MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis ("MD&A") is dated August 8, 2012 and should be read in conjunction with the unaudited consolidated financial statements for the period ended June 30, 2012 and the audited consolidated financial statements for the year ended December 31, 2011 for a full understanding of the financial position and results of operations of Crescent Point Energy Corp. (the "Company" or "Crescent Point").

The unaudited consolidated financial statements and comparative information for the period ended June 30, 2012 have been prepared in accordance with International Financial Reporting Standards ("IFRS"), specifically International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. Certain amounts in prior years have been reclassified to conform to the current year's presentation format.

STRUCTURE OF THE BUSINESS

The principal undertakings of Crescent Point are to carry on the business of acquiring, developing and holding interests in petroleum and natural gas properties and assets related thereto through a general partnership and wholly owned subsidiaries. Amounts reported in this report are in Canadian dollars unless noted otherwise; United States ("US") dollars are denoted as "US$".

Non-GAAP Financial Measures

Throughout this MD&A, the Company uses the terms "funds flow from operations", "funds flow from operations per share", "funds flow from operations per share – diluted", "net debt", "netback", "market capitalization" and "total capitalization". These terms do not have any standardized meaning as prescribed by IFRS and, therefore, may not be comparable with the calculation of similar measures presented by other issuers.

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

The following table reconciles the cash flow from operating activities to funds flow from operations:

	Three months ended June 30			Six months ended June 30		
($000s)	**2012**	2011	% Change	**2012**	2011	% Change
Cash flow from operating activities	**417,518**	323,532	29	**718,365**	627,073	15
Changes in non-cash working capital	**(37,495)**	(13,818)	171	**54,450**	(22,569)	341
Transaction costs	**4,505**	1,360	231	**7,432**	1,767	321
Decommissioning expenditures	**1,790**	418	328	**6,980**	1,749	299
Funds flow from operations	**386,318**	311,492	24	**787,227**	608,020	29

Net debt is calculated as current liabilities plus long-term debt less current assets and long-term investments, but excludes derivative asset, derivative liability and unrealized foreign exchange on translation of US dollar senior guaranteed notes. Management utilizes net debt as a key measure to assess the liquidity of the Company.

The following table reconciles long-term debt to net debt:

($000s)	**June 30, 2012**	June 30, 2011	% Change
Long-term debt	**1,949,082**	1,128,183	73
Current liabilities	**463,300**	372,342	24
Current assets	**(341,838)**	(204,096)	67
Long-term investments	**(97,867)**	(101,914)	(4)
Excludes:			
Derivative asset	**54,603**	7,247	653
Derivative liability	**(4,741)**	(77,133)	(94)
Unrealized foreign exchange on translation of US dollar senior guaranteed notes	**(18,828)**	14,459	(230)
Net debt	**2,003,711**	1,139,088	76

Netback is calculated on a per boe basis as oil and gas sales, less royalties, operating and transportation expenses and realized derivative gains and losses. Netback is used by management to measure operating results on a per boe basis to better analyze performance against prior periods on a comparable basis.

Market capitalization is calculated by applying the period end closing share trading price to the number of shares outstanding. Market capitalization is an indication of enterprise value.

Total capitalization is calculated as market capitalization plus net debt. Total capitalization is used by management to assess the amount of debt leverage used in the Company's capital structure. Refer to the Liquidity and Capital Resources section in this MD&A.

Results of Operations

Production

	Three months ended June 30			Six months ended June 30		
	2012	2011	% Change	**2012**	2011	% Change
Crude oil and NGL (bbls/d)	**88,798**	59,390	50	**85,675**	63,701	34
Natural gas (mcf/d)	**49,046**	40,329	22	**47,721**	42,694	12
Total (boe/d)	**96,972**	66,112	47	**93,629**	70,817	32
Crude oil and NGL (%)	**92**	90	2	**92**	90	2
Natural gas (%)	**8**	10	(2)	**8**	10	(2)
Total (%)	**100**	100	-	**100**	100	-

Production increased by 47 percent and 32 percent in the three and six months ended June 30, 2012, respectively, compared to the same 2011 periods, primarily due to the Company's successful drilling and fracture stimulation programs and acquisitions completed in the first half of 2012, partially offset by natural declines.

In the three and six months ended June 30, 2012, the Company drilled 75 (34.8 net) wells and 244 (157.2 net) wells, respectively, focused primarily in the Viewfield Bakken resource play in southeast Saskatchewan and the Shaunavon resource play in southwest Saskatchewan.

On January 25, 2012, Crescent Point closed an agreement to acquire approximately 940 boe/d of production in southwest Manitoba.

On March 15, 2012, Crescent Point closed the acquisition of Wild Stream Exploration Inc. ("Wild Stream") which added approximately 5,400 boe/d of production, 91 percent of which is contiguous with Crescent Point's assets in the Shaunavon and Battrum/Cantuar areas of southwest Saskatchewan.

On March 16, 2012, the Company acquired more than 2,900 boe/d of production in the southeast Saskatchewan Bakken light oil resource play from PetroBakken Energy Ltd. ("PetroBakken").

On April 16, 2012, Crescent Point completed the sale of approximately 900 boe/d of production of non-core Alberta assets, approximately 80 percent of which was weighted to natural gas.

On May 1, 2012, Crescent Point closed the acquisition of Reliable Energy Ltd. ("Reliable") which added approximately 1,000 boe/d of production in the Bakken light oil play in southwest Manitoba.

On June 1, 2012, Crescent Point closed an agreement to acquire approximately 2,500 boe/d of production, 98 percent oil weighted, in southwest Saskatchewan from a senior oil and gas producer.

On June 20, 2012, Crescent Point closed the acquisition of Cutpick Energy Inc. ("Cutpick") which added approximately 5,600 boe/d of production, weighted approximately 65 percent to light oil, primarily in the Viking resource play near Provost, Alberta.

The Company's weighting to oil and NGLs in the three and six month periods ending June 30, 2012 increased to 92 percent from 90 percent in the comparative 2011 periods as a result of oil weighted acquisitions in 2012 and the non-core Alberta asset disposition discussed above.

Marketing and Prices

Average Selling Prices (1)	Three months ended June 30			Six months ended June 30		
	2012	2011	% Change	**2012**	2011	% Change
Crude oil and NGL ($/bbl)	**78.42**	94.87	(17)	**82.72**	87.78	(6)
Natural gas ($/mcf)	**2.06**	4.11	(50)	**2.25**	4.09	(45)
Total ($/boe)	**72.85**	87.73	(17)	**76.84**	81.42	(6)

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

Benchmark Pricing	Three months ended June 30			Six months ended June 30		
	2012	2011	% Change	**2012**	2011	% Change
WTI crude oil (US$/bbl)	**93.51**	102.55	(9)	**98.23**	98.42	-
WTI crude oil (Cdn$/bbl)	**94.45**	99.56	(5)	**98.23**	96.49	2
AECO natural gas (1) (Cdn$/mcf)	**1.90**	3.87	(51)	**2.02**	3.83	(47)
Exchange rate (US$/Cdn$)	**0.99**	1.03	(4)	**1.00**	1.02	(2)

(1) The AECO natural gas price reported is the average daily spot price.

In the second quarter of 2012, the Company's average selling price for oil decreased 17 percent from the same period in 2011 primarily as a result of wider price differentials for its Canadian light and medium crude and the 9 percent decrease in the US$ WTI benchmark price, partially offset by a weaker Canadian dollar. Crescent Point's oil price differential for the three months ended June 30, 2012 was $16.03 per bbl, or 17 percent, compared to $4.69 per bbl, or 5 percent in 2011. Wider price differentials are due primarily to short-term supply and demand factors impacting the US PADD II market.

Price differentials are expected to remain wide on average and volatile for the balance of 2012. To partially offset these price risks, Crescent Point has been increasing crude oil deliveries through its Stoughton rail terminal, which is providing access to markets outside of the PADD II region.

In the six months ending June 30, 2012, the Company's average selling price for oil decreased 6 percent from the comparable 2011 period primarily as a result of wider differentials, partially offset by a weaker Canadian dollar. The Company's oil price differential for the six month period ending June 30, 2012 was $15.51 per bbl, or 16 percent, compared to $8.71 per bbl, or 9 percent, in the comparable 2011 period. The wider differentials are a result of the same factors discussed above.

The Company's average selling price for gas of $2.06 per mcf for the second quarter of 2012 decreased by 50 percent from the second quarter of 2011, corresponding approximately with the decrease in AECO benchmark prices. The Company's average selling price for gas of $2.25 per mcf for the six month period ending June 30, 2012 decreased 45 percent from the same 2011 period, corresponding approximately to the decrease in AECO benchmark prices.

Derivatives

The following is a summary of the realized derivative gain (loss) on oil and gas derivative contracts:

	Three months ended June 30			Six months ended June 30		
($000, except volume amounts)	**2012**	2011	% Change	**2012**	2011	% Change
Average crude oil volumes hedged (bbls/d)	**40,286**	31,000	30	**38,974**	30,914	26
Crude oil	**(10,470)**	(30,181)	(65)	**(38,417)**	(49,510)	(22)
per bbl	**(1.30)**	(5.58)	(77)	**(2.46)**	(4.29)	(43)
Average natural gas volumes hedged (GJ/d) (1)	**9,000**	9,000	-	**9,000**	9,000	-
Natural gas	**3,514**	1,972	78	**6,497**	3,900	67
per mcf	**0.79**	0.54	46	**0.75**	0.50	50
Average barrels of oil equivalent hedged (boe/d)	**41,708**	32,422	29	**40,396**	32,336	25
Total realized derivative loss	**(6,956)**	(28,209)	(75)	**(31,920)**	(45,610)	(30)
per boe	**(0.79)**	(4.69)	(83)	**(1.87)**	(3.56)	(47)

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

Management of cash flow variability is an integral component of Crescent Point's business strategy. Changing business conditions are monitored regularly and reviewed with the Board of Directors to establish risk management guidelines used by management in carrying out the Company's strategic risk management program. The risk exposure inherent in movements in the price of crude oil, natural gas and power, fluctuations in the US/Cdn dollar exchange rate and interest rate movements on long-term debt are all proactively managed by Crescent Point through the use of derivatives with investment-grade counterparties. The Company considers these derivative contracts to be an effective means to manage cash flow.

The Company's crude oil and natural gas derivatives are referenced to WTI and AECO, unless otherwise noted. Crescent Point utilizes a variety of derivatives including swaps, collars and put options to protect against downward commodity price movements while providing the opportunity for some upside participation during periods of rising prices. For commodities, Crescent Point's risk management policy allows for hedging a forward profile of 3½ years, and up to 65 percent net of royalty interest production.

The Company recorded a total realized derivative loss of $7.0 million and $31.9 million for the three and six months ended June 30, 2012, respectively, compared to $28.2 million and $45.6 million, respectively, for the same periods in 2011.

The Company's realized derivative loss for oil was $10.5 million and $38.4 million for the three and six months ended June 30, 2012, respectively, compared to $30.2 million and $49.5 million, respectively, for the same periods in 2011. The decreased realized loss in the three months ending June 30, 2012 is largely attributable to an increase in the Company's average derivative price, and decrease in the Cdn$ WTI benchmark price over 2011, partially offset by the increase in oil volumes hedged as a result of increased production. During the three months ended June 30, 2012, the Company's average derivative oil price increased by 3 percent or $2.73 per bbl, from $88.86 per bbl in 2011 to $91.59 per bbl in 2012, while the Cdn$ WTI benchmark price decreased by 5 percent and oil volumes hedged increased 30 percent. The decreased realized loss in the six months ending June 30, 2012 is largely attributable to an increase in the Company's average derivative price, partially offset by the increase in oil volumes hedged as a result of increased production. During the six months ended June 30, 2012, the Company's average derivative oil price increased 6 percent or $5.17 per bbl, from $87.64 in 2011 to $92.81 in 2012 and oil volumes hedged increased 26 percent. The Cdn$ WTI benchmark price was consistent with the comparable 2011 period.

Crescent Point's realized derivative gain for gas was $3.5 million and $6.5 million for the three and six months ended June 30, 2012, respectively, compared to $2.0 million and $3.9 million, respectively, for the same periods in 2011. The increased realized gains are primarily attributable to the decreases in the AECO benchmark price, partially offset by the decrease in the Company's average derivative gas price for the six month period. During the three months ended June 30, 2012, the AECO benchmark price decreased by 51 percent and the Company's average derivative gas price was largely unchanged at $6.09 per GJ compared to $6.08 per GJ in 2011. During the six months ended June 30, 2012, the AECO benchmark price decreased 47 percent and the Company's average derivative gas price decreased from $6.03 per GJ in 2011 to $5.88 per GJ in 2012.

The Company has not designated any of its risk management activities as accounting hedges under International Accounting Standard 39, *Financial Instruments: Recognition and Measurement* and, accordingly, has fair valued its derivatives.

The following is a summary of the Company's unrealized derivative gain (loss):

	Three months ended June 30			Six months ended June 30		
($000s)	**2012**	2011	% Change	**2012**	2011	% Change
Crude oil	**361,684**	169,141	114	**268,960**	(21,790)	1,334
Natural gas	**(4,269)**	(1,158)	269	**(4,995)**	(2,196)	127
Interest	**1,538**	(3,381)	145	**5,526**	(921)	700
Power	**(164)**	-	-	**(756)**	-	-
Cross currency interest rate	**10,003**	(7,147)	240	**10,699**	(12,523)	185
Cross currency principal	**(103)**	-	-	**(103)**	-	-
Foreign exchange	**671**	-	-	**586**	-	-
Total unrealized derivative gain (loss)	**369,360**	157,455	135	**279,917**	(37,430)	848

The Company's unrealized derivative gain for the three months ended June 30, 2012 increased to $369.4 million from $157.5 million for the same period of 2011. The increase is primarily due to a higher unrealized gain on crude oil contracts. The Company's unrealized derivative gain for the six months ended June 30, 2012 increased to $279.9 million from a loss of $37.4 million for the same period of 2011. The increase is primarily due to a $269.0 million unrealized gain on crude oil contracts in 2012 compared to a $21.8 million unrealized loss on crude oil contracts in the same period of 2011.

