquids royalty rate of 16 percent and a natural gas royalty rate of 26 percent. In 2001 the average royalty rate was 6.3 percent, composed of 4.7 percent for oil and liquids and 13.0 percent for gas. The reason for the increase is the higher royalty burdens associated with the Manor, Saskatchewan and the John Lake, Alberta properties, and higher average commodity prices.

OPERATING EXPENSES

Operating expenses in 2002 totaled $4,211,906 or $5.85 per boe. On a unit of production basis, 2002 operating expenses were $5.47 per bbl for oil and liquids, and $1.18 per mcf for natural gas. In 2001 total operating expenses were $117,639, or $7.04 per boe. The breakdown by commodity was $7.30 per bbl for oil and liquids and $0.80 per mcf for natural gas. This represents an overall decrease in operating expense per boe of 17 percent. The Company has seen a significant decrease in operating expenses per boe due to lower operating costs at Manor, Saskatchewan from successful development drilling results, and successful field optimization activities at both Manor and Sounding Lake.

NETBACKS

In 2002 Crescent Point received an average oil and liquids netback of $22.65 per bbl as compared to $15.98 in 2001 and a natural gas netback of $2.01 per mcf as compared to $1.76 per mcf in 2001. On a total commodity basis the Company received a netback of $20.20 per boepd in 2002 as compared to $15.68 per boepd in 2001. The breakdown is set out below:

	2002	2001
Oil and liquids		
Production (bopd)	1,517	77
Price ($/bbl)	37.01	$20.40
Hedging ($/bbl)	(2.97)	4.03
Royalties, net ($/bbl)	(5.92)	(1.15)
Operating expenses ($/bbl)	(5.47)	(7.30)
Netback ($/bbl)	22.65	$15.98
Natural gas		
Production (mcfpd)	2,741	55
Price ($/mcf)	4.16	2.95
Hedging ($/mcf)	0.10	–
Royalties, net ($/mcf)	(1.07)	(0.39)
Operating expenses ($/mcf)	(1.18)	(0.80)
Netback ($/mcf)	2.01	$1.76
Total (6:1)		
Production (boepd)	1,974	86
Price ($/boepd)	34.24	20.40
Hedging ($/boepd)	(2.14)	3.60
Royalties, net ($/boepd)	(6.04)	(1.28)
Operating expenses ($/boepd)	(5.85)	(7.04)
Netback ($/boepd)	20.20	15.68

CAPITAL EXPENDITURES

In 2002 capital expenditures totaled $54,845,966 as compared to $10,508,899 in 2001. The yearly capital expenditures are summarized as follows:

	2002	2001
Property acquisitions	$36,505,579	$ 9,492,889
Exploration and development drilling	17,207,295	839,172
Capitalized administration	732,835	12,330
Other	400,257	164,508
Total	$54,845,966	$10,508,899

In 2002 Crescent Point's capital expenditures were allocated to the acquisition of the Sounding Lake West, Manor and John Lake properties, a series of core property "top up" acquisitions, and to the implementation of Crescent Point's drilling program on its core properties, as well as, the Company's successful NE British Columbia deep gas exploration drilling program.

Crescent Point's 2003's capital program is budgeted to be approximately $51 million. Of this amount $31 million will be funded through cash flow, $10 million through the Company's January 7, 2003 equity offering, and the remainder through the Company's bank facility which currently stands at $51 million.

LIQUIDITY AND CAPITAL RESOURCES:

During 2001 and 2002, the capital resources utilized to implement the Company's business strategy were sourced as follows:

	2002	2001
Common share issuance	$27,975,284	$11,385,979
Bank debt	14,000,000	nil
Cash flow	11,893,063	(90,498)
Working capital	(3,520,834)	319,642
Total	$50,347,573	$11,615,123

At the end of 2002 Crescent Point was capitalized with 47 percent debt and 53 percent equity. This compares to the end of 2001 when the Company was capitalized with zero debt and 100 percent equity.

Crescent Point issued 14,745,791 Class A and no Class B shares in 2002, as compared to 9,232,301 Class A shares and 808,830 Class B shares issued in 2001.

During 2002 Crescent Point completed 3 separate private placement equity financings. On January 24, 2002 the Company sold 6,265,837 special warrants convertible into Class A shares for proceeds of $9,398,756 ($1.50 per special warrant). On April 18, 2002 the Company sold an additional 4,545,454 special warrants convertible into Class A shares for $10 million ($2.20 per special warrant). On September 3, 2002 the Company sold 3,255,000 special warrants for proceeds for $10,090,500 ($3.10 per special warrant). Each of these 3 special warrant private placements received a final receipt from the proper regulatory authorities to qualify the distribution of Class A shares.

In addition to the 14,066,291 Class A shares issued under the 3 private placements, 667,000 Class A shares were issued as partial consideration for the $4.0 million Sounding Lake West acquisition which closed on January 10, 2002. The Company also issued 12,500 Class A shares pursuant to stock option conversions. In total, during 2002 the Company issued 14,745,791 Class A shares for gross proceeds and assets of $30,503,870.

