Crew Energy Inc. (TSX-CR) Achieves Record Production and Provides 2011 Guidance

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OPERATIONS UPDATE

Crew Energy Inc. ("Crew" or the "Company") had a very active fourth quarter of 2010, drilling 21 (19.75 net) wells with a 95% success rate. During 2010, Crew drilled a total of 80 (75.15 net) wells with a success rate of 99%. This program resulted in 56 (54.8 net) oil wells, 15 (11.35 net) gas wells, eight (8.0 net) service wells and one (1.0 net) dry and abandoned well. Crew exited 2010 producing approximately 17,650 boe per day, based on field estimates. Fourth quarter production averaged approximately 14,550 boe per day, based on field estimates, representing an 11% increase over the third quarter of 2010. This production level was achieved despite a delay in the completion of the Company's gas plant expansion at Septimus, British Columbia which limited production from the area to the existing 25 mmcf per day capacity of the plant. The Septimus production was offset by increased oil volumes from the Company's Princess, Alberta property in order to achieve the Company's forecasted corporate exit rate.

At Princess, Crew increased production throughout the quarter exiting the year at approximately 8,000 boe per day, which is at the top end of the Company's guidance. The Company drilled 18 (18.0 net) oil wells in the area in the fourth quarter. Initial production rates continue to increase as the 11 (11.0 net) wells that were placed on production in December have current average production per well of 311 boe per day and remain to be fully optimized. To continue capitalizing on the drilling momentum and improving results at Princess, the Company increased its fourth quarter capital program by spudding an additional five wells in December and expanding the area infrastructure to handle the increasing fluid rates.

At Septimus, the Company drilled one (1.0 net) horizontal Montney well and completed three (3.0 net) wells. Average first month production from these three wells is above the current type curve producing an average rate per well of 5.7 mmcf per day (1,030 boe per day) of liquids rich natural gas at high flowing pressures. The production from these wells has allowed the Company to shut in existing producing wells until the Septimus gas plant expansion is complete in order to accommodate these additional production volumes. Crew has completed its earning at Portage, British Columbia and now controls 50% of 64 (32 net) sections of land. The Company has drilled and tested two (1.0 net) horizontal wells at Portage at rates of 1.2 to 4.4 mmcf per day at low flowing pressures.

The Company also participated in a partner operated horizontal well (0.25 net) targeting the Falher formation at Kakwa, Alberta. This well flowed at a test rate of 12.9 mmcf per day at high flowing pressures and is expected to be tied in during the first quarter of 2011. Crew has five (1.25 net) drilling locations on three (0.75 net) prospective sections on this play.

2011 OUTLOOK

The Board of Directors of Crew has approved a 2011 capital budget for the Company of $210 million which includes drilling of 112 net wells with the majority of these wells being drilled at the Company's core oil property at Princess, Alberta. This program is expected to be adequately financed through a combination of cash flow and the Company's expanding bank facility. The 2011 production rate is expected to average between 18,000 and 19,000 boe per day (52% oil and ngl) which at the mid point is an increase of greater than 35% over the estimated 2010 average.

At Princess, 107 (107.0 net) wells are planned which include 68 (68.0 net) horizontal wells, 20 (20.0 net) vertical wells targeting oil, and 19 (19.0 net) service wells. Princess production is expected to exit the year at approximately 12,000 boe per day. An attractive characteristic of the Pekisko reservoir at Princess is that it does not require fracture stimulation. This allows Crew to more effectively control the timing and costs which, recently, has been challenging in North America due to the shortage and rising costs of fracture pumping services. In addition, significant capital is budgeted for a major pipeline and facility expansion to accommodate future production growth.

At Septimus, a minimum of five horizontal wells are planned with production expected to reach 6,000 boe per day during 2011. The Company's previously announced expansion of the Septimus gas processing facility is nearing completion with expected commissioning in early February, 2011.

The accelerated development of Crew's oil play at Princess continues to expand and exhibit exceptional well and production growth. We look forward to continuing this momentum into 2011 and reporting additional 2010 results later in the quarter.

CAUTIONARY STATEMENTS

Forward-looking information and statements

This news release contains certain forward–looking information and statements within the meaning of applicable securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the forgoing, this news release contains forward-looking information and statements pertaining to the following: the Company's planned capital expenditure program, drilling plans, estimated and expected production levels; the volume and product mix of Crew's oil and gas production; future results from operations; future development and exploration activities and related capital expenditures and adequacy of anticipated methods of financing; the number of wells to be drilled and completed and related production expectations; the amount and timing of capital projects; and the expansion of the Septimus facility and timing thereof.

The forward-looking information and statements included in this news release are not guarantees of future performance and should not be unduly relied upon. Such information and statement, including the assumptions made in respect thereof, involve known and unknown risks, uncertainties and *other factors that may cause actual results or events to defer materially from those anticipated in such forward-looking information or statements including, without limitation: changes in commodity prices; changes in the demand for or supply of Crew's products; unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates or other regulatory matters; changes in development plans of Crew or by third party operators of Crew's properties, increased debt levels or debt service requirements; inaccurate estimation of Crew's oil and gas reserve and resource volumes; limited, unfavourable or a lack of access to capital markets; increased costs; a lack of adequate insurance coverage; the impact of competitors; and certain other risks detailed from time-to-time in Crew's public disclosure documents, (including, without limitation, those risks identified in this news release and Crew's Annual Information Form).*

The forward-looking information and statements contained in this news release speak only as of the date of this news release, and Crew does not assume any obligation to publicly update or revise any of the included forward-looking statements or information, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

BOE equivalent

Barrel of oil equivalents or 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.

Crew is a Calgary, Alberta based oil and gas exploration, development and production company whose shares are traded on The Toronto Stock Exchange under the trading symbol "CR".

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