The unrealized oil derivative gain for the three months ended June 30, 2012 is primarily attributable to the decrease in the Cdn$ WTI forward benchmark price at June 30, 2012 as compared to March 31, 2012. The unrealized derivative gain for the three months ended June 30, 2011 is primarily attributable to the less significant decrease in the Cdn$ WTI forward benchmark price at June 30, 2011 compared to March 31, 2011.

The unrealized oil derivative gain for the six months ended June 30, 2012 is primarily attributable to the decrease in the Cdn$ WTI forward benchmark price at June 30, 2012 as compared to December 31, 2011. The unrealized derivative loss for the six months ended June 30, 2011 is primarily attributable to the increase in the Cdn$ WTI forward benchmark price at June 30, 2011 compared to December 31, 2010.

Revenues

	Three months ended June 30			Six months ended June 30		
($000s) (1)	**2012**	2011	% Change	**2012**	2011	% Change
Crude oil and NGL sales	**633,676**	512,734	24	**1,289,877**	1,012,070	27
Natural gas sales	**9,181**	15,090	(39)	**19,541**	31,590	(38)
Total oil and gas sales	**642,857**	527,824	22	**1,309,418**	1,043,660	25

(1) Revenue is reported before transportation charges and realized derivatives.

Crude oil and NGL sales increased 24 percent in the three months ending June 30, 2012, from $512.7 million in the second quarter of 2011 to $633.7 million in the second quarter of 2012 primarily due to the 50 percent increase in production, partially offset by the 17 percent decrease in realized prices. The increased production in the second quarter of 2012 is primarily due to the Company's successful drilling and fracture stimulation programs and acquisitions completed in the first half of 2012. The decrease in realized prices is largely a result of wider differentials as compared to 2011 and the decrease in the US$ WTI benchmark price, partially offset by a weaker Canadian dollar.

Crude oil and NGL sales increased 27 percent in the six months ended June 30, 2012, from $1.0 billion in 2011 to $1.3 billion in 2012 primarily due to the 34 percent increase in production, partially offset by the 6 percent decrease in realized prices. The increased production in the first half of 2012 is primarily due to the Company's successful drilling and fracture stimulation programs and acquisitions. The decrease in realized prices is largely a result of wider differentials as compared to the first half of 2011, partially offset by a weaker Canadian dollar.

Natural gas sales decreased 39 percent and 38 percent in the three and six months ended June 30, 2012, respectively, compared to the same 2011 periods. These decreases are primarily due to the 50 percent and 45 percent decreases in realized natural gas prices in the three and six months ending June 30, 2012, respectively, partially offset by the 22 percent and 12 percent increases in natural gas production in the three and six months ending June 30, 2012, respectively. The decreases in realized natural gas prices are largely due to the decrease in the AECO benchmark price. The increased production in 2012 is primarily due to successful drilling in Viewfield, partially offset by the non-core Alberta asset disposition completed in the second quarter of 2012 and natural declines.

Royalties

	Three months ended June 30			Six months ended June 30		
($000, except % and per boe amounts)	**2012**	2011	% Change	**2012**	2011	% Change
Royalties	**101,626**	90,367	12	**215,064**	173,105	24
As a % of oil and gas sales	**16**	17	(1)	**16**	17	(1)
Per boe	**11.52**	15.02	(23)	**12.62**	13.50	(7)

Royalties increased 12 percent and 24 percent in the three and six months ended June 30, 2012, respectively, compared to the same periods in 2011. This increase is largely due to the 22 percent and 25 percent increase in oil and gas sales, respectively, partially offset by the decrease in royalties as a percentage of sales. Royalties as a percentage of sales decreased 1 percent for the three and six month periods ending June 30, 2012 primarily due to royalty holidays associated with new wells drilled in Saskatchewan. In the six month period ending June 30, 2012, 113.2 net wells were drilled in Saskatchewan.

Operating Expenses

	Three months ended June 30			Six months ended June 30		
($000, except per boe amounts)	**2012**	2011	% Change	**2012**	2011	% Change
Operating expenses	**98,101**	61,706	59	**184,454**	146,594	26
Per boe	**11.12**	10.26	8	**10.82**	11.44	(5)

Operating expenses per boe increased 8 percent in the three month period ended June 30, 2012 compared to the same period in 2011. The increase is the result of reduced operating costs per boe from the expansion of the Company's gathering and battery infrastructure being more than offset by the impact of deferred repair and maintenance activities and favorable prior period adjustments recorded in the second quarter of 2011. Operating expenses per boe decreased 5 percent in the six month period ended June 30, 2012 compared to the same period in 2011 primarily due to the favorable impact of facilities spending on lowering the Company's operating costs as noted above. Crescent Point spent $186.9 million on facilities and pipelines in the year ended December 31, 2011 and $107.6 million in the six month period ended June 30, 2012.

Operating expenses increased 59 percent and 26 percent for the three and six month periods ended June 30, 2012, respectively, compared to the same periods in 2011 consistent with the successful growth in the Company's production from acquisitions and drilling program.

Transportation Expenses

	Three months ended June 30			Six months ended June 30		
($000, except per boe amounts)	**2012**	2011	% Change	**2012**	2011	% Change
Transportation expenses	**18,604**	10,998	69	**34,110**	24,640	38
Per boe	**2.11**	1.83	15	**2.00**	1.92	4

Transportation expenses per boe increased 15 percent and 4 percent in the three and six month periods ending June 30, 2012, respectively, compared to the same periods in 2011. The increase in the three months ended June 30, 2012 is primarily due to increased clean oil trucking due to improved weather conditions experienced in southern Saskatchewan in the second quarter of 2012 as compared to the same period in 2011. The increase in the six months ending June 30, 2012 is due to the same reasons as the second quarter of 2012, partially offset by increased trucking in 2011 to manage pipeline issues on Enbridge Pipeline.

Netbacks

	Three months ended June 30				
	2012			2011	
	Crude Oil and NGL ($/bbl)	**Natural Gas ($/mcf)**	**Total ($/boe)**	Total ($/boe)	% Change
Average selling price	**78.42**	**2.06**	**72.85**	87.73	(17)
Royalties	**(12.57)**	**(0.02)**	**(11.52)**	(15.02)	(23)
Operating expenses	**(11.83)**	**(0.56)**	**(11.12)**	(10.26)	8
Transportation	**(2.16)**	**(0.26)**	**(2.11)**	(1.83)	15
Netback prior to realized derivatives	**51.86**	**1.22**	**48.10**	60.62	(21)
Realized gain (loss) on derivatives	**(1.30)**	**0.79**	**(0.79)**	(4.69)	(83)
Netback	**50.56**	**2.01**	**47.31**	55.93	(15)

	Six months ended June 30				
	2012			2011	
	Crude Oil and NGL ($/bbl)	**Natural Gas ($/mcf)**	**Total ($/boe)**	Total ($/boe)	% Change
Average selling price	**82.72**	**2.25**	**76.84**	81.42	(6)
Royalties	**(13.84)**	**0.08**	**(12.62)**	(13.50)	(7)
Operating expenses	**(11.46)**	**(0.66)**	**(10.82)**	(11.44)	(5)
Transportation	**(2.06)**	**(0.22)**	**(2.00)**	(1.92)	4
Netback prior to realized derivatives	**55.36**	**1.45**	**51.40**	54.56	(6)
Realized gain (loss) on derivatives	**(2.46)**	**0.75**	**(1.87)**	(3.56)	(47)
Netback	**52.90**	**2.20**	**49.53**	51.00	(3)

The Company's netback for the three months ended June 30, 2012 decreased 15 percent to $47.31 per boe from $55.93 per boe in 2011. The decrease in the Company's netback is primarily the result of the decrease in average selling price due to wider differentials and the decrease in the Cdn$ WTI benchmark price, and the increase in transportation and operating expenses, partially offset by the decrease in realized derivative loss and the decrease in royalties.

The Company's netback for the six months ended June 30, 2012 decreased 3 percent to $49.53 per boe from $51.00 per boe in 2011. The decrease in the Company's netback is primarily the result of the decrease in average selling price due to wider differentials and the increase in transportation expense, partially offset by the decrease in realized derivative loss, and the decrease in royalties and operating expenses.

General and Administrative Expenses

	Three months ended June 30			Six months ended June 30		
($000, except per boe amounts)	**2012**	2011	% Change	**2012**	2011	% Change
General and administrative costs	**20,553**	15,350	34	**36,103**	25,819	40
Capitalized	**(3,435)**	(2,570)	34	**(7,202)**	(5,897)	22
Total general and administrative expenses	**17,118**	12,780	34	**28,901**	19,922	45
Transaction costs	**(4,505)**	(1,360)	231	**(7,432)**	(1,767)	321
General and administrative expenses	**12,613**	11,420	10	**21,469**	18,155	18
Per boe	**1.43**	1.90	(25)	**1.26**	1.42	(11)

General and administrative expenses per boe decreased 25 percent and 11 percent in the three and six month periods ended June 30, 2012, respectively, compared to the same periods in 2011 as a result of the successful production growth of the Company more than offsetting increases in employee-related costs driven by the growth of the Company.

General and administrative expenses increased 10 percent and 18 percent in the three and six month periods ended June 30, 2012, respectively, compared to the same periods in 2011. These increases are primarily due to increased employee-related costs as a result of growth of the Company and the expansion of operations in the United States.

Transaction costs incurred in the six months ended June 30, 2012 relate primarily to the acquisition of Wild Stream, Reliable and Cutpick and the major property acquisitions.

Interest Expense

	Three months ended June 30			Six months ended June 30		
($000, except per boe amounts)	**2012**	2011	% Change	**2012**	2011	% Change
Interest expense	**18,463**	15,183	22	**34,326**	29,784	15
Per boe	**2.09**	2.52	(17)	**2.01**	2.32	(13)

Interest expense per boe decreased 17 percent and 13 percent in the three and six month periods ended June 30, 2012, respectively, compared to the same periods in 2011 which reflects the Company's lower effective interest rate primarily due to lower interest rates on floating rate debt, partially offset by higher interest rates on the long-term fixed rate senior guaranteed notes issued on May 22, 2012.

Interest expense increased 22 percent and 15 percent in the three and six month periods ended June 30, 2012, respectively, compared to the same periods in 2011. This increase is largely attributable to a higher average debt balance, partially offset by a decrease in the Company's effective interest rate. The higher average debt balance is consistent with the Company's growth in production and funds flow from successful execution of the drilling and development program and acquisition strategy.

Crescent Point actively manages exposure to fluctuations in interest rates through interest rate swaps, short term bankers' acceptances and the issuance of long-term fixed rate senior guaranteed notes; refer to Derivatives section above.

Foreign Exchange

($000s)	Three months ended June 30 2012	2011	% Change	Six months ended June 30 2012	2011	% Change
Realized						
Foreign exchange gain (loss)	**366**	(242)	251	**255**	(274)	193
Unrealized						
Foreign exchange gain (loss) on translation of US dollar senior guaranteed notes	**(18,422)**	1,926	(1,056)	**(10,878)**	7,734	(241)
Other foreign exchange gain (loss)	**(683)**	(2)	34,050	**(1,244)**	255	(588)
Foreign exchange gain (loss)	**(18,739)**	1,682	(1,214)	**(11,867)**	7,715	(254)

The Company has senior guaranteed notes with aggregate principal of US$693.0 million and Cdn$132.0 million. The Company records unrealized foreign exchange gains or losses on the revaluation of the US denominated senior guaranteed notes and related accrued interest. During the three and six month periods ending June 30, 2012, the Company recorded an unrealized foreign exchange loss on translation of US dollar senior guaranteed notes and accrued interest of $18.4 million and $10.9 million, respectively, compared to a gain of $1.9 million and $7.7 million for the same periods in 2011, respectively. The unrealized foreign exchange loss in the three months ended June 30, 2012 is due to the weaker Canadian dollar relative to the US dollar at June 30, 2012 compared to March 31, 2012. The unrealized foreign exchange gain in the second quarter of 2011 was primarily the result of the stronger Canadian dollar relative to the US dollar at June 30, 2011 compared to March 31, 2011.

The unrealized foreign exchange loss in the six months ended June 30, 2012 is due to the weaker Canadian dollar relative to the US dollar at June 30, 2012 compared to December 31, 2011. The unrealized foreign exchange gain in the comparable 2011 period was primarily the result of the stronger Canadian dollar relative to the US dollar at June 30, 2011 compared to December 31, 2010.

Share-based Compensation Expense

($000, except per boe amounts)	Three months ended June 30 2012	2011	% Change	Six months ended June 30 2012	2011	% Change
Share-based compensation costs	**11,949**	19,037	(37)	**36,679**	42,689	(14)
Capitalized	**(4,009)**	(4,629)	(13)	**(11,119)**	(9,143)	22
Share-based compensation expense	**7,940**	14,408	(45)	**25,560**	33,546	(24)
Per boe	**0.90**	2.39	(62)	**1.50**	2.62	(43)

During the second quarter of 2012, the Company recorded share-based compensation costs of $11.9 million, a decrease of 37 percent over the same period in 2011, primarily due to a decrease in incentive related awards expected to be granted to employees and the expense associated with base restricted shares.

During the six month period ending June 30, 2012, the Company recorded share-based compensation costs of $36.7 million, a decrease of 14 percent over the same period in 2011, due to the same reasons discussed above.