Class B shares were issued in 2001 at a price of $10.00 per share and are convertible (at the option of the Company) at any time after December 31, 2004, into Class A shares. The ratio is calculated by dividing $10.00 by the greater of $1.00 and the then current market price of the Class A shares. If conversion has not occurred by the close of business on December 21, 2006, the Class B shares become convertible (at the option of the shareholder) into Class A shares on the same basis. Effective February 1, 2007, all remaining Class B shares will automatically be converted into Class A shares.

At December 31, 2001 the Company renounced tax pools comprising Canadian Exploration Expense ("CEE") valued at $8,987,000 effective to the holders of the initial public offering of Class A and B shares.

Of the renounced CEE, $6,987,000 was direct CEE and $2,000,000 was Canadian Development Expense deemed to be CEE. By December 31, 2002 the Company had expended funds in excess of the renounced expenditures.

During 2002 the Company granted 1,217,500 Class A common share stock options at prices ranging from $2.02 to $4.25 per share to employees, directors and consultants of the Company. During the year 12,500 options were exercised and 55,000 options were forfeited. At December 31, 2002 the total number of potential outstanding Class A shares were 1,980,000.

On September 30, 2002 the Company's Class A and Class B shares were delisted from the Canadian Venture Exchange ("CDNX") and commenced trading on the Toronto Stock Exchange ("TSX"). Crescent Point Class A and Class B shares trade under the symbols "CPG.A" and "CPG.B" respectively.

In conjunction with the numerous property acquisitions, and successful development drilling program referred to above, at December 31, 2002 the Company's long term credit facility was increased to $30.5 million and had a total debt of $17.8 million (net of working capital).

On January 7, 2003 the Company sold 2,360,000 special warrants convertible into Class A shares for proceeds of $10,030,000 ($4.25 per special warrant) on a private placement basis. The proceeds from this equity offering were used to finance the $21.5 million Little Bow acquisition on January 31, 2003.

At January 31, 2003, with the closing of the Little Bow acquisition, the Company had total debt of $27.1 million and Crescent Point's long term credit facility was increased to $41 million. Subsequent to this increase, in May 2003 the Company's credit facility was further increased to $51 million during its annual banking review.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses incurred by the Company during 2002 totaled $2,210,063. Of this, $732,835 was capitalized as part of the Company's exploration and development program, resulting in net administrative expenses of $1,477,228 or $2.05 per boe. This compares with general and administrative costs in 2001 of $399,355, of which $12,330 was capitalized, and resulting in net administrative expenses of $387,025 or $23.15 per boe. Crescent Point's 2001 general and administrative expenses included a number of one time corporate "start-up" costs.

In 2003 the Company anticipates a further reduction in general and administrative expenses on a boe basis as a result of increased production from successful development drilling results, consolidating operations, and operating efficiencies.

INTEREST EXPENSE AND INCOME

As at December 31, 2001 the Company had no bank debt. Crescent Point exited 2002 with debt and working capital of $17.8 million resulting in interest expense of $451,814 for the year. As the Company had no bank debt during 2001 Crescent Point had interest income of $23,275.

DEPLETION, DEPRECIATION AND SITE RESTORATION

Crescent Point follows the full cost method of accounting. Accordingly, the cost of all wells, both successful and unsuccessful, are added to the Company's capital base and depleted at the rate of production over the remaining oil and gas reserves. A ceiling test is then employed to ensure that the carrying value of capital assets in the financial statements does not exceed the undiscounted estimated future net revenue from proven reserves.

Depreciation, depletion and site restoration are calculated based upon capital expenditures, production rates and reserve size. Crescent Point recorded $5,066,225, or $7.03 per boe, in depletion for the period ended December 31, 2002, as compared to depletion of $143,215, or $8.23 per boe, in 2001.

Depreciation on other assets in 2002 was $676,137, or $0.94 per boe, as compared to $18,909, or $1.13 per boe, in 2001. In 2002 site restoration charges were $340,812, or $0.47 per boe, as compared to $22,567, or $1.35 per boe, in 2001.

INCOME AND OTHER TAXES

The Company uses the liability method for accounting for income taxes.

At December 31, 2002 the provision for future income taxes was $2,260,300. The provision was comprised of an expected tax provision of $2,647,245 plus $1,210,000 of Crown royalties less the resource allowance of $1,681,430 and other charges of $84,485.

At December 31, 2001 the provision for future income taxes was $92,506. The provision then was comprised of a $117,286 tax recovery plus $9,180 of Crown royalties less the resource allowance of $15,600. The future tax and effective tax rates for 2001 and 2002 are summarized below:

	2002	2001
Income taxes	**nil**	nil
Future taxes (recovery)	**$2,260,300**	$(92,506)
	$2,260,300	$(92,506)
Effective tax rate	**36.0%**	33.6%
Capital taxes	**$ 725,117**	nil

In 2002 Crescent Point incurred capital taxes of $725,117 (2001 - nil) as compared to nil in 2002. In 2003 the Company anticipates the payment of $1.1 million in large corporation and Saskatchewan resource tax.

NET EARNINGS AND CASH FLOW

In its first full year of operations in 2002 Crescent Point generated cash flow from operations of $11,893,063, or 0.52 per fully diluted share, and net earnings of $3,299,589, or 0.14 per fully diluted share. This compares to the period ended December 31, 2001, which generated negative cash flow of ($90,948), or (0.01) per fully diluted share and a net loss of ($182,683), or (0.03) per fully diluted share.

	2002	2001
Funds generated from operations	$11,893,063	$ (90,498)
Funds generated from operations per diluted share	$ 0.52	$ (0.01)
Net earnings (loss)	$ 3,299,589	$(182,683)
Net earnings (loss) per diluted share	$ 0.14	$ (0.03)

HEDGING

Management of cash flow variability comprises an integral component of Crescent Point's business strategy. Changing business conditions are monitored regularly and reviewed with the Board of Directors to establish hedging guidelines used by management in carrying out the Company's strategic hedging program. The risk exposure inherent in movements in the price of crude oil and natural gas, fluctuations in the US/Canadian dollar exchange rate and interest rate movements on long term debt are all proactively managed by Crescent Point through the use of forward sale financial transactions with reputable counterparties.

In 2002 the Company hedged 591 boepd of crude oil and natural gas at a price of C$35.80 WTI, as compared to 188 bopd at C$39.08 in 2001. These hedges resulted in a hedging loss of $1,542,599, or $2.14 per boe, in 2002 as compared to a gain of $60,168, or $4.03 per boe in 2001. Looking forward into 2003 the Company continues to strategically hedge up to 50 percent of its after royalty volumes at prices above long term commodity and budget levels. Presently the Company has hedged 1,550 bopd of crude oil at a price of approximately $40.00 per barrel in 2003, and 500 bopd at a price of $38.35 in 2004.

In addition, the Company has locked in 1,000 GJ/day of natural gas for the period April 1, 2003 to October 31, 2003 at a fixed price of C$5.00/GJ AECO. The Company also has a costless collar for the same period for 1,000 GJ/day at a collar price of C$5.40-C$7.00 AECO.

On February 15, 2002 Crescent Point entered into a interest rate swap with a third party bank at 4.2 percent on $8,000,000 of debt for three years expiring February 15, 2005. Subsequent to year end, on March 4, 2003 the Company entered into an additional interest rate swap with a third party bank. This interest rate swap was at 4.03 percent on $12,000,000 of debt and expires on March 4, 2005.

BUSINESS RISKS AND PROSPECTS

Crescent Point is exposed to several operational risks inherent in exploring for, developing, producing and marketing crude oil and natural gas. These risks include:

- economic risk of finding and producing reserves at a reasonable cost;
- financial risk of marketing reserves at an acceptable price given market conditions;
- cost of capital risk associated with securing the needed capital to carry out the Company's operations; and
- the risk of carrying out operations with minimal environmental impact.

Crescent Point strives to manage or minimize these risks in a number of ways, including:

- employing qualified professional and technical staff;
- concentrating in a limited number of areas with low cost exploration and development objectives;
- reducing high risk exploration exposure through joint venture relationships;
- utilizing the latest technology for finding and developing reserves;
- constructing quality, environmentally sensitive, safe production facilities;
- maximizing operational control of drilling and producing operations;
- mitigating price risk through strategic hedging; and
- adhering to conservative borrowing guidelines.

HEALTH, SAFETY AND ENVIRONMENTAL POLICY

The health and safety of employees, contractors, visitors and the public, as well as the protection of the environment, is 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;
- 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 rules 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.

OUTLOOK

Crescent Point enters 2003 well positioned to continue generating solid, per share growth for its shareholders.

In its first 14 months of operation, Crescent Point has assembled a high quality, operated, low decline light oil reserve and production base comprising 14 million boepd of established reserves, and more than 4,475 boepd of production. The Company has also established a solid 2002 cash flow base of more than $31.5 million based on US$25.75 WTI per barrel pricing.

The Company will continue to seek out opportunities to acquire complementary assets that fit with its growth strategy. As well, in 2003 the Company will continue to exploit its solid inventory of low risk development drilling locations, and its suite of high impact exploration opportunities.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The Management of Crescent Point Energy Ltd. is responsible for the preparation of all information included in this Annual Report. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include certain estimates that reflect Management's best estimates and judgments. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects. The financial information contained elsewhere in this Annual Report have been reviewed to ensure consistency with that in the consolidated financial statements.

Management has developed and maintains an extensive system of internal accounting controls that provide reasonable assurance that all transactions are accurately recorded, that the financial statements realistically report the Company's operating and financial results, and that the Company's assets are safeguarded. Management believes that this system of internal control has operated effectively for the period ended December 31, 2002.

PricewaterhouseCoopers LLP, an independent firm of chartered accountants, was appointed by a resolution of the Board of Directors of Crescent Point Energy Ltd. to audit the financial statements of the Corporation and provide an independent professional opinion. PricewaterhouseCoopers LLP was appointed to hold such office until the next annual meeting of the shareholders of the Corporation.