The Company capitalized $4.0 million of share-based compensation in three months ending June 30, 2012, a decrease of 13 percent from $4.6 million for the same period in 2011. This decrease is primarily the result of the decrease in expense associated with base restricted shares.

The Company capitalized $11.1 million of share-based compensation in the six months ending June 30, 2012, an increase of 22 percent from $9.1 million for the same period in 2011. This increase is primarily due to the capitalization of incentive related awards granted in relation to prior periods, partially offset by a decrease in base restricted shares being capitalized.

Restricted Share Bonus Plan

The Company has a Restricted Share Bonus Plan pursuant to which the Company may grant restricted shares to directors, officers, employees and consultants. The restricted shares vest at 33⅓ percent on each of the first, second and third anniversaries of the grant date or on such other terms as the Board of Directors may determine.

Restricted shareholders are eligible for monthly dividends on their restricted shares, immediately upon grant.

Under the Restricted Share Bonus Plan, the Company is authorized to issue up to 14,000,000 shares. The Company had 3,760,030 restricted shares outstanding at June 30, 2012 compared to 4,183,816 restricted shares outstanding at June 30, 2011.

Deferred Share Unit Plan

In December 2011, the Company approved a Deferred Share Unit (“DSU”) plan for directors. Each DSU vests on the date of the grant, however the settlement of the DSU occurs only on a change of control or when the individual ceases to be a director of the Company. Deferred Share Units are settled in cash based on the then current Crescent Point share price. The Company had 27,911 DSUs outstanding at June 30, 2012 compared to nil at June 30, 2011.

Depletion, Depreciation and Amortization

	Three months ended June 30			Six months ended June 30		
($000, except per boe amounts)	**2012**	2011	% Change	**2012**	2011	% Change
Depletion and depreciation	**236,952**	154,433	53	**475,096**	327,624	45
Amortization of E&E undeveloped land	**60,191**	61,086	(1)	**116,822**	121,066	(4)
Depletion, depreciation and amortization	**297,143**	215,519	38	**591,918**	448,690	32
Per boe	**33.67**	35.82	(6)	**34.74**	35.01	(1)

The Company's depletion, depreciation and amortization ("DD&A") rate decreased 6 percent to $33.67 per boe for the three months ended June 30, 2012 from $35.82 per boe for the same period in 2011. In the six months ending June 30, 2012, the DD&A rate decreased 1 percent to $34.74 per boe from $35.01 per boe in the same 2011 period. These decreases are primarily a result of the Company's 2012 acquisitions.

Taxes

	Three months ended June 30			Six months ended June 30		
($000s)	**2012**	2011	% Change	**2012**	2011	% Change
Current tax recovery	**(141)**	(79)	78	**(141)**	(551)	(74)
Deferred tax expense	**94,563**	58,243	62	**96,077**	13,477	613

Current Tax Expense

In the three and six months ended June 30, 2012, the Company reported a current tax recovery of $0.1 million relating primarily to adjustments for business combinations completed in prior periods. The current tax recovery of $0.6 million reported in the six months ended June 30, 2011 also relates primarily to adjustments for business combinations completed in prior periods.

Deferred Tax Expense

In the second quarter of 2012, the Company reported deferred tax expense of $94.6 million as compared to $58.2 million for the same period in 2011. The deferred tax expense in the second quarter of 2012 relates primarily to the $369.4 million unrealized derivative gain. The deferred tax expense in the second quarter of 2011 also relates to the unrealized derivative gain recognized during the quarter. For the six month period ended June 30, 2012, the Company reported a deferred tax expense of $96.1 million compared to $13.5 million for the same period in 2011 primarily due to a $279.9 million unrealized derivative gain in 2012 compared to a $37.4 million unrealized derivative loss in 2011.

Funds Flow, Cash Flow and Net Income

	Three months ended June 30			Six months ended June 30		
($000, except per share amounts)	**2012**	2011	% Change	**2012**	2011	% Change
Funds flow from operations	**386,318**	311,492	24	**787,227**	608,020	29
Funds flow from operations per share – diluted	**1.19**	1.14	4	**2.53**	2.23	13
Cash flow from operating activities	**417,518**	323,532	29	**718,365**	627,073	15
Cash flow from operating activities per share – diluted	**1.29**	1.18	9	**2.31**	2.30	-
Net income	**287,430**	184,924	55	**283,542**	82,707	243
Net income per share – diluted	**0.89**	0.68	31	**0.91**	0.30	203

Funds flow from operations increased to $386.3 million in the second quarter of 2012 from $311.5 million in 2011 and increased to $1.19 per share – diluted from $1.14 per share – diluted. The increase in funds flow from operations is primarily the result of increases in production volumes, partially offset by decreases in the netback. Production volumes increased due to the Company's successful drilling and fracture stimulation programs and acquisitions completed. The netback decreased as a result of the decrease in average selling price due to wider differentials and the decrease in the Cdn$ WTI benchmark price, and the increase in transportation and operating expenses, partially offset by the decrease in realized derivative loss and decrease in royalties. Funds flow from operations per share – diluted increased in the second quarter of 2012 for the same reasons discussed above, partially offset by the impact of the September 2011 and March 2012 equity offerings, and shares issued through the Company's Dividend Reinvestment Plan ("DRIP") program, however, the proceeds provided funding for future cash flow growth from the Company's drilling, development and capital acquisition programs.

In the six month period ending June 30, 2012, funds flow from operations increased to $787.2 million from $608.0 million in the same period in 2011 and increased to $2.53 per share – diluted from $2.23 per share – diluted. The increase in funds flow from operations is primarily the result of increases in production volumes, partially offset by the slight decrease in the netback. Production volumes increased due to the Company's successful drilling and fracture stimulation programs and acquisitions completed. The netback decreased as a result of the decrease in average selling price due to wider differentials, and the increase in transportation, partially offset by the decrease in realized derivative loss and decrease in royalties and operating expenses. Funds flow from operations per share – diluted increased for the six months ending June 30, 2012 for the same reasons discussed above.

Cash flow from operating activities increased 29 percent to $417.5 million in the second quarter of 2012, compared to $323.5 million in 2011, for the same reasons as discussed above. Cash flow from operating activities per share – diluted increased 9 percent to $1.29 per share – diluted in the second quarter of 2012 due to the same reasons discussed above. In the six month period ending June 30, 2012, cash flow from operating activities increased 15 percent to $718.4 million for the same reasons discussed above, partially offset by fluctuations in working capital.

The Company recorded net income of $287.4 million in the second quarter of 2012, compared to $184.9 million in 2011, primarily as a result of the increase in unrealized derivative gains and increase in funds flow from operations, partially offset by increases in DD&A and deferred tax and a decrease in other income.

In the six month period ending June 30, 2012, net income increased to $283.5 million, compared to $82.7 million in 2011. The increase in net income is largely a result of the increase in unrealized derivative gains and funds flow from operations, partially offset by increases in DD&A and deferred tax and a decrease in other income.

As noted in the Derivatives section, the Company has not designated any of its risk management activities as accounting hedges under International Accounting Standard 39, *Financial Instruments: Recognition and Measurement*, and, accordingly, has fair valued its derivatives.

Crescent Point uses financial commodity derivatives, including swaps, collars and put options, to reduce the volatility of the selling price of its crude oil and natural gas production. This provides a measure of stability to the Company's cash flow and dividends over time. The Company's commodity derivatives portfolio extends out 3½ years from the current quarter.

IFRS 9*, Financial Instruments*, gives guidelines for accounting for financial derivatives not designated as accounting hedges. Financial derivatives that have not settled during the current quarter are fair valued. The change in fair value from the previous quarter represents a gain or loss that is recorded in net income. As such, if benchmark oil and natural gas prices rise during the quarter, the Company records a loss based on the change in price multiplied by the volume of oil and natural gas hedged. If prices fall during the quarter, the Company records a gain. The prices used to record the actual gain or loss are subject to an adjustment for volatility, then the resulting gain (asset) or loss (liability) is discounted to a present value using a risk free rate adjusted for counterparty credit risk.

Crescent Point's underlying physical reserves are not fair valued each quarter, hence no gain or loss associated with price changes is recorded; the Company realizes the benefit/detriment of any price increase/decrease in the period which the physical sales occur.

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

Dividends

The following table provides a reconciliation of dividends:

	Three months ended June 30			Six months ended June 30		
($000, except per share amounts)	**2012**	2011	% Change	**2012**	2011	% Change
Accumulated dividends, beginning of period	**2,953,128**	2,158,800	37	**2,742,571**	1,971,209	39
Dividends declared to shareholders	**225,212**	188,881	19	**435,769**	376,472	16
Accumulated dividends, end of period	**3,178,340**	2,347,681	35	**3,178,340**	2,347,681	35
Accumulated dividends per share, beginning of period	**21.24**	18.48	15	**20.55**	17.79	16
Dividends to shareholders per share	**0.69**	0.69	-	**1.38**	1.38	-
Accumulated dividends per share, end of period	**21.93**	19.17	14	**21.93**	19.17	14

The Company maintained monthly dividends of $0.23 per share during the first half of 2012.

Dividends increased 19 percent in the second quarter of 2012 and 16 percent in the six month period ended June 30, 2012, compared to the same periods in 2011. The increase in dividends relates to an increase in the number of shares outstanding primarily due to the bought deal financings which closed in September 2011 and March 2012, the acquisition of Wild Stream in March 2012, the acquisition of Reliable in May 2012, and the DRIP program, whereby the Company issues shares to shareholders in lieu of cash dividends.

Crescent Point believes it is well positioned to maintain monthly dividends as the Company continues to exploit and develop its resource plays. Crescent Point's risk management strategy minimizes exposure to commodity price volatility and provides a measure of sustainability to dividends through periods of fluctuating market prices.

Investments in Marketable Securities

In March 2012, the Company disposed of its investment in marketable securities, which was reported at fair value of $0.6 million at December 31, 2011, for proceeds of $0.6 million, resulting in a realized gain of less than $0.1 million recognized in net income.

Long-Term Investments

Public Companies

The Company holds common shares in publicly traded oil and gas companies. The investments are classified as financial assets at fair value through profit and loss and are fair valued with the resulting gain or loss recorded in net income. The investments are recorded at fair value which is $71.0 million less than the original cost of the investments.

Private Companies

The Company holds common shares in private oil and gas companies. The investments are classified as financial assets at fair value through profit or loss and are fair valued with the resulting gain or loss recorded in net income. The investments are recorded at fair value which is equal to the original cost of the investments.

Other Long-Term Assets

At June 30, 2012, other long-term assets consist of $11.1 million of investment tax credits and $7.7 million reclamation fund.

Crescent Point established a voluntary reclamation fund for future decommissioning costs and environmental emissions reduction costs. The Company currently contributes $0.50 per produced boe to the fund, of which $0.20 per boe is for future decommissioning costs and $0.30 per boe is for environmental emissions reduction costs.

The reclamation fund increased by $1.9 million during the second quarter of 2012 due to contributions of $4.8 million, partially offset by expenditures of $2.9 million. The expenditures of $2.9 million pertained primarily to environmental work completed in Alberta.

Related Party Transactions

All related party transactions are recorded at the exchange amount.

During the three and six months ended June 30, 2012, Crescent Point recorded $0.6 million and $1.0 million, respectively, of legal fees in the normal course of business to a law firm of which a partner is the Company's corporate secretary. Crescent Point also recorded less than $0.1 million and $0.3 million during the three and six months ended June 30, 2012, respectively, of legal fees in the normal course of business to a law firm of which a partner is a director of the Company.

During the three and six months ended June 30, 2011, Crescent Point recorded $0.3 million and $0.6 million, respectively, of legal fees in the normal course of business to a law firm of which a partner is a director of the Company.

Capital Expenditures

	Three months ended June 30			Six months ended June 30		
($000s)	**2012**	2011	% Change	**2012**	2011	% Change
Capital acquisitions (net) (1)	**773,364**	35,790	2,061	**2,079,269**	35,250	5,799
Development capital expenditures	**235,984**	108,899	117	**711,599**	430,261	65
Capitalized administration (2)	**3,435**	2,570	34	**7,202**	5,897	22
Office equipment	**1,153**	386	199	**1,611**	563	186
Total	**1,013,936**	147,645	587	**2,799,681**	471,971	493

(1) Capital acquisitions represent total consideration for the transactions including net debt and excluding transaction costs.

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

Capital Acquisitions

Corporate Acquisitions

Wild Stream Exploration Inc.

On March 15, 2012, Crescent Point completed the acquisition, by way of plan of arrangement, of all issued and outstanding common shares of Wild Stream, a public oil and gas company with properties in southwest Saskatchewan. Total consideration of approximately $608.8 million included the issuance of 12.1 million shares, assumed long-term debt, working capital and long-term investment (a combined $698.1 million was allocated to PP&E and E&E assets). The goodwill recognized on acquisition is attributed to the expected future cash flows derived from unbooked possible reserves.

Reliable Energy Ltd.

On May 1, 2012, Crescent Point completed the acquisition, by way of plan of arrangement, of all remaining issued and outstanding common shares of Reliable, a public oil and gas company with properties in southwest Manitoba. Total consideration of approximately $100.7 million included the issuance of 1.7 million shares, assumed long-term debt, working capital and the historical cost of Crescent Point's previously held investment of $4.8 million (a combined $103.4 million was allocated to PP&E and E&E assets). The goodwill recognized on acquisition is attributed to the expected future cash flows derived from unbooked possible reserves.

Cutpick Energy Inc.

On June 20, 2012, Crescent Point completed the acquisition, by way of plan of arrangement, of all issued and outstanding common shares of Cutpick, a private oil and gas company with properties in the Provost area of Alberta. Total consideration of approximately $397.2 million included the issuance of 7.6 million shares, assumed long-term debt and working capital (a combined $452.9 million was allocated to PP&E and E&E assets).

Property Acquisitions and Dispositions

Manitoba Asset Acquisition

On January 25, 2012, Crescent Point completed the acquisition of assets in southwest Manitoba for cash consideration of approximately $130.3 million ($140.2 million was allocated to PP&E assets). These assets were acquired with full tax pools and no working capital items.

Bakken Asset Acquisition

On March 16, 2012, Crescent Point completed the acquisition of certain assets in the Viewfield Bakken light oil resource play in southeast Saskatchewan for cash consideration of approximately $426.4 million ($430.3 million was allocated to PP&E and E&E assets). These assets were acquired with full tax pools and no working capital items.

Shaunavon Asset Acquisition

On June 1, 2012, Crescent Point completed the acquisition of certain assets in the Shaunavon resource play in southwest Saskatchewan for cash consideration of $343.0 million ($350.4 million was allocated to PP&E assets). These assets were acquired with full tax pools and no working capital items.

Minor Property Acquisitions and Dispositions

Crescent Point completed minor property acquisitions and dispositions during the six months ended June 30, 2012 for net consideration of $72.8 million ($89.2 million was allocated to PP&E and E&E assets). These minor property acquisitions and dispositions were completed with full tax pools and no working capital items.

Development Capital Expenditures

The Company's development capital expenditures for the second quarter of 2012 were $236.0 million, compared to $108.9 million for the same period in 2011. In the second quarter of 2012, 75 (34.8 net) wells were drilled with a success rate of 100 percent. The development capital for the second quarter of 2012 included $47.6 million on facilities, land and seismic.

The Company's development capital expenditures for the six months ended June 30, 2012 were $711.6 million compared to $430.3 million for the same period in 2011. In the first half of 2012, 244 (157.2 net) wells were drilled with a success rate of 100 percent. The development capital for the first half of 2012 included $135.4 million on facilities, land and seismic.

Crescent Point's budgeted capital program for 2012 is approximately $1.25 billion, not including acquisitions. The Company searches for acquisition opportunities that align with strategic parameters and evaluates each prospect on a case-by-case basis.

Goodwill

The Company's goodwill balance as at June 30, 2012 was $251.9 million compared to $207.7 million at December 31, 2011. The increase of $44.2 million is attributable to the acquisitions of Wild Stream and Reliable. The remainder of the goodwill balance is attributable to the corporate acquisitions completed during the period 2003 through 2011.

Decommissioning Liability

The decommissioning liability increased by $40.1 million during the second quarter of 2012 from $444.6 million at March 31, 2012 to $484.7 million at June 30, 2012. This increase relates to $19.8 million as a result of net capital acquisitions, $17.6 million due to changes in estimates pertaining to discount rates, $1.7 million in respect of drilling, $2.8 million of accretion expense, partially offset by $1.8 million for liabilities settled.

Liquidity and Capital Resources

Capitalization Table ($000, except share, per share, ratio and percent amounts)	**June 30, 2012**	December 31, 2011
Net debt	**2,003,711**	1,220,144
Shares outstanding (1)	**331,650,469**	288,952,171
Market price at end of period (per share)	**38.00**	44.90
Market capitalization	**12,602,718**	12,973,952
Total capitalization	**14,606,429**	14,194,096
Net debt as a percentage of total capitalization	**14**	9
Annual funds flow from operations (2)	**1,472,464**	1,293,257
Net debt to funds flow from operations (3)	**1.4**	0.9

(1) Common shares outstanding balance at June 30, 2012 includes 1,296,571 common shares issued on July 16, 2012 pursuant to the DRIP program.

(2) Annual funds flow from operations is calculated as the trailing four quarters' funds flow from operations.

(3) The net debt reflects the financing of acquisitions, however, the funds flow from operations only reflects funds flow from operations generated from the acquired properties since the closing date of the acquisitions.

The Company's net debt is calculated as current liabilities plus long-term debt less current assets and long-term investments, but excludes derivative asset, derivative liability and unrealized foreign exchange on translation of US dollar senior guaranteed notes.

The Company has a syndicated credit facility with fourteen banks and an operating credit facility with one Canadian chartered bank totaling $2.1 billion. As at June 30, 2012, the Company had approximately $1.1 billion drawn on bank credit facilities, including $7.9 million outstanding pursuant to letters of credit, leaving unutilized borrowing capacity of approximately $1.0 billion.

The Company has closed private offerings of senior guaranteed notes raising gross proceeds of US$693.0 million and Cdn$132.0 million. These notes rank *pari passu* with the Company's bank credit facilities and are unsecured with original terms of maturity from 5 to 10 years. Concurrent with the issuance of US$663.0 million senior guaranteed notes, the Company entered into Cross Currency Interest Rate Swaps ("CCIRS") with a syndicate of financial institutions. Under the terms of the CCIRS, the amount of the US notes was fixed for purposes of interest and principal repayments at a notional amount of Cdn$658.1 million. Concurrent with the issuance of US$30.0 million senior guaranteed notes, the Company entered a cross currency principal swap which fixed the principal repayment at a notional amount of $32.2 million.

In March 2012, the Company successfully completed a bought deal financing for aggregate gross proceeds of $604.2 million.

At June 30, 2012, Crescent Point was capitalized with 86 percent equity, compared to 91 percent at December 31, 2011. The Company's net debt to funds flow from operations ratio at June 30, 2012 was 1.4 times (December 31, 2011 – 0.9 times). This increase is largely due to the increase in net debt due to acquisitions, however, the funds flow from operations only reflects funds flow from operations generated from the acquired properties since the closing date of the acquisitions. Crescent Point's target average net debt to 12 month cash flow is approximately 1.0 times.

The Company has a successful DRIP program which raised $263.2 million in the first half of 2012 (year ended December 31, 2011 - $457.2 million).

Crescent Point's development capital budget for 2012 is set at $1.25 billion, with average 2012 production forecast at 95,000 boe/d.

Crescent Point's management believes that with the high quality reserve base and development inventory, excellent balance sheet and solid hedging program, the Company is well positioned to meet its planned growth and development activities and continue generating strong operating and financial results through 2012 and beyond.

Shareholders' Equity

At June 30, 2012, Crescent Point had 331.7 million common shares issued and outstanding compared to 289.0 million shares at December 31, 2011. The increase of 42.7 million shares relates primarily to the March 2012 bought deal financing, acquisition of Wild Stream in March 2012, acquisition of Reliable in May 2012, acquisition of Cutpick in June 2012, and shares issued pursuant to the DRIP program:

- In March 2012, Crescent Point and a syndicate of underwriters closed a bought deal financing of 13.4 million shares at $45.25 per share for gross proceeds of $604.2 million.
- Crescent Point issued 12.1 million shares to Wild Stream shareholders at a price of $45.61 per share on closing of the acquisition on March 15, 2012.
- Crescent Point issued 1.7 million shares to Reliable shareholders at a price of $43.50 per share on closing of the acquisition on May 1, 2012.
- Crescent Point issued 7.6 million shares to Cutpick shareholders at a price of $39.11 per share on closing of the acquisition on June 20, 2012.

- Crescent Point issued 6.6 million shares pursuant to the DRIP program during the first half of 2012 for proceeds of $263.2 million.

Crescent Point's total capitalization increased to $14.6 billion at June 30, 2012 compared to $14.2 billion at December 31, 2011, with the market value of the shares representing 86 percent of the total capitalization. The increase in total capitalization primarily relates to the increase in shares outstanding and increase in net debt, partially offset by the decrease in the Company's period end share price.

Critical Accounting Estimates

There have been no changes in Crescent Point's critical accounting estimates in the six months ended June 30, 2012. Further information on the Company's critical accounting policies and estimates can be found in the notes to the annual consolidated financial statements and MD&A for the year ended December 31, 2011.

Future Changes in Accounting Policies

There have been no updates to future changes in accounting policies in the six months ended June 30, 2012. Further information on future changes in accounting policies can be found in the notes to the annual consolidated financial statements and MD&A for the year ended December 31, 2011.

Summary of Quarterly Results

	2012		2011				2010	
($000, except per share amounts)	**Q2**	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Oil and gas sales	**642,857**	666,561	630,373	517,156	527,824	515,836	453,311	393,499
Average daily production								
Crude oil and NGLs (bbls/d)	**88,798**	82,552	73,667	65,253	59,390	68,060	62,640	58,390
Natural gas (mcf/d)	**49,046**	46,395	45,257	42,029	40,329	45,085	42,831	42,947
Total (boe/d)	**96,972**	90,285	81,210	72,258	66,112	75,574	69,779	65,548
Net income (loss)	**287,430**	(3,888)	(86,197)	204,624	184,924	(102,217)	(50,905)	(7,804)
Net income (loss) per share	**0.89**	(0.01)	(0.30)	0.74	0.68	(0.38)	(0.19)	(0.03)
Net income (loss) per share – diluted	**0.89**	(0.01)	(0.30)	0.74	0.68	(0.38)	(0.19)	(0.03)
Cash flow from operating activities	**417,518**	300,847	386,276	309,622	323,532	303,541	235,464	204,583
Cash flow from operating activities per share	**1.30**	1.02	1.35	1.12	1.19	1.13	0.89	0.82
Cash flow from operating activities per share – diluted	**1.29**	1.01	1.34	1.11	1.18	1.12	0.88	0.81
Funds flow from operations	**386,318**	400,909	381,922	303,315	311,492	296,528	263,221	230,424
Funds flow from operations per share	**1.20**	1.35	1.33	1.10	1.15	1.11	1.00	0.92
Funds flow from operations per share – diluted	**1.19**	1.34	1.32	1.09	1.14	1.10	0.98	0.91
Working capital (deficit) (1)	**(73,457)**	(152,674)	(129,066)	(93,240)	3,554	(124,350)	(103,477)	(128,225)
Total assets	**11,306,482**	10,428,957	8,734,446	8,542,291	8,013,479	8,062,974	7,943,884	7,718,016
Total liabilities	**3,797,402**	3,506,501	2,877,890	2,544,619	2,556,096	2,732,582	2,451,796	2,479,976
Net debt	**2,003,711**	1,572,330	1,220,144	1,072,615	1,139,088	1,228,508	1,116,463	1,340,196
Total long-term derivative liabilities	**6,997**	117,967	64,220	15,529	111,589	182,292	74,630	41,381
Weighted average shares – diluted (thousands)	**323,782**	298,666	289,255	277,864	273,743	270,789	267,405	253,991
Capital expenditures (2)	**1,013,936**	1,785,745	465,728	516,100	147,645	324,326	330,972	1,796,250
Dividends declared	**225,212**	210,557	199,869	195,021	188,881	187,591	184,688	175,753
Dividends declared per share	**0.69**	0.69	0.69	0.69	0.69	0.69	0.69	0.69

(1) Working capital (deficit) is calculated as current assets less current liabilities, but excludes derivative asset and liability, plus long-term investment.

(2) Capital expenditures exclude capitalized share-based compensation and include capital acquisitions. Capital acquisitions represent total consideration for the transactions including long-term debt and working capital assumed, and excluding transaction costs.

Over the past eight quarters, the Company's oil and gas sales have generally increased due to a successful drilling program and several business combinations. Fluctuations in production, the Cdn$ WTI benchmark price and corporate oil price differentials have also contributed to the fluctuations in oil and gas sales.

Net income has fluctuated primarily due to changes in funds flow from operations, unrealized derivative gains and losses on oil and gas derivative contracts, which fluctuate with the changes in forward market prices, along with fluctuations in the deferred tax expense (recovery).

Capital expenditures fluctuated through this period as a result of timing of acquisitions and our development drilling program. Funds flow from operations and cash flow from operating activities throughout the last eight quarters has allowed the Company to maintain stable monthly dividends.

Internal Control update

Crescent Point is required to comply with Multilateral Instrument 52-109 “Certification of Disclosure in Issuers’ Annual and Interim Filings”. The certificate requires that Crescent Point disclose in the interim MD&A any weaknesses in Crescent Point’s internal control over financial reporting that occurred during the period that have materially affected, or are reasonably likely to materially affect Crescent Point’s internal control over financial reporting. Crescent Point confirms that no such weaknesses were identified in Crescent Point’s internal controls over financial reporting during the second quarter of 2012.

Outlook

Crescent Point’s revised 2012 guidance is as follows:

Production	**Prior**	**Revised**
Oil and NGL (bbls/d)	80,450	86,400
Natural gas (mcf/d)	48,300	51,600
Total (boe/d)	88,500	95,000
Exit (boe/d)	97,500	100,000
Funds flow from operations ($000)	1,550,000	1,470,000
Funds flow per share – diluted ($)	4.81	4.53
Cash dividends per share ($)	2.76	2.76
Capital expenditures (1)		
Drilling and completions ($000)	1,045,000	1,043,000
Facilities, land and seismic ($000)	205,000	207,000
Total ($000)	1,250,000	1,250,000
Pricing		
Crude oil – WTI (US$/bbl)	100.00	94.00
Crude oil – WTI (Cdn$/bbl)	102.04	94.95
Corporate oil differential (%)	11	17
Natural gas – Corporate (Cdn$/mcf)	2.75	2.40
Exchange rate (US$/Cdn$)	0.98	0.99

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

Additional information relating to Crescent Point, including the Annual Information Form for Crescent Point for the year ended December 31, 2011, is available on SEDAR at www.sedar.com.

Forward-Looking Information

Certain statements contained in this management's discussion and analysis constitute forward-looking statements and are based on Crescent Point's beliefs and assumptions based on information available at the time the assumption was made. By its nature, such forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements should not be unduly relied upon. These statements are effective only as of the date of this report.