The Board of Directors, through its Audit Committee, has reviewed the 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 Company's Board of Directors has approved the information contained in the financial statements based on the recommendation of the Audit Committee.

Paul Colborne
President and Chief Executive Officer
May 1, 2003

AUDITORS' REPORT TO THE SHAREHOLDERS

PRICEWATERHOUSECOOPERS

We have audited the consolidated balance sheets of Crescent Point Energy Ltd. as at December 31, 2002 and 2001 and the consolidated statements of operations and retained earnings (deficit) and cash flows for the year ended December 31, 2002 and for the period from incorporation on June 20, 2001 to December 31, 2001. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2002 and 2001 and the results of its operations and its cash flows for the year ended December 31, 2002 and for the period from incorporation on June 20, 2001 to December 31, 2001 in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants
Calgary, Alberta
February 28, 2003

Consolidated Balance Sheet

As at December 31, 2002 and 2001

	2002 $	2001 $
Assets		
Current assets		
Cash	**85,158**	1,359,827
Accounts receivable	**11,382,840**	856,153
Prepaids and deposits	**98,566**	46,421
	11,566,564	2,262,401
Investment in marketable securities	**427,500**	–
Deposits on property, plant and equipment (note 12(b))	**3,225,000**	720,000
Property, plant and equipment (note 3)	**59,450,376**	10,346,775
	74,669,440	13,329,176
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	**15,407,040**	1,942,759
Bank indebtedness (note 7)	**14,000,000**	–
	29,407,040	1,942,759
Provision for site restoration (note 4)	**363,377**	22,567
Future tax liability (note 9)	**4,805,634**	3,600,375
	34,576,051	5,565,701
Shareholders' Equity		
Share Capital (note 8)	**36,976,483**	7,946,158
Retained earnings (deficit)	**3,116,906**	(182,683)
	40,093,389	7,763,475
	74,669,440	13,329,176

Commitments (note 11)

Approved by the Board of Directors

Kevin Bennett

Kevin Bennett
Director

Paul Colborne
Director

Consolidated Statement of Operations and Retained Earnings (Deficit)

	Year ended December 31, 2002 $	Period from June 20, 2001 to December 31, 2001, $
Revenue		
Oil and gas sales	**24,654,695**	344,852
Royalties expense, net of ARTC	**(4,352,968)**	(21,324)
Hedging losses	**(1,542,599)**	60,168
Other	**–**	30,470
	18,759,128	414,166
Expenses		
Operating	**4,211,906**	117,639
General and administrative	**1,477,228**	387,025
Depletion, depreciation and amortization	**5,742,362**	162,124
Provision for site restoration	**340,812**	22,567
Interest	**451,814**	–
Writedown of investment (note 2(c))	**250,000**	–
	12,474,122	689,355
Income (loss) before income taxes	**6,285,006**	(275,189)
Current and capital	**725,117**	–
Future (note 9)	**2,260,300**	(92,506)
	2,985,417	(92,506)
Net income (loss) for the period	**3,299,589**	(182,683)
Deficit – Beginning of the period	**(182,683)**	–
Retained earnings (deficit) – End of the period	**3,116,906**	(182,683)
Earnings (loss) per share		
Basic	**0.15**	(0.03)
Diluted	**0.14**	(0.03)

Consolidated Statement of Cash Flows

	Year ended December 31, 2002 $	Period from June 20, 2001 to December 31, 2001, $
Cash provided by (used in)		
Operating activities		
Net income (loss) for the year	**3,299,589**	(182,683)
Items not affecting cash		
Future income taxes	**2,260,300**	(92,506)
Depletion, depreciation and amortization	**5,742,362**	162,124
Provision for site restoration	**340,812**	22,567
Writedown of investment	**250,000**	–
Funds flow (deficiency) before changes in non-cash working capital	**11,893,063**	(90,498)
Change in non-cash working capital items		
Accounts receivable	**(10,850,862)**	(279,930)
Prepaid expenses and deposits	**(52,145)**	(43,725)
Accounts payable	**9,540,457**	730,871
	10,530,513	316,718
Investing activities		
Acquisition of subsidiary (note 5)	**–**	(6,774,776)
Expenditures on property, plant and equipment	**(54,522,966)**	(1,016,010)
Change in non-cash working capital		
Accounts receivable	**324,176**	(324,176)
Accounts payable	**3,923,824**	812,592
Additions to oil and gas asset deposits	**(2,505,000)**	(720,000)
	(52,779,966)	(8,022,370)
Financing activities		
Increase in bank indebtedness	**14,000,000**	–
Issue of capital stock	**26,974,784**	9,065,479
	40,974,784	9,065,479
(Decrease) increase in cash	**(1,274,669)**	1,359,827
Cash – Beginning of year	**1,359,827**	–
Cash – End of period*	**85,158**	1,359,827

* Cash is defined as cash and short-term deposits

Funds flow (deficiency) before changes in non-cash working capital per share		
Basic	**0.54**	(0.01)
Diluted	**0.52**	(0.01)
Supplemental cash flow information		
Interest (paid) received	**(451,814)**	23,275
Taxes paid	**725,117**	–

1 Incorporation

Crescent Point Energy Ltd. (the “Corporation”) was incorporated under the laws of the Province of Alberta on June 20, 2001.