Certain statements contained in this report, including statements related to Crescent Point's capital expenditures, projected asset growth, view and outlook toward future commodity prices, drilling activity and statements that contain words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may", “projected”, “sustain”, “continues”, “strategy”, “potential”, “projects”, “grow”, “take advantage”, “estimate”, “well positioned” and similar expressions and statements relating to matters that are not historical facts constitute "forward-looking information" within the meaning of applicable Canadian securities legislation. The material assumptions in making these forward-looking statements are disclosed in this analysis under the headings “Dividends”, “Capital Expenditures”, “Decommissioning Liability”, “Liquidity and Capital Resources”, “Critical Accounting Estimates”, “Future Changes in Accounting Policies” and “Outlook”.

In particular, forward-looking statements include, but are not limited to:

- Crescent Point's 2012 guidance as outlined in the Outlook section;
- Maintaining monthly dividends;
- Expected oil price differentials in 2012; and
- Target average net debt to 12 month funds flow of approximately 1.0 times.

All of the material assumptions underlying these statements are noted in the “Dividends”, “Capital Expenditures”, Decommissioning Liability”, “Liquidity and Capital Resources”, “Critical Accounting Estimates” and “Outlook” sections of this report.

The following are examples of references to forward-looking information:

- Volume and product mix of Crescent Point's oil and gas production;
- Future oil and gas prices in respect of Crescent Point's commodity risk management programs;
- The amount and timing of future decommissioning liabilities;
- Future liquidity and financial capacity;
- Future interest rates and exchange rates;
- Future results from operations and operating metrics;
- Future development, exploration and other expenditures;
- Future costs, expenses and royalty rates;
- Future tax rates; and
- The Company's tax pools.

This information contains certain forward-looking estimates that involve substantial known and unknown risks and uncertainties, certain of which are beyond Crescent Point's control. Such risks and uncertainties include, but are not limited to: financial risk of marketing reserves at an acceptable price given market conditions; volatility in market prices for oil and natural gas; delays in business operations, pipeline restrictions, blowouts; the risk of carrying out operations with minimal environmental impact; industry conditions including changes in laws and regulations including the adoption of new environmental laws and regulations and changes in how they are interpreted and enforced; uncertainties associated with estimating oil and natural gas reserves; economic risk of finding and producing reserves at a reasonable cost; uncertainties associated with partner plans and approvals; operational matters related to non-operated properties; increased competition for, among other things, capital, acquisitions of reserves and undeveloped lands; competition for and availability of qualified personnel or management; incorrect assessments of the value of acquisitions and exploration and development programs; unexpected geological, technical, drilling, construction and processing problems; availability of insurance; fluctuations in foreign exchange and interest rates; stock market volatility; failure to realize the anticipated benefits of acquisitions; general economic, market and business conditions; uncertainties associated with regulatory approvals; uncertainty of government policy changes; uncertainties associated with credit facilities and counterparty credit risk; and changes in income tax laws, tax laws, crown royalty rates and incentive programs relating to the oil and gas industry; and other factors, many of which are outside the control of the Company. Therefore, Crescent Point's actual results, performance or achievement could differ materially from those expressed in, or implied by, these forward-looking estimates and if such actual results, performance or achievements transpire or occur, or if any of them do so, there can be no certainty as to what benefits Crescent Point will derive therefrom.

Barrels of oil equivalent (“boes”) may be misleading, particularly if used in isolation. A boe conversion ratio of 6 Mcf : 1 Bbl is based on an energy equivalency conversion method primarily applicable at the burner tip and does not represent a value equivalency at the wellhead.

CONSOLIDATED BALANCE SHEETS

(UNAUDITED) (Cdn$000s)	Notes	As at June 30, 2012	December 31, 2011
ASSETS			
Accounts receivable		**282,539**	292,811
Investment in marketable securities		**-**	646
Prepaids and deposits		**4,696**	4,842
Derivative asset	19	**54,603**	10,216
Total current assets		**341,838**	308,515
Long-term investments	3	**97,867**	151,917
Derivative asset	19	**89,194**	8,609
Other long-term assets	4	**18,834**	18,909
Exploration and evaluation	5, 6	**977,040**	866,363
Property, plant and equipment	6, 7	**9,529,790**	7,172,461
Goodwill	8	**251,919**	207,672
Total assets		**11,306,482**	8,734,446
LIABILITIES			
Accounts payable and accrued liabilities		**429,639**	553,176
Cash dividends payable		**28,920**	26,106
Derivative liability	19	**4,741**	101,997
Total current liabilities		**463,300**	681,279
Long-term debt	9	**1,949,082**	1,099,028
Derivative liability	19	**6,997**	64,220
Long-term compensation liability	17	**1,061**	1,214
Decommissioning liability	10	**484,660**	379,616
Deferred income tax		**892,302**	652,533
Total liabilities		**3,797,402**	2,877,890
SHAREHOLDERS' EQUITY			
Shareholders' capital	11	**9,570,207**	7,746,408
Contributed surplus		**105,561**	126,034
Deficit	12	**(2,175,978)**	(2,023,751)
Accumulated other comprehensive income		**9,290**	7,865
Total shareholders' equity		**7,509,080**	5,856,556
Total liabilities and shareholders' equity		**11,306,482**	8,734,446

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

		Three months ended June 30		Six months ended June 30	
(UNAUDITED) (Cdn$000s, except per share amounts)	Notes	**2012**	2011	**2012**	2011
REVENUE AND OTHER INCOME					
Oil and gas sales		**642,857**	527,824	**1,309,418**	**1,043,660**
Royalties		**(101,626)**	(90,367)	**(215,064)**	**(173,105)**
Oil and gas revenue		**541,231**	437,457	**1,094,354**	**870,555**
Derivative gains (losses)	14, 19	**362,404**	129,246	**247,997**	**(83,040)**
Other income (loss)	15	**(42,895)**	7,778	**(46,585)**	**8,495**
		860,740	574,481	**1,295,766**	**796,010**
EXPENSES					
Operating		**98,101**	61,706	**184,454**	**146,594**
Transportation		**18,604**	10,998	**34,110**	**24,640**
General and administrative		**17,118**	12,780	**28,901**	**19,922**
Interest on long-term debt		**18,463**	15,183	**34,326**	**29,784**
Foreign exchange (gain) loss	16	**18,739**	(1,682)	**11,867**	**(7,715)**
Share-based compensation	17	**7,940**	14,408	**25,560**	**33,546**
Depletion, depreciation and amortization		**297,143**	215,519	**591,918**	**448,690**
Accretion on decommissioning liability		**2,780**	2,481	**5,152**	**4,916**
		478,888	331,393	**916,288**	**700,377**
Net income before tax		**381,852**	243,088	**379,478**	**95,633**
Tax expense (recovery)					
Current		**(141)**	(79)	**(141)**	**(551)**
Deferred		**94,563**	58,243	**96,077**	**13,477**
Net income		**287,430**	184,924	**283,542**	**82,707**
Other comprehensive income (loss)					
Foreign currency translation of foreign operations		**5,974**	(422)	**1,425**	**(1,523)**
Comprehensive income		**293,404**	184,502	**284,967**	**81,184**
Net income per share	18				
Basic		**0.89**	0.68	**0.92**	**0.31**
Diluted		**0.89**	0.68	**0.91**	**0.30**

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(UNAUDITED) (Cdn$000s)	Notes	Shareholders' capital	Contributed surplus	Deficit	Accumulated other comprehensive income (loss)	Total shareholders' equity
December 31, 2011		**7,746,408**	**126,034**	**(2,023,751)**	**7,865**	**5,856,556**
Issued for cash	11	**604,155**				**604,155**
Issued on capital acquisitions		**919,351**				**919,351**
Issued pursuant to the DRIP [1]	11	**216,109**				**216,109**
To be issued pursuant to the DRIP [1]	11	**47,062**				**47,062**
Redemption of restricted shares	11	**55,787**	**(57,306)**			**(1,519)**
Share issue costs, net of tax		**(18,665)**				**(18,665)**
Share-based compensation	17		**36,266**			**36,266**
Forfeit of restricted shares	17		**567**			**567**
Net income				**283,542**		**283,542**
Dividends ($1.38 per share)				**(435,769)**		**(435,769)**
Foreign currency translation adjustment					**1,425**	**1,425**
June 30, 2012		**9,570,207**	**105,561**	**(2,175,978)**	**9,290**	**7,509,080**
December 31, 2010		6,839,358	108,890	(1,453,523)	(2,637)	5,492,088
Issued pursuant to the DRIP [1]		183,684				183,684
To be issued pursuant to the DRIP [1]		37,703				37,703
Redemption of restricted shares		40,396	(43,717)			(3,321)
Share issue costs, net of tax		(172)				(172)
Share-based compensation			41,848			41,848
Forfeit of restricted shares			841			841
Net income				82,707		82,707
Dividends ($1.38 per share)				(376,472)		(376,472)
Foreign currency translation adjustment					(1,523)	(1,523)
June 30, 2011		7,100,969	107,862	(1,747,288)	(4,160)	5,457,383

(1) Dividend reinvestment plan

See accompanying notes to the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

		Three months ended June 30		Six months ended June 30	
(UNAUDITED) (Cdn$000s)	Notes	**2012**	2011	**2012**	2011
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Net income		**287,430**	184,924	**283,542**	82,707
Items not affecting cash					
Other (income) loss	15	**42,895**	(6,062)	**46,585**	(6,779)
Deferred tax expense		**94,563**	58,243	**96,077**	13,477
Share-based compensation	17	**7,940**	14,408	**25,560**	33,546
Depletion, depreciation and amortization		**297,143**	215,519	**591,918**	448,690
Accretion on decommissioning liability		**2,780**	2,481	**5,152**	4,916
Unrealized losses (gains) on derivatives	14, 19	**(369,360)**	(157,455)	**(279,917)**	37,430
Unrealized loss (gain) on foreign exchange	16	**18,422**	(1,926)	**10,878**	(7,734)
Decommissioning expenditures		**(1,790)**	(418)	**(6,980)**	(1,749)
Change in non-cash working capital	21	**37,495**	13,818	**(54,450)**	22,569
		417,518	323,532	**718,365**	627,073
INVESTING ACTIVITIES					
Development capital and other expenditures		**(240,572)**	(111,855)	**(720,412)**	(436,722)
Capital acquisitions, net	6	**(300,404)**	(39,828)	**(997,528)**	(39,288)
Other long-term assets		**(1,986)**	(1,983)	**74**	(3,073)
Investments		**107**	(42,003)	**344**	(33,153)
Change in non-cash working capital	21	**(110,540)**	(88,776)	**(60,386)**	(83,169)
		(653,395)	(284,445)	**(1,777,908)**	(595,405)
FINANCING ACTIVITIES					
Issue of shares, net of issue costs		**(564)**	2	**577,365**	(3,555)
Increase in long-term debt		**324,095**	38,269	**652,737**	129,568
Cash dividends		**(86,719)**	(76,549)	**(172,599)**	(155,085)
Change in non-cash working capital	21	**(456)**	(809)	**2,814**	(2,596)
		236,356	(39,087)	**1,060,317**	(31,668)
Impact of foreign currency on cash balances		**(479)**	-	**(774)**	-
INCREASE IN CASH		**-**	-	**-**	-
CASH AT BEGINNING OF PERIOD		**-**	-	**-**	-
CASH AT END OF PERIOD		**-**	-	**-**	-

See accompanying notes to the consolidated financial statements.

Supplementary Information:

Cash taxes (paid) recovered	**408**	(94)	**408**	1,320
Cash interest paid	**(17,071)**	(9,308)	**(33,884)**	(21,232)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

June 30, 2012 (UNAUDITED)

1. STRUCTURE OF THE BUSINESS

The principal undertakings of Crescent Point Energy Corp. (the "Company" or "Crescent Point") are to carry on the business of acquiring, developing and holding interests in petroleum and natural gas properties and assets related thereto through a general partnership and wholly owned subsidiaries.

Crescent Point is the ultimate parent company and is amalgamated in Alberta, Canada under the Alberta Business Corporations Act. The address of the principal place of business is 2800, 111 – 5th Ave S.W., Calgary, Alberta, Canada, T2P 3Y6.

These interim consolidated financial statements were approved and authorized for issue by the Company's Board of Directors on August 8, 2012.

2. BASIS OF PREPARATION

These interim consolidated financial statements of the Company are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). These interim consolidated financial statements have been prepared in accordance with IFRS applicable to the preparation of interim consolidated financial statements, including IAS 34, *Interim Financial Reporting*, and have been prepared following the same accounting policies as the annual consolidated financial statements for the year ended December 31, 2011. The disclosures provided below are incremental to those included with the annual consolidated financial statements. Certain information and disclosures included in the notes to the annual consolidated financial statements are condensed herein or are disclosed on an annual basis only. Accordingly, these interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2011.

The policies applied in these interim consolidated financial statements are based on IFRS issued and outstanding as of August 8, 2012, the date the Board of Directors approved the statements.

The Company's presentation currency is Canadian dollars and all amounts reported are Canadian dollars unless noted otherwise; United States ("U.S.") dollars are donated as "US$".

3. LONG-TERM INVESTMENTS

a) Public Companies

The Company holds common shares in publicly traded oil and gas companies. The investments are classified as financial assets at fair value through profit or loss and are fair valued with the resulting gain or loss recorded in net income. At June 30, 2012, the investments are recorded at fair value which is $71.0 million less than the original cost of the investments. At December 31, 2011, the investments were recorded at fair value which was $0.9 million more than the original cost of the investments.

b) Private Companies

The Company holds common shares in private oil and gas companies. The investments are classified as financial assets at fair value through profit or loss and are fair valued with the resulting gain or loss recorded in net income. At June 30, 2012, the investments are recorded at fair value which is equal to the original cost of the investments. At December 31, 2011, the Company's investment in a private company was recorded at fair value which was $8.3 million more than the original cost of the investment.

4. OTHER LONG-TERM ASSETS

($000s)	**June 30, 2012**	December 31, 2011
Reclamation fund	**7,741**	7,816
Other receivables	**11,093**	11,093
Other long-term assets	**18,834**	18,909

a) Reclamation fund

The following table reconciles the reclamation fund:

($000s)	**June 30, 2012**	December 31, 2011
Balance, beginning of period	**7,816**	3,001
Contributions	**8,528**	12,122
Expenditures	**(8,603)**	(7,307)
Balance, end of period	**7,741**	7,816

b) Other receivables

At June 30, 2012, the Company had investment tax credits of $11.1 million (December 31, 2011 - $11.1 million).

5. EXPLORATION AND EVALUATION ASSETS

($000s)	**June 30, 2012**	December 31, 2011
Exploration and evaluation assets at cost	**1,466,874**	1,242,573
Accumulated amortization	**(489,834)**	(376,210)
Net carrying amount	**977,040**	866,363
Reconciliation of movements during the period		
Cost, beginning of period	**1,242,573**	1,270,380
Accumulated amortization, beginning of period	**(376,210)**	(155,009)
Net carrying amount, beginning of period	**866,363**	1,115,371
Net carrying amount, beginning of period	**866,363**	1,115,371
Acquisitions through business combinations, net	**168,709**	116,257
Additions	**262,508**	371,273
Dispositions	**(1,239)**	(226)
Transfers to property, plant and equipment	**(203,061)**	(523,349)
Amortization	**(116,822)**	(220,521)
Foreign exchange	**582**	7,558
Net carrying amount, end of period	**977,040**	866,363

Exploration and evaluation (“E&E”) assets consist of the Company’s undeveloped land and exploration projects which are pending the determination of technical feasibility. Additions represent the Company’s share of the cost of E&E assets. At June 30, 2012, $977.0 million remains in E&E assets after $203.1 million was transferred to property, plant and equipment (“PP&E”) following the determination of technical feasibility during the six months ended June 30, 2012 (year ended December 31, 2011 – $866.4 million and $523.3 million, respectively).

Impairment test of exploration and evaluation assets

There were no indicators of impairment at June 30, 2012 or December 31, 2011.

6. CAPITAL ACQUISITIONS AND DISPOSITIONS

If the material business combinations outlined below in Corporate Acquisitions and under Major Property Acquisitions had closed on January 1, 2012, Crescent Point's oil and gas sales and oil and gas sales less royalties, transportation and operating expenses for the six months ended June 30, 2012 would have been approximately $1.5 billion and $949.8 million, respectively (June 30, 2011 – nil and nil, respectively). Oil and gas sales and oil and gas sales less royalties, transportation and operating expenses for the six months ended June 30, 2012 includes approximately $74.1 million and $45.2 million, respectively, (June 30, 2011 – nil and nil, respectively) attributable to these same material business combinations.

a) Corporate Acquisitions

Wild Stream Exploration Inc.

On March 15, 2012, Crescent Point completed the acquisition, by way of plan of arrangement, of all issued and outstanding common shares of Wild Stream Exploration Inc. ("Wild Stream"), a public oil and gas company with properties in southwest Saskatchewan. Total consideration of approximately $608.8 million included the issuance of 12.1 million shares, assumed long-term debt, working capital and long-term investment (a combined $698.1 million was allocated to PP&E and E&E assets). The goodwill recognized on acquisition is attributed to the expected future cash flows derived from unbooked possible reserves.

($000s)	
Fair value of net assets acquired	
Working capital	5,945
Long-term investment	5,591
Property, plant and equipment	676,354
Exploration and evaluation	21,758
Goodwill	24,022
Derivative liability	(4,378)
Long-term debt	(69,256)
Decommissioning liability	(15,832)
Deferred income tax liability	(93,143)
Total net assets acquired	551,061
Consideration	
Shares issued (12,082,012 shares)	551,061
Total purchase price	551,061

The above amounts are estimates, which were made by management at the time of the preparation of these financial statements based on information then available. Amendments may be made as amounts subject to estimates are finalized.

Reliable Energy Ltd.

On May 1, 2012, Crescent Point completed the acquisition, by way of plan of arrangement, of all remaining issued and outstanding common shares of Reliable Energy Ltd. ("Reliable"), a public oil and gas company with properties in southwest Manitoba. Total consideration of approximately $100.7 million included the issuance of 1.7 million shares, assumed long-term debt, working capital and the historical cost of Crescent Point's previously held equity investment of $4.8 million (a combined $103.4 million was allocated to PP&E and E&E assets). The goodwill recognized on acquisition is attributed to the expected future cash flows derived from unbooked possible reserves.

($000s)	
Fair value of net assets acquired	
Accounts receivable	2,636
Property, plant and equipment	65,445
Exploration and evaluation	37,983
Goodwill	20,225
Accounts payable	(6,804)
Derivative liability	(771)
Long-term debt	(18,982)
Decommissioning liability	(1,537)
Deferred income tax liability	(14,348)
Total net assets acquired	83,847
Consideration	
Crescent Point's previously held investment ($4.8 million historical cost)	11,110
Shares issued (1,672,109 shares)	72,737
Total purchase price	83,847

Cutpick Energy Inc.

On June 20, 2012, Crescent Point completed the acquisition, by way of plan of arrangement, of all issued and outstanding common shares of Cutpick Energy Inc., a private oil and gas company with properties in the Provost area of Alberta. Total consideration of approximately $397.2 million included the issuance of 7.6 million shares, assumed long-term debt and working capital (a combined $452.9 million was allocated to PP&E and E&E assets).

($000s)	
Fair value of net assets acquired	
Working capital	(3,586)
Derivative asset	4,683
Property, plant and equipment	382,748
Exploration and evaluation	70,142
Long-term debt	(98,110)
Decommissioning liability	(17,425)
Deferred income tax liability	(42,899)
Total net assets acquired	295,553
Consideration	
Shares issued (7,556,960 shares)	295,553
Total purchase price	295,553

The above amounts are estimates, which were made by management at the time of the preparation of these financial statements based on information then available. Amendments may be made as amounts subject to estimates are finalized.

b) Major Property Acquisitions

Manitoba Asset Acquisition

On January 25, 2012, Crescent Point completed the acquisition of assets in southwest Manitoba for cash consideration of $130.3 million ($140.2 million was allocated to PP&E assets). These assets were acquired with full tax pools and no working capital items.

Bakken Asset Acquisition

On March 16, 2012, Crescent Point completed the acquisition of certain assets in the Viewfield Bakken light oil resource play in southeast Saskatchewan for cash consideration of $426.4 million ($430.3 million was allocated to PP&E and E&E assets). These assets were acquired with full tax pools and no working capital items.

Shaunavon Asset Acquisition

On June 1, 2012, Crescent Point completed the acquisition of certain assets in the Shaunavon resource play in southwest Saskatchewan for cash consideration of $343.0 million ($350.4 million was allocated to PP&E assets). These assets were acquired with full tax pools and no working capital items.

c) Minor Property Acquisitions and Dispositions

Crescent Point completed minor property acquisitions and dispositions during the six months ended June 30, 2012 for net consideration of $72.8 million ($89.2 million was allocated to PP&E and E&E assets). These minor property acquisitions and dispositions were completed with full tax pools and no working capital items.

7. PROPERTY, PLANT AND EQUIPMENT

($000s)	**June 30, 2012**	December 31, 2011
Development and production assets	**11,240,473**	8,409,567
Corporate assets	**18,721**	17,109
Property, plant and equipment at cost	**11,259,194**	8,426,676
Accumulated depletion and depreciation	**(1,729,404)**	(1,254,215)
Net carrying amount	**9,529,790**	7,172,461

Reconciliation of movements during the period

Development and production assets		
Cost, beginning of period	**8,409,567**	6,847,972
Accumulated depletion, beginning of period	**(1,244,709)**	(527,828)
Net carrying amount, beginning of period	**7,164,858**	6,320,144
Net carrying amount, beginning of period	**7,164,858**	6,320,144
Acquisitions through business combinations, net	**2,129,926**	87,184
Additions	**529,240**	948,698
Dispositions	**(32,895)**	(586)
Transfers from exploration and evaluation assets	**203,061**	523,349
Depletion	**(473,876)**	(716,789)
Foreign exchange	**1,481**	2,858
Net carrying amount, end of period	**9,521,795**	7,164,858
Cost, end of period	**11,240,473**	8,409,567
Accumulated depletion, end of period	**(1,718,678)**	(1,244,709)
Net carrying amount, end of period	**9,521,795**	7,164,858
Corporate assets		
Cost, beginning of period	**17,109**	15,831
Accumulated depreciation, beginning of period	**(9,506)**	(7,285)
Net carrying amount, beginning of period	**7,603**	8,546
Net carrying amount, beginning of period	**7,603**	8,546
Additions	**1,611**	1,274
Depreciation	**(1,220)**	(2,220)
Foreign exchange	**1**	3
Net carrying amount, end of period	**7,995**	7,603
Cost, end of period	**18,721**	17,109
Accumulated depreciation, end of period	**(10,726)**	(9,506)
Net carrying amount, end of period	**7,995**	7,603

At June 30, 2012, future development costs of $4.5 billion (December 31, 2011 – $3.8 billion) are included in costs subject to depletion.

Direct general and administrative costs capitalized by the Company during the six months ended June 30, 2012 were $18.3 million (year ended December 31, 2011 – $33.7 million), including $11.1 million of share-based compensation costs (year ended December 31, 2011 – $21.2 million).

Impairment test of property, plant and equipment

There were no indicators of impairment at June 30, 2012 or December 31, 2011.

8. GOODWILL

($000s)	**June 30, 2012**	December 31, 2011
Balance, beginning of period	**207,672**	207,672
Wild Stream acquisition	**24,022**	-
Reliable acquisition	**20,225**	-
Goodwill, end of period	**251,919**	207,672

Goodwill has been assigned to the Canadian operating segment.

9. LONG-TERM DEBT

The following table reconciles long-term debt:

($000s)	**June 30, 2012**	December 31, 2011
Bank credit facilities	**1,110,846**	566,803
Senior guaranteed notes		
Cdn$50.0 million (Matures March 24, 2015)	**50,000**	50,000
US$37.5 million (Matures March 24, 2015)	**38,216**	38,138
US$52.0 million (Matures April 14, 2016)	**52,993**	52,884
US$67.5 million (Matures March 24, 2017)	**68,789**	68,647
US$31.0 million (Matures April 14, 2018)	**31,592**	31,527
Cdn$7.0 million (Matures May 22, 2019)	**7,000**	-
US$68.0 million (Matures May 22, 2019)	**69,299**	-
US$155.0 million (Matures March 24, 2020)	**157,961**	157,635
Cdn$50.0 million (Matures April 14, 2021)	**50,000**	50,000
US$82.0 million (Matures April 14, 2021)	**83,566**	83,394
Cdn$25.0 million (Matures May 22, 2022)	**25,000**	-
US$200.0 million (Matures May 22, 2022)	**203,820**	-
Long-term debt	**1,949,082**	1,099,028

a) Bank Credit Facilities

The Company has a syndicated unsecured credit facility with fourteen banks and an operating credit facility with one Canadian chartered bank, for a total amount available under the combined facilities of $2.1 billion.

The credit facilities bear interest at the prime rate plus a margin based on a sliding scale ratio of the Company's debt to EBITDA, adjusted for certain non-cash items. The syndicated unsecured credit facility constitutes a revolving credit facility for a three year term which is extendible annually for a 1, 2 or 3 year period; the current maturity date is June 10, 2015. The operating credit facility constitutes a revolving facility for a 364 day term which is extendible annually for a further 364 day revolving period, subject to a one year term out period should the lender not agree to an annual extension; the current conversion date is June 7, 2013. The combined credit facilities have covenants based on the ratios of debt to EBITDA and debt to capital, adjusted for certain non-cash items; the Company is in compliance with all debt covenants at June 30, 2012.

The Company has letters of credit in the amount of $7.9 million outstanding at June 30, 2012.

The Company manages its credit facilities through a combination of bankers' acceptance loans and interest rate swaps.

b) Senior Guaranteed Notes

The Company has closed private offerings of senior guaranteed notes raising total gross proceeds of US$693.0 million and Cdn$132.0 million. The notes are unsecured and rank *pari passu* with the Company's bank credit facilities and carry a bullet repayment on maturity. The terms and rates of the Company's outstanding senior guaranteed notes are detailed below:

Principal	Coupon Rate	Interest Payment Dates	Maturity Date
Cdn$50.0 million	4.92%	September 24 and March 24	March 24, 2015
US$37.5 million	4.71%	September 24 and March 24	March 24, 2015
US$52.0 million	3.93%	October 14 and April 14	April 14, 2016
US$67.5 million	5.48%	September 24 and March 24	March 24, 2017
US$31.0 million	4.58%	October 14 and April 14	April 14, 2018
Cdn$7.0 million	4.29%	November 22 and May 22	May 22, 2019
US$68.0 million	3.39%	November 22 and May 22	May 22, 2019
US$155.0 million	6.03%	September 24 and March 24	March 24, 2020
Cdn$50.0 million	5.53%	October 14 and April 14	April 14, 2021
US$82.0 million	5.13%	October 14 and April 14	April 14, 2021
Cdn$25.0 million	4.76%	November 22 and May 22	May 22, 2022
US$200.0 million	4.00%	November 22 and May 22	May 22, 2022

Concurrent with the issuance of US$663.0 million senior guaranteed notes, the Company entered into cross currency interest rate swaps (''CCIRS'') with a syndicate of financial institutions. To manage the Company's foreign exchange risk, the CCIRS fix the US dollar amount of the notes for purposes of interest and principal repayments at a notional amount of $658.1 million. Concurrent with the issuance of US$30.0 million senior guaranteed notes, the Company entered a cross currency principal swap which fixed the principal repayment at a notional amount of $32.2 million. See additional information in Note 19 – "Financial Instruments and Derivatives".