2 Significant accounting policies

a) Principles of consolidation

The consolidated financial statements include those of the Corporation, Crescent Point Energy Partnership and its wholly owned subsidiary, 935247 Alberta Ltd.

b) Joint ventures

Substantially all exploration and production activities are conducted jointly with others. These financial statements reflect only the Corporation’s proportionate interest in such activities.

c) Investments

The Corporation obtained 2.15 million common shares in Rise Energy Ltd. as a result of two transactions involving the dispositions of properties. Investments are recorded at the lower of cost and market and were written down to market of $0.20 per share at December 31, 2002.

d) Property, plant and equipment

The Corporation follows the full cost method of accounting for petroleum and natural gas properties and equipment, whereby all costs, net of government incentives, relating to the exploration for and development of oil and gas reserves, are capitalized. Such costs include lease acquisition costs, geological and geophysical expenditures, costs of drilling both productive and non-productive wells, related plant and production equipment costs and related overhead charges.

Proceeds on disposal of properties are normally applied as a reduction of the capitalized costs without recognition of a gain or loss except where such a disposal would alter the depletion and depreciation rate by 20 percent or more.

The Corporation carries its petroleum and natural gas properties at the lower of the capitalized cost and net recoverable amount. Net capitalized cost is calculated as the net book value of the related assets less the accumulated provisions for future income taxes and site restoration costs. Net recoverable amount is limited to the sum of future net revenues from proven properties and the cost of unproved properties, net of provisions for impairment, less estimated future financing, administrative expenses and income taxes. Future net revenues are based on prices and costs prevailing at the year-end.

Depletion and depreciation of capitalized costs are provided by using the unit-of-production method based on the Corporation’s total estimated gross proven reserves as determined by independent engineers. Natural gas reserves and production are converted to equivalent barrels of oil based upon the relevant energy content (6:1). In determining the depletion base, the Corporation includes future costs to be incurred in developing proven reserves and excludes the cost of undeveloped land, at its carrying value.

Depreciation is provided for based on their estimated useful lives according to the declining balance basis and the following annual rates:

Office furniture and equipment	10% –30%
Equipment	
Motor vehicles	20%
Tangible equipment	15 years

e) Future site restorations and abandonment costs

The Corporation makes a provision for future site restoration and abandonment costs, based on the unit-of-production method.

f) Flow-Through Shares

The Corporation issues flow-through shares and the resultant proceeds are used to fund exploration and development expenditures within a defined time period. The income tax deductions associated with the expenditures funded by flow-through arrangements are renounced to investors in accordance with the appropriate tax legislation. A future tax liability is recognized and share capital is reduced by the estimated cost of the renounced tax deductions.

g) Financial instruments

The Corporation uses financial 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. Gains and losses relating to these transactions are deferred and recognized in revenue at the time the underlying commodity is sold or when the positions are settled.

h) Stock based compensation

The Corporation has stock based compensation plans. No compensation expense is recognized for these plans when stock options are issued to employees. Any consideration paid by employees on exercise of stock options or purchase of stock is credited to share capital. Effective January 1, 2002, a change in Canadian generally accepted accounting principles requires the impact on compensation costs using the fair value method be disclosed (see note 8).

i) Earnings per share

Earnings per share and cash flow per share are calculated based on the weighted average number of shares outstanding during 2002, which was 19,984,371 Class A Shares (2001 – 5,165,676) and 808,830 Class B Shares (2001 – 301,709). The Class B Shares are converted at $10 divided by the 30 day weighted average price ending December 31, 2002, of the shares of $4.34 (2001 – $1.67). The total converted weighted average shares were 21,848,034 shares (2001 – 6,975,318). The number of diluted shares outstanding at December 31, 2002 was 22,948,570 (2001 – 7,215,418) as a result of stock options. For purposes of the diluted calculation, 350,000 options were excluded as they are not in the money as at December 31, 2002.

j) Measurement uncertainty

The amounts recorded for depletion, depreciation and amortization of petroleum and the provision for future site restoration and abandonment costs are based on estimates. The ceiling test is based on estimates of proved reserves, production rates, oil and gas prices, future costs and other relevant assumptions. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

k) Revenue recognition

Revenues associated with sales of crude oil, natural gas and natural gas liquids are recognized when title passes to the purchaser.

l) Cash and cash equivalents

Cash and cash equivalents include short-term investments with a maturity of three months or less when purchased.

3 Property, plant and equipment

			2002
	Cost	**Accumulated amortization**	**Net**
	$	**$**	**$**
Petroleum and natural gas properties	**56,119,679**	**5,208,769**	**50,910,910**
Equipment	**8,649,751**	**576,650**	**8,073,101**
Office furniture and equipment	**584,761**	**118,396**	**466,365**
	65,354,191	**5,903,815**	**59,450,376**

			2001
	Cost	Accumulated amortization	Net
	$	$	$
Petroleum and natural gas properties	10,344,391	143,215	10,201,176
Office furniture and equipment	164,508	18,909	145,599
	10,508,899	162,124	10,346,775

Capitalized general and administrative expenses amounted to $732,835 (2001 – $12,330) during the period.