10. DECOMMISSIONING LIABILITY

Upon retirement of its oil and gas assets, the Company anticipates substantial costs associated with decommissioning. The estimated future cash flows have been discounted using an average risk free rate of 2.5 percent and an inflation rate of 2 percent (December 31, 2011 – 2.5 percent and 2 percent, respectively).

The following table reconciles the decommissioning liability:

($000s)	**June 30, 2012**	December 31, 2011
Decommissioning liability, beginning of period	**379,616**	324,727
Liabilities incurred	**8,342**	21,520
Liabilities acquired through capital acquisitions	**57,568**	1,386
Liabilities disposed through capital dispositions	**(7,298)**	(69)
Liabilities settled	**(6,980)**	(3,685)
Change in estimate (1)	**48,260**	26,076
Accretion expense	**5,152**	9,661
Decommissioning liability, end of period	**484,660**	379,616

(1) These amounts primarily relate to the revaluation of acquired decommissioning liabilities at the end of the period.

11. SHAREHOLDERS' CAPITAL

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

	June 30, 2012		December 31, 2011	
	Number of shares	**Amount ($000s)**	Number of shares	Amount ($000s)
Common shares, beginning of period	**288,952,171**	**7,875,276**	266,911,154	6,956,216
Issued for cash	**13,351,500**	**604,155**	9,025,000	392,588
Issued on capital acquisitions	**21,311,081**	**919,351**	-	-
Issued on redeemed restricted shares (1)	**1,410,151**	**55,787**	1,896,439	69,320
Issued pursuant to the dividend reinvestment plan	**5,328,995**	**216,109**	10,192,872	417,012
Common shares, end of period	**330,353,898**	**9,670,678**	288,025,465	7,835,136
Cumulative share issue costs, net of tax	**-**	**(147,533)**	-	(128,868)
To be issued pursuant to the dividend reinvestment plan	**1,296,571**	**47,062**	926,706	40,140
Total shareholders' capital, end of period	**331,650,469**	**9,570,207**	288,952,171	7,746,408

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

12. DEFICIT

($000s)	**June 30, 2012**	December 31, 2011
Accumulated earnings	**1,002,362**	718,820
Accumulated dividends	**(3,178,340)**	(2,742,571)
Deficit	**(2,175,978)**	(2,023,751)

13. CAPITAL MANAGEMENT

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

($000s)	**June 30, 2012**	December 31, 2011
Long-term debt	**1,949,082**	1,099,028
Working capital deficiency (1)	**73,457**	129,066
Unrealized foreign exchange loss on translation of US dollar senior guaranteed notes	**(18,828)**	(7,950)
Net debt	**2,003,711**	1,220,144
Shareholders' equity	**7,509,080**	5,856,556
Total capitalization	**9,512,791**	7,076,700

(1) Working capital deficiency is calculated as current liabilities less current assets, less long-term investments, excluding derivative asset and liability.

Crescent Point's objective for managing capital is to maintain a strong balance sheet and capital base to provide financial flexibility, stability to dividends and to position the Company for future development of the business. Ultimately, Crescent Point strives to maximize long-term stakeholder value by ensuring the Company has the financing capacity to fund projects that are expected to add value to stakeholders and distribute any excess cash that is not required for financing projects.

Crescent Point manages and monitors its capital structure and short-term financing requirements using a non-GAAP measure, the ratio of net debt to funds flow from operations. Net debt is calculated as current liabilities plus long-term debt less current assets, less long-term investments, excluding derivative asset, derivative liability and unrealized foreign exchange on translation of US dollar senior guaranteed notes. Funds flow from operations is calculated as cash flow from operating activities before changes in non-cash working capital, transaction costs and decommissioning expenditures. Crescent Point's objective is to maintain a net debt to funds flow from operations ratio of approximately 1.0 times. This metric is used to measure the Company's overall debt position and measure the strength of the Company's balance sheet. Crescent Point monitors this ratio and uses this as a key measure in making decisions regarding financing, capital spending and dividend levels.

Crescent Point strives to provide stability to its dividends over time by managing risks associated with the oil and gas industry. To accomplish this, the Company maintains a conservative balance sheet with significant unutilized lines of credit, manages its exposure to fluctuating interest rates and foreign exchange rates on its long-term debt, and actively hedges commodity prices using a 3½ year risk management program by hedging up to 65 percent of after royalty volumes using a portfolio of swaps, collars and put option instruments.

Crescent Point is subject to certain financial covenants in its credit facility agreements and is in compliance with all financial covenants as of June 30, 2012.

14. DERIVATIVE GAINS (LOSSES)

($000s)	Three months ended June 30 2012	2011	Six months ended June 30 2012	2011
Realized losses	**(6,956)**	(28,209)	**(31,920)**	(45,610)
Unrealized gains (losses)	**369,360**	157,455	**279,917**	(37,430)
Derivative gains (losses)	**362,404**	129,246	**247,997**	(83,040)

15. OTHER INCOME (LOSS)

($000s)	Three months ended June 30 2012	2011	Six months ended June 30 2012	2011
Unrealized loss on investment in marketable securities	**-**	(138)	**-**	(138)
Unrealized gain (loss) on long-term investments	**(70,616)**	5,881	**(74,308)**	3,238
Gain on the sale of marketable securities	**-**	-	**2**	-
Gain on sale of long-term investments	**472**	-	**472**	3,360
Gain on disposition of assets	**27,249**	-	**27,249**	-
Other income	**-**	2,035	**-**	2,035
Other income (loss)	**(42,895)**	7,778	**(46,585)**	8,495

16. FOREIGN EXCHANGE GAIN (LOSS)

($000s)	Three months ended June 30 2012	2011	Six months ended June 30 2012	2011
Realized				
Foreign exchange gain (loss)	**366**	(242)	**255**	(274)
Unrealized				
Foreign exchange gain (loss) on translation of US dollar senior guaranteed notes	**(18,422)**	1,926	**(10,878)**	7,734
Other foreign exchange gain (loss)	**(683)**	(2)	**(1,244)**	255
Foreign exchange gain (loss)	**(18,739)**	1,682	**(11,867)**	7,715

17. SHARE-BASED COMPENSATION

Restricted Share Bonus Plan

The Company has a Restricted Share Bonus Plan pursuant to which the Company may grant restricted shares to directors, officers, employees and consultants. The restricted shares vest at 33⅓ percent on each of the first, second and third anniversaries of the grant date or on such other terms as the Board of Directors may determine.

Restricted shareholders are eligible for monthly dividends on their restricted shares, immediately upon grant.

Deferred Share Unit Plan

In December 2011, the Company approved a Deferred Share Unit ("DSU") Plan for directors. Each DSU vests on the date of the grant, however the settlement of the DSU occurs only on a change of control or when the individual ceases to be a director of the Company. Deferred Share Units are settled in cash based on the then current Crescent Point share price.

The following table reconciles the number restricted shares and DSUs for the six months ended June 30, 2012:

	Restricted Shares	Deferred Share Units
Balance, beginning of period	3,971,505	27,027
Granted	1,248,723	884
Redeemed	(1,443,937)	-
Forfeited	(16,261)	-
Balance, end of period	3,760,030	27,911

For the six months ended June 30, 2012, the Company calculated total share-based compensation, net of estimated forfeitures and forfeiture true-ups, of $36.7 million (June 30, 2011 – $42.7 million), of which $11.1 million was capitalized (June 30, 2011 – $9.1 million).

18. PER SHARE AMOUNTS

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

	Three months ended June 30		Six months ended June 30	
	2012	2011	**2012**	2011
Weighted average shares – basic	**321,420,778**	271,045,611	**308,906,508**	269,704,779
Dilutive impact of restricted shares	**2,360,814**	2,697,045	**2,424,094**	2,643,019
Weighted average shares – diluted	**323,781,592**	273,742,656	**311,330,602**	272,347,798

19. FINANCIAL INSTRUMENTS AND DERIVATIVES

The Company's financial assets and liabilities are comprised of accounts receivable, long-term investments, the reclamation fund, derivative assets and liabilities, accounts payable and accrued liabilities, cash dividends payable and long-term debt.

Crescent Point's derivative assets and liabilities are transacted in active markets. Crescent Point's long-term investments are transacted in active markets and non-active markets. The Company classifies the fair value of these transactions according to the following fair value hierarchy based on the amount of observable inputs used to value the instrument:

- Level 1 – Values are based on unadjusted quoted prices available in active markets for identical assets or liabilities as of the reporting date.
- Level 2 – Values are based on inputs, including quoted forward prices for commodities, time value and volatility factors, which can be substantially observed or corroborated in the marketplace. Prices in Level 2 are either directly or indirectly observable as of the reporting date.
- Level 3 – Values are based on prices or valuation techniques that are not based on observable market data.

Accordingly, Crescent Point's reclamation fund is classified as Level 1, derivative assets and liabilities as Level 2 and long-term investments as Level 1 or Level 3 depending on whether the applicable company is publicly traded or private. Assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the placement within the fair value hierarchy.

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

a) Carrying Amount and Fair Value of Financial Instruments

Accounts receivable and Reclamation fund

Accounts receivable and the reclamation fund are classified as financial assets at amortized cost and are reported at amortized cost. At June 30, 2012 and December 31, 2011, the carrying amount of accounts receivable and the reclamation fund approximated their fair value.

Investment in marketable securities

In March 2012, the Company disposed of its investment in marketable securities, which was reported at fair value of $0.6 million at December 31, 2011, for proceeds of $0.6 million, resulting in a realized gain of less than $0.1 million recognized in net income.

Long-term investments

Long-term investments are classified as financial assets at fair value through profit and loss and are reported at fair value, with changes in fair value recorded in net income. At June 30, 2012, the Company reported long-term investments at a fair value of $97.9 million (December 31, 2011 – $151.9 million). During the three and six months ended June 30, 2012, the Company recorded unrealized losses on long-term investments of $70.6 million and $74.3 million, respectively (June 30, 2011 – unrealized gains of $5.9 million and $3.2 million, respectively).

Accounts payable and accrued liabilities and Cash dividends payable

Accounts payable and accrued liabilities and cash dividends payable are classified as financial liabilities at amortized cost and are reported at amortized cost. At June 30, 2012 and December 31, 2011, the carrying amount of these accounts approximated their fair values.

Long-term debt

Bank Credit Facilities

The bank credit facilities are classified as financial liabilities at amortized cost and are reported at amortized cost. At June 30, 2012 and December 31, 2011, the carrying amount approximated their fair value.

Senior Guaranteed Notes

The senior guaranteed notes are classified as financial liabilities at amortized cost and are reported at amortized cost. The notes denominated in US dollars are translated to Canadian dollars at the period end exchange rate. The fair value of the notes is calculated based on current interest rates and is not recorded in the financial statements. The following table details the amortized cost of the notes and their fair values expressed in Canadian dollars:

($000s)	Reported Amortized Cost	Fair Value
June 30, 2012	**838,236**	**917,401**
December 31, 2011	532,225	610,821

Derivative assets and liabilities

Derivative assets and liabilities arise from the use of derivative contracts. The Company's derivative financial instruments are classified as fair value through profit or loss and are reported at fair value with changes in fair value recorded in net income.

The following table summarizes the fair value as at June 30, 2012 and December 31, 2011, and the change in fair value for the six months ended June 30, 2012 and year ended December 31, 2011.

($000s)	**June 30, 2012**	December 31, 2011
Derivative asset, beginning of period	**18,825**	12,193
Acquired through capital acquisitions	**4,683**	-
Unrealized change in fair value	**120,289**	6,632
Derivative asset, end of period	**143,797**	18,825
Less: current derivative asset, end of period	**(54,603)**	(10,216)
Long-term derivative asset, end of period	**89,194**	8,609

Derivative liability, beginning of period	**166,217**	153,337
Acquired through capital acquisitions	**5,149**	-
Unrealized change in fair value	**(159,628)**	12,880
Derivative liability, end of period	**11,738**	166,217
Less: current derivative liability, end of period	**(4,741)**	(101,997)
Long-term derivative liability, end of period	**6,997**	64,220

b) Risks Associated with Financial Assets and Liabilities

The Company is exposed to financial risks from its financial assets and liabilities. The financial risks include market risk relating to commodity prices, interest rates and foreign exchange rates as well as credit and liquidity risk.

Market Risk

Market risk is the risk that the fair value or future cash flows of a derivative will fluctuate because of changes in market prices. Market risk is comprised of commodity price risk, interest rate risk and foreign exchange risk as discussed below.

Commodity Price Risk

The Company is exposed to commodity price risk on crude oil and natural gas revenues as well as power on electricity consumption. As a means to mitigate the exposure to commodity price volatility, the Company has entered into various derivative agreements. The use of derivative instruments is governed under formal policies and is subject to limits established by the Board of Directors.

Crude oil – To partially mitigate exposure to crude oil commodity price risk, the Company enters into option contracts and swaps, which manage the Cdn$ WTI price fluctuations. The Company also enters physical delivery WTI price differential contracts which manage the spread between US dollar WTI and various stream prices.

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

Power – To partially mitigate exposure to electricity price changes, the Company may enter into swaps or fixed price physical delivery contracts which fix the power price.