The ceiling test evaluation at December 31, 2002 was performed using year-end prices of $49.29 (2001 – $30.75) per barrel of crude oil and $6.02 (2001 – $3.95) per thousand cubic feet of natural gas. No writedown was required in 2002 or 2001.

At December 31, 2002, undeveloped land of $2,410,000 (2001 – $nil) has been excluded from costs subject to depletion.

4 Site restoration

As at December 31, 2002, the estimated future site restoration costs to be accrued over the life of the remaining proved reserves are $4,227,250 (2001 – $1,300,000), of which $340,810 (2001 – $22,567) has been expensed in the current year. Actual payments for restoration in 2002 were $nil (2001 – $nil).

5 Acquisitions

On November 22, 2001, the Corporation purchased all of the issued and outstanding shares and debt of 935247 Alberta Ltd., a private oil and gas company (see note 6). The acquisition was accounted for by the purchase method.

Purchase price was allocated as follows:

	$
Assets acquired	
Cash	**212,961**
Accounts receivable	**252,047**
Other current assets	**2,696**
Accounts payable	**(399,296)**
Future tax liability	**(253,060)**
	(184,652)
Petroleum and natural gas property and equipment	**9,492,889**
	9,308,237
Consideration	
Cash	**6,987,737**
Class A Shares	**2,320,500**
	9,308,237

6 Related party transactions

On November 22, 2001, the Corporation completed the acquisition of all of the outstanding shares of 935247 Alberta Inc. ("935247"), the primary asset of which was a producing, light oil property in the Sounding Lake area of central Alberta. The aggregate purchase price for the shares of 935247 of $9,308,237 was financed through the issuance of 1,657,500 Class A Shares of the Corporation at a deemed issue price of $1.40 per share and through the payment of approximately $7 million in cash.

The Corporation's President and Vice President, Production were each indirect shareholders of 935247 at the time of its acquisition by the Corporation. In total, approximately 18 percent of the outstanding shares of 935247 were held by officers of the Corporation. An independent committee of the Board of Directors of the Corporation reviewed all matters relating to the acquisition including, without limitation, an independent engineering evaluation of the oil and natural gas assets of 935247 dated effective November 1, 2001 and determined that it was in the best interests of the Corporation to complete the acquisition. On November 9, 2001, the last trading day prior to the date of which the acquisition was announced, the closing price of the Corporation's Class A Shares was $1.35.

Except as disclosed above, none of the directors, officers or principal shareholders of the Corporation and no associate or affiliate of any of them, has or has had any material interest in any transaction or any proposed transaction which materially affects the Corporation or any of its affiliates.

In 2002, there was director remuneration of $70,500 (2001 – $25,625).

7 Bank indebtedness

The maximum amount of borrowing currently available under the demand bank loan facilities is comprised of a $30,500,000 revolving operating demand loan. Credit facilities bear interest at bank prime rate plus 0.125 percent for an effective interest rate of 4.63 percent in 2002. The credit facility may be drawn down or repaid at any time and there are no scheduled repayment terms. The loans are secured by a floating charge debenture on all petroleum and natural gas assets acquired (see note 12).

8 Share capital

a) Authorized

Unlimited number of voting Class A Shares

Unlimited number of voting Class B Shares

Unlimited number of preferred shares, issuable in series

b) Issued and outstanding

	2002		2001	
	Number of shares	**Amount $**	Number of shares	Amount $
Class A shares				
Balance – Beginning of year	**9,232,301**	**4,214,201**	3,980,001	995,001
Issued under initial public offering	–	–	3,594,800	898,700
Issued under private placement	**14,066,291**	**29,489,254**	–	–
Issued to acquire properties	**667,000**	**1,000,500**	1,657,500	2,320,500
Issued under stock option conversion	**12,500**	**14,116**	–	–
Balance – End of year	**23,978,092**	**34,718,071**	9,232,301	4,214,201
Class B shares				
Balance – Beginning of year	**808,830**	**8,088,300**	–	–
Issued under initial public offering	**–**	**–**	808,830	8,088,300
Balance – End of year	**808,830**	**8,088,300**	808,830	8,088,300
Tax effect of flow-through shares	**–**	**(3,830,259)**	–	(3,830,259)
Share issue costs (net of tax)	**–**	**(1,999,629)**	–	(526,084)
Total share capital – End of year	**24,786,922**	**36,976,483**	10,041,131	7,946,158

c) Class B Shares

The Class B Shares will be convertible, at the option of the Corporation, at any time after December 31, 2004 and before December 31, 2006, into Class A Shares. The number of Class A Shares obtained upon conversion of each Class B Share will be equal to $10.00 divided by the greater of $1.00 and the current market price. Any Class B Shares outstanding on February 7, 2007 shall be automatically converted into Class A Shares.

d) Shares in escrow

Of the Class A Shares issued to date, 600,000 shares are held in escrow and may not be released from escrow and traded the earlier of without the written consent of the appropriate regulatory authorities before April 30, 2003.

e) Flow-through shares

On October 19, 2001 and October 25, 2001, the Corporation sold 3,594,800 Class A Shares on a flow-through basis at an issue price of $0.25 per share for gross proceeds of $898,700 (net of issue costs of $91,652). As at December 31, 2001, the Corporation had renounced the full $898,700 committed to be renounced. As at December 31, 2002, the Corporation had spent the entire $898,700 on its exploratory program.