The following table summarizes the sensitivity of the fair value of the Company's derivative positions as at June 30, 2012 and June 30, 2011 to fluctuations in commodity prices, with all other variables held constant. When assessing the potential impact of these commodity price changes, the Company believes 10 percent volatility is a reasonable measure. Fluctuations in commodity prices potentially could have resulted in unrealized gains (losses) impacting income before tax as follows:

($000s)	Impact on Income Before Tax Three and six months ended June 30, 2012		Impact on Income Before Tax Three and six months ended June 30, 2011	
Commodity price	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Crude oil	(233,432)	236,969	(212,530)	214,564
Natural gas	(1,030)	1,030	(1,720)	1,720
Power	435	(435)	-	-

Interest Rate Risk

The Company is exposed to interest rate risk on bank credit facilities to the extent of changes in the prime interest rate. For the three and six months ended June 30, 2012, a one percent increase or decrease in the interest rate on floating rate debt would have amounted to a $2.3 and $4.6 million, respectively, impact on income before tax.

The Company partially mitigates its exposure to interest rate changes by entering into both interest rate swap and bankers' acceptance transactions. The following sensitivities show the resulting unrealized gains (losses) and the impact on income before tax of the respective changes in the applicable forward interest rates as at June 30, 2012 and June 30, 2011, with all other variables held constant:

($000s)	Impact on Income Before Tax Three and six months ended June 30, 2012		Impact on Income Before Tax Three and six months ended June 30, 2011	
Forward interest rates	Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
Interest rate swaps	936	(936)	1,679	(1,679)

Foreign Exchange Risk

Foreign exchange risk arises from changes in foreign exchange rates that may affect the fair value or future cash flows of the Company's financial assets or liabilities. As the Company operates in North America, fluctuations in the exchange rate between the U.S./Canadian dollars can have a significant effect on reported results. The Company is exposed to foreign exchange risk in relation to its US dollar denominated senior guaranteed notes, investment in U.S. subsidiaries and in relation to its crude oil sales.

Concurrent with the issuance of US$663.0 million senior guaranteed notes, the Company entered into CCIRS with a syndicate of financial institutions. Under the terms of the CCIRS, the US dollar amount of the notes was fixed for purposes of interest and principal repayments at a notional amount of $658.1 million. Concurrent with the issuance of US$30.0 million senior guaranteed notes, the Company entered a cross currency principal swap which fixed the principal repayment at a notional amount of $32.2 million.

The Company partially mitigates its exposure to foreign exchange changes by entering into US dollar swaps. To partially mitigate the foreign exchange risk relating to crude oil sales, the Company has fixed crude oil contracts to settle in Cdn$ WTI.

The following sensitivities show the resulting unrealized gains (losses) and the impact on income before tax of the respective changes in the period end and applicable forward foreign exchange rates at June 30, 2012 and June 30, 2011 with all other variables held constant:

($000s)	Exchange Rate	Impact on Income Before Tax Three and six months ended June 30, 2012		Impact on Income Before Tax Three and six months ended June 30, 2011	
Cdn$ relative to US$		Increase 10%	Decrease 10%	Increase 10%	Decrease 10%
US dollar swaps	Forward	(2,536)	2,536	-	-
US dollar senior guaranteed notes	Period End	70,624	(70,624)	40,983	(40,983)
Cross currency interest rate swaps	Forward	(78,718)	78,718	(49,241)	49,241
Cross currency principal swaps	Forward	(2,400)	2,400	-	-

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. A substantial portion of the Company's accounts receivable are with customers in the oil and gas industry and are subject to normal industry credit risks. The Company monitors the creditworthiness and concentration of credit with customers of its physical oil and gas sales. The Company is authorized to transact derivative contracts with counterparties rated A (or equivalent) or better, based on the lowest rating of the three ratings providers. Should one of the Company's financial counterparties be downgraded below the A rating limit, the Chief Financial Officer will advise the Audit Committee and provide recommendations to minimize the Company's credit risk to that counterparty. The maximum credit exposure associated with accounts receivable is the total carrying amount and the maximum exposure associated with the derivative instruments approximates their fair value.

To further mitigate credit risk associated with its physical sales portfolio, Crescent Point has secured credit insurance from a global credit insurance provider. This policy provides credit coverage for approximately 30 percent of the Company's physical sales portfolio. Crescent Point believes this insurance policy is a prudent component of its formal credit policies and procedures.

Liquidity Risk

The timing of cash outflows relating to the financial liabilities is outlined in the table below:

($000s)	1 year	2 years	3 years	> 3 years	Total
Accounts payable and accrued liabilities	429,639	-	-	-	429,639
Cash dividends payable	28,920	-	-	-	28,920
Derivative liabilities (1)	4,510	3,416	3,158	318	11,402
Senior guaranteed notes (2)	42,541	42,541	130,829	898,240	1,114,151
Bank credit facilities	-	-	1,110,846	-	1,110,846

(1) These amounts are the undiscounted intrinsic value.

(2) These amounts include the notional principal and interest payments pursuant to the CCIRS and cross currency principal swaps, which fix the amounts due in Canadian dollars.

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages its liquidity risk through cash and debt management. As disclosed in Note 13, Crescent Point targets a net average net debt to funds flow from operations ratio of approximately 1.0 times.

In managing liquidity risk, the Company has access to a wide range of funding at competitive rates through capital markets and banks. At June 30, 2012, the Company had available unused borrowing capacity on bank credit facilities of approximately $1.0 billion, including $7.9 million letters of credit drawn on the facility. Crescent Point believes it has sufficient funding to meet its foreseeable spending requirements.

Included in the Company's bank credit facilities balance of $1.1 billion at June 30, 2012 (December 31, 2011 – $566.8 million) are obligations of $1.06 billion (December 31, 2011 – $520.0 million) of bankers' acceptances, obligations of $57.4 million (December 31, 2011 – $52.1 million) for borrowings under the operating and syndicated prime loans, partially offset by prepaid credit facility renewal fees of $4.8 million (December 31, 2011 – $4.1 million) and prepaid interest on bankers' acceptances of $1.8 million (December 31, 2011 – $1.2 million). These amounts are fully supported and management expects that they will continue to be supported by revolving credit facilities that have no repayment requirements until maturity, other than interest.

c) Derivative Contracts

The Company entered into fixed price oil, gas, power, foreign currency, interest rate, cross currency interest rate and cross currency principal contracts to manage its exposure to fluctuations in the price of crude oil, gas, power, foreign exchange and interest on debt.

The following is a summary of the derivative contracts in place as at June 30, 2012**:**

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

Term	Volume (bbls/d)	Average Swap Price ($/bbl)	Average Collar Sold Call Price ($/bbl)	Average Collar Bought Put Price ($/bbl)	Average Bought Put Price ($/bbl)	Average Put Premium ($/bbl)
2012 July – December	40,400	92.30	100.17	84.09	94.70	6.78
2013	34,800	94.51	102.80	86.06	97.70	7.70
2014	22,000	96.96	106.83	88.10	-	-
2015 January – September	9,795	94.90	103.66	88.75	-	-

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

Financial AECO Natural Gas Derivative Contracts – Canadian Dollar [1] Term	Average Volume (GJ/d)	Average Swap Price ($/GJ)
2012 July - December	7,674	5.69
2013	2,740	3.80
2014	2,000	3.25
2015 January - October	2,000	3.25

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

Financial Power Contracts – Canadian Dollar Term	Contract	Volume (MW/h)	Fixed Rate ($/MW/h)
2012 July - December	Swap	3.0	58.00
2013	Swap	3.0	53.00
2014	Swap	3.0	75.00

Foreign Exchange Forward Contracts Settlement Date	Contract	Amount (US$)	Cdn$/US$
July 3, 2012	Forward Purchase	6,000,000	1.0000
August 1, 2012	Forward Purchase	6,000,000	0.9950
September 4, 2012	Forward Purchase	4,000,000	0.9960
October 1, 2012	Forward Purchase	6,000,000	0.9900
November 1, 2012	Forward Purchase	3,000,000	0.9900

Financial Interest Rate Derivative Contracts – Canadian Dollar Term	Contract	Notional Principal ($)	Fixed Annual Rate (%)
July 2012 – May 2015	Swap	25,000,000	2.90
July 2012 – May 2015	Swap	25,000,000	3.50
July 2012 – May 2015	Swap	50,000,000	3.09
July 2012 – June 2015	Swap	50,000,000	3.78
July 2012 – July 2015	Swap	50,000,000	3.63

Financial Cross Currency Interest Rate Derivative Contracts Term	Contract	Receive Notional Principal (US$)	Fixed Annual Rate (US%)	Pay Notional Principal (Cdn$)	Fixed Annual Rate (Cdn%)
July 2012 – March 2015	Swap	37,500,000	4.71	38,287,500	5.24
July 2012 – April 2016	Swap	52,000,000	3.93	50,128,000	4.84
July 2012 – March 2017	Swap	67,500,000	5.48	68,917,500	5.89
July 2012 – April 2018	Swap	31,000,000	4.58	29,884,000	5.32
July 2012 – May 2019	Swap	68,000,000	3.39	66,742,000	4.53
July 2012 – March 2020	Swap	155,000,000	6.03	158,255,000	6.45
July 2012 – April 2021	Swap	82,000,000	5.13	79,048,000	5.83
July 2012 – May 2022	Swap	170,000,000	4.00	166,855,000	5.03

Financial Cross Currency Principal Derivative Contracts Settlement Date	Contract	Receive Notional Principal (US$)	Pay Notional Principal (Cdn$)
May 22, 2022	Swap	30,000,000	32,241,000

Concurrent with the issuance of US$663.0 million senior guaranteed notes, the Company entered into CCIRS with a syndicate of financial institutions. Under the terms of the CCIRS, the US dollar amount of the notes was fixed for purposes of interest and principal repayments at a notional amount of $658.1 million. Concurrent with the issuance of US$30.0 million senior guaranteed notes, the Company entered a cross currency principal swap which fixed the principal repayment at a notional amount of $32.2 million.

20. RELATED PARTY TRANSACTIONS

All related party transactions are recorded at the exchange amount.

During the three and six months ended June 30, 2012, Crescent Point recorded $0.6 million and $1.0 million, respectively, of legal fees in the normal course of business to a law firm of which a partner is the Company's corporate secretary. Crescent Point also recorded less than $0.1 million and $0.3 million during the three and six months ended June 30, 2012, respectively, of legal fees in the normal course of business to a law firm of which a partner is a director of the Company.

During the three and six months ended June 30, 2011, Crescent Point recorded $0.3 million and $0.6 million, respectively, of legal fees in the normal course of business to a law firm of which a partner is a director of the Company.

21. SUPPLEMENTAL DISCLOSURES

Cash Flow Statement Presentation

	Three months ended June 30		Six months ended June 30	
($000s)	**2012**	2011	**2012**	2011
Operating activities				
Changes in non-cash working capital:				
Accounts receivable	**57,453**	32,339	**57,873**	11,963
Prepaids and deposits	**(748)**	122	**153**	516
Accounts payable and accrued liabilities	**(19,210)**	(18,643)	**(112,476)**	10,090
	37,495	13,818	**(54,450)**	22,569
Investing activities				
Changes in non-cash working capital:				
Accounts receivable	**7,966**	3,455	**12,235**	(3,992)
Accounts payable and accrued liabilities	**(118,506)**	(92,231)	**(72,621)**	(79,177)
	(110,540)	(88,776)	**(60,386)**	(83,169)
Financing activities				
Changes in non-cash working capital:				
Cash dividends payable	**(456)**	(809)	**2,814**	(2,596)

22. GEOGRAPHICAL DISCLOSURE

As at June 30, 2012, Crescent Point's non-current assets related to the U.S. foreign operations is $341.5 million (December 31, 2011 – $261.5 million). For the three and six months ended June 30, 2012, Crescent Point's oil and gas revenue related to the U.S. foreign operations is $10.0 million and $16.8 million, respectively (June 30, 2011 - $1.3 million and $2.3 million, respectively).

Directors

Peter Bannister, Chairman (1) (3)

Paul Colborne (2) (4)

Ken Cugnet (3) (4) (5)

Hugh Gillard (1) (2) (5)

Gerald Romanzin (1) (3)

Scott Saxberg (4)

Greg Turnbull (2) (5)

(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

(5) Member of the Corporate Governance and Nominating Committee

Officers

Scott Saxberg
President and Chief Executive Officer

Greg Tisdale
Chief Financial Officer

C. Neil Smith
Vice President, Engineering and
Business Development

Dave Balutis
Vice President, Exploration

Brad Borggard
Vice President, Corporate Planning

Derek Christie
Vice President, Geosciences

Ryan Gritzfeldt
Vice President, Engineering East

Ken Lamont
Vice President, Finance and Treasurer

Tamara MacDonald
Vice President, Land

Trent Stangl
Vice President, Marketing and Investor Relations

Steve Toews
Vice President, Engineering West

Mark Eade
Corporate Secretary

Head Office

Suite 2800, 111 – 5th Avenue S.W.
Calgary, Alberta T2P 3Y6
Tel: (403) 693-0020
Fax: (403) 693-0070
Toll Free: (888) 693-0020

Banker

The Bank of Nova Scotia
Calgary, Alberta

Auditor

PricewaterhouseCoopers LLP
Calgary, Alberta

Legal Counsel

Norton Rose Canada LLP
Calgary, Alberta

Evaluation Engineers

GLJ Petroleum Consultants Ltd.
Calgary, Alberta

Sproule Associates Ltd.
Calgary, Alberta

Registrar and Transfer Agent

Investors are encouraged to contact
Crescent Point's Registrar and Transfer
Agent for information regarding their security holdings:

Olympia Trust Company
2300, 125 – 9th Avenue S.E.
Calgary, Alberta T2G 0P6
Tel: (403) 261-0900

Stock Exchange

Toronto Stock Exchange – TSX

Stock Symbol

CPG

Investor Contacts

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President and Chief Executive Officer
(403) 693-0020

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Chief Financial Officer
(403) 693-0020

Trent Stangl
Vice President, Marketing and Investor Relations
(403) 693-0020