On October 19, 2001 and October 25, 2001, the Corporation sold 808,830 Class B Shares on a flow-through basis at an issue price of $10.00 per share for gross proceeds of $8,088,300 (net of issue costs of $824,870). As at December 31, 2001, the Corporation had renounced the full $8,088,300 committed to be renounced. As at December 31, 2002, the Corporation had spent the entire $8,088,300 on its exploratory program.

f) Options

In accordance with the rules and policies of the TSX Exchange Inc. ("TSX"), the directors, management, employees and consultants of the Corporation may be granted options to acquire shares of the Corporation. At December 31, 2002, 10 percent of outstanding Class A shares were reserved for issuance. All options are granted in compliance with the requirements of the TSX. The exercise price and vesting terms of any options granted are fixed by the board of directors of the Corporation at the time of grant, subject to the limitations of the TSX. Presently the Corporation's policy is to grant five year options that vest 1/3 on granting and 1/3 on each of the anniversary of the next two years. Options are non-assignable and non-transferrable.

A summary of the status of the Corporation's outstanding stock options as at December 31, 2002 and 2001 is as follows:

	2002		2001	
	Share options	**Weighted average exercise price $**	Share options	Weighted average exercise price $
Outstanding –				
Beginning of period	**830,000**	**0.35**	–	–
Granted	**1,217,500**	**2.75**	830,000	0.35
Exercised	**(12,500)**	**1.13**	–	–
Forfeited	**(55,000)**	**0.70**	–	–
Outstanding –				
End of period	**1,980,000**	**1.80**	830,000	0.35
Options exercisable (vested) –				
End of period	**940,001**	**1.38**	276,667	0.35

The following table summarizes information about the Corporation's outstanding stock options at December 31, 2002:

	2002			2001	
Range of Exercise Prices	**Options outstanding**	**Weighted average remaining term (years)**	**Weighted average exercise price**	Options exercisable	Weighted average exercise price
$0.35	**780,000**	**3.81**	**$0.35**	540,000	$0.35
$2.02-2.99	**830,000**	**4.31**	**$2.17**	276,667	$2.17
$3.00-3.99	**20,000**	**4.83**	**$3.20**	6,667	$3.20
$4.00-4.25	**350,000**	**4.92**	**$4.14**	116,667	$4.14
	1,980,000	**4.23**	**$1.80**	940,001	$1.38

No compensation expense is recognized in the financial statements for stock options granted to employees and directors. If the fair value method had been used, the Corporation's net income and earnings per share would approximate the following pro-forma amounts for the year ended December 31, 2002:

	As reported $	**Pro-forma $**
Net income	**3,299,589**	**2,733,018**
Per share basic	**0.15**	**0.13**
Per share diluted	**0.14**	**0.12**

The pro-forma amounts shown do not include the compensation costs associated with stock options granted prior to January 1, 2002.

The fair value of each option granted is calculated using the Black-Scholes options – pricing model with the following weighted average assumptions:

	2002
Risk free interest rate	**3.12%**
Expected hold period prior to exercise of stock options	**1.95 years**
Expected volatility in the Corporation's Class A shares	**55%**
Dividend yield	**0**

9 Income taxes

a) The provisions for future income taxes differs from the results which would be obtained by applying the expected statutory income tax rate to earnings before taxes as follows:

	2002 $	2001 $
Income (loss) before income taxes	**6,285,006**	(275,189)
Statutory income tax rate	**42.12%**	42.62%
Expected provision for income taxes	**2,647,245**	(117,286)
Royalties paid to the Crown	**1,210,000**	9,180
Resource allowance	**(1,681,430)**	15,600
Other	**84,485**	–
Recovery of future income taxes expense (recovery)	**2,260,300**	(92,506)

b) The future income tax liability is composed of temporary differences and future income tax reductions. These tax-affected differences are as follows:

	2002 $	2001 $
Net book value in excess of undepreciated capital cost	**3,081,328**	446,299
Partnership deferral	**3,038,034**	–
Qualifying exploratory expenditures renounced in excess of funds spend	**–**	3,566,024
Share issue costs	**(1,437,088)**	(348,900)
Loss carryforward	**123,360**	(63,048)
Future income tax liability	**4,805,634**	3,600,375

c) The following tax pools are available to offset future income taxes payable.

	2002 $	2001 $
Canadian oil and gas property expense	**40,891,837**	7,136,700
Undepreciated capital cost	**10,869,986**	2,128,000
Loss carryforward (expire 2008)	**300,000**	148,000
Share issue costs	**3,437,335**	818,592
	55,499,158	10,231,292

10 Financial instruments

The Corporation's financial instruments that are included in the balance sheet are comprised of cash, accounts receivable, and all liabilities except site restoration liability and future income taxes.

a) Fair values of financial assets and liabilities

The fair values of financial instruments that are included in the balance sheet approximate their carrying amount due to the short-term maturity of those instruments.

b) Credit risk

A substantial portion of the Corporation's accounts receivable are with customers in the oil and gas industry and are subject to normal industry credit risks.

c) Interest rate risk

At December 31, 2002, the increase or decrease in net earnings or loss before income taxes for each one percent change in interest rates on floating rate debt amounts to $97,600.

d) Commodity hedging

The Corporation had eight fixed price oil hedges outstanding at December 31, 2002, the details of which are as follows:

	Volume (boe/d)	Price ($C/bbl)	Index	Unrecognized loss at December 31, 2002 $
January 1, 2003 to December 31, 2003	**300**	**37.15**	**WTI**	**833,295**
January 1, 2003 to December 31, 2003	**150**	**38.45**	**WTI**	**345,473**
January 1, 2003 to December 31, 2003	**150**	**38.55**	**WTI**	**339,998**
January 1, 2003 to December 31, 2003	**150**	**39.80**	**WTI**	**271,560**
January 1, 2003 to June 30, 2003	**150**	**42.75**	**WTI**	**54,571**
January 1, 2003 to June 30, 2003	**500**	**40.65**	**WTI**	**371,955**
July 1, 2003 to December 31, 2003	**500**	**38.34**	**WTI**	**590,640**
January 1, 2004 to June 30, 2004	**250**	**37.42**	**WTI**	**332,135**
				3,139,627

The Corporation has entered into the following fixed price oil hedges subsequent to December 31, 2002:

	Volume (boe/d)	Price ($C/bbl)	Index
February 1, 2003 to June 30, 2003	**200**	**44.35**	**WTI**
July 1, 2003 to December 31, 2003	**300**	**42.55**	**WTI**
January 1, 2004 to June 30, 2004	**250**	**39.25**	**WTI**
January 1, 2004 to December 31, 2004	**250**	**38.35**	**WTI**

The Corporation had one fixed price gas hedge outstanding at December 31, 2002, the details of which are as follows:

	Volume (GJ/d)	Price ($C/GJ)	Index	Unrecognized loss at December 31, 2002 $
April 1, 2003 to October 31, 2003	**1,000**	**5.00**	**AECO**	**237,112**

The Corporation has entered into the following gas costless collar subsequent to December 31, 2002:

	Volume (GJ/d)	Price ($C/GJ)	Index
April 1, 2003 to October 31, 2003	**1,000**	**5.40-7.00**	**AECO**

11 Commitments

At December 31, 2002, the Corporation had non-cancellable commitments for office space and equipment with an initial or remaining term of one year or more. Future minimum payments under such commitments are estimated to be:

	$
2003	**303,223**
2004	**251,753**
2005	**260,819**
2006	**265,320**
2007	**132,468**

12 Subsequent events

a) Underwriting Agreement and equity financing

On January 7, 2003, the Corporation and the Underwriters closed a private placement pursuant to which the Underwriters sold 2,360,000 special warrants of the Corporation for $10,030,000 ($4.25 per special warrant) on a private placement basis. Each special warrant is exchangeable into one Class A Share of the Corporation for no additional consideration. The Corporation intends on filing a prospectus to qualify the distribution of the Class A Shares of the Corporation issuable upon the exercise of the outstanding special warrants.

b) Purchase of Southern Alberta property

On January 31, 2003, the Corporation purchased properties in Southern Alberta for total consideration of $21,500,000. The purchase was funded from available cash and drawings from the Corporation's revolving credit and acquisition facility.

c) Credit facilities

Subsequent to the year-end, the Corporation's demand bank loan facilities were increased to $41,000,000.

Corporate Information

DIRECTORS

Kevin Bennett, Chairman[(1)(2)(3)(4)]

James Bertram[(2)(3)(4)]

Paul Colborne[(4)]

Ian Dundas[(1)(2)]

Greg Turnbull[(1)(3)]

1. Member of the Audit Committee of the Board of Directors
2. Member of the Compensation Committee of the Board of Directors
3. Member of the Reserves Committee of the Board of Directors
4. Member of the Health, Safety and Environment Committee of the Board of Directors

OFFICERS

Paul Colborne, President and Chief Executive Officer

Douglas Clenchy, Vice-President, Exploration

Scott Saxberg, Vice-President, Production

Wade Becker, Vice-President, Land

Dan Toews, Controller

James M. Pasieka, Corporate Secretary

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EVALUATION ENGINEERS Gilbert Laustsen Jung Associates Ltd., Calgary, Alberta

Investor Relations

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Investors are encouraged to contact our Registrar and Transfer Agent for information regarding their security holdings:

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STOCK EXCHANGE The Toronto Stock Exchange - TSX

STOCK SYMBOLS CPG.A and CPG.B

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