Crew Energy Issues 2012 Second Quarter Financial and Operating Results

August 13, 2012

CALGARY, ALBERTA--(Marketwire - Aug. 13, 2012) - Crew Energy Inc. (TSX:CR) of Calgary, Alberta is pleased to present its operating and financial results for the three and six month periods ended June 30, 2012.

Highlights

- Funds from operations increased 80% over the second quarter of 2011 to $52.0 million while increasing 8% over the first quarter of 2012;
- Funds from operations per share increased 30% to $0.43 per share over the second quarter of 2011 and increased 8% over the first quarter of 2012;
- Second quarter production increased 72% over the same period of 2011 and was 7% lower than the first quarter as the Company shut-in uneconomic natural gas production;
- Production per share increased 22% over the second quarter of 2011;
- The Company's two Princess Pekisko waterfloods have continued to show positive results with production now increasing 110% from the "N" pool and increasing 80% from the "K" pool;
- Drilled and completed the Company's first operated Montney oil well at Tower, British Columbia with first month production of 318 boe per day of which 200 bbls were oil and liquids;
- Operating costs of $11.32 per boe were 7% lower than the first quarter;
- A $25.8 million reduction in net debt during the second quarter led to a decrease of 14% in second quarter debt to annualized funds from operations to 1.8 times.

Financial ($ thousands, except per share amounts)		**Three months ended June 30, 2012**	Three months ended June 30, 2011	**Six months ended June 30, 2012**	Six months ended June 30, 2011
Petroleum and natural gas sales		**99,946**	70,236	**223,021**	131,384
Funds from operations (note 1)		**52,027**	28,891	**100,084**	53,002
Per share	- basic	**0.43**	0.34	**0.83**	0.63
	- diluted	**0.43**	0.33	**0.83**	0.62
Net income		**24,107**	16,261	**17,677**	6,135
Per share	- basic	**0.20**	0.19	**0.15**	0.07
	- diluted	**0.20**	0.19	**0.15**	0.07
Capital expenditures		**30,432**	53,185	**159,175**	128,350
Property acquisitions (net of dispositions)		**(4,290)**	(12,650)	**(4,290)**	(12,289)
Net capital expenditures		**26,142**	40,535	**154,885**	116,061

Capital Structure($ thousands)	**As at June 30, 2012**	As at December 31, 2011
Working capital deficiency (note 2)	**12,094**	92,452
Bank loan	**360,710**	230,676
Net debt	**372,804**	323,128
Current bank facility	**430,000**	430,000
Common Shares Outstanding (thousands)	**120,830**	119,993

Notes:

(1) Funds from operations is calculated as cash provided by operating activities, adding the change in non-cash working capital, decommissioning obligation expenditures and the transportation liability charge. Funds from operations is used to analyze the Company's operating performance and leverage. Funds from operations does not have a standardized measure prescribed by International Financial Reporting Standards and therefore may not be comparable with the calculations of similar measures for other companies.

(2) Working capital deficiency includes only accounts receivable less accounts payable and accrued liabilities.

Operations	**Three months ended June 30, 2012**	Three months ended June 30, 2011	**Six months ended June 30, 2012**	Six months ended June 30, 2011
Daily production				

Conventional oil (bbl/d)	**5,940**	5,458	**6,355**	5,625
Heavy oil (bbl/d)	**6,040**	-	**6,101**	-
Natural gas liquids (bbl/d)	**2,809**	1,369	**2,957**	1,250
Natural gas (mcf/d)	**80,419**	57,698	**83,237**	54,919
Oil equivalent (boe/d @ 6:1)	**28,192**	16,443	**29,286**	16,028
Average prices (note 1)				
Conventional oil ($/bbl)	**70.41**	82.50	**76.11**	75.93
Heavy oil ($/bbl)	**58.95**	-	**65.05**	-
Natural gas liquids ($/bbl)	**56.27**	63.74	**54.58**	61.93
Natural gas ($/mcf)	**2.06**	4.06	**2.20**	4.03
Oil equivalent ($/boe)	**38.96**	46.94	**41.84**	45.29
Netback ($/boe)				
Operating netback (note 2)	**23.33**	22.03	**21.78**	21.15
G&A	**1.68**	1.89	**1.80**	1.94
Interest on bank debt	**1.37**	0.82	**1.21**	0.94
Funds from operations	**20.28**	19.32	**18.77**	18.27
Drilling Activity				
Gross wells	**3**	15	**63**	55
Working interest wells	**1.6**	15.0	**59.4**	54.3
Success rate, net wells	**100 %**	100 %	**97 %**	100 %

Notes:

(1) Average prices are before deduction of transportation costs and do not include hedging gains and losses.

(2) Operating netback equals petroleum and natural gas sales including realized hedging gains and losses on commodity contracts less royalties, operating costs and transportation costs calculated on a boe basis. Operating netback and funds from operations netback do not have a standardized measure prescribed by International Financial Reporting Standards and therefore may not be comparable with the calculations of similar measures for other companies.

Overview

Second quarter operations and drilling activity levels were reduced due to spring break-up. Operations for the second quarter of 2012 included the drilling of three (1.6 net) wells resulting in one oil well at Lloydminster, one (0.3 net) natural gas well in Kakwa, Alberta and one (0.3 net) oil well at Tower, British Columbia.

Production during the quarter averaged 28,192 boe per day (52% liquids) which was 7% below the first quarter of 2012 due to the shut-in of 1,200 boe per day of uneconomic natural gas production, the inability to truck clean oil from single well batteries in Alberta and Saskatchewan and an eight week outage at a third party facility resulting in the curtailment of 700 boe per day of natural gas and associated liquids throughout the quarter.

Financial

Crew's second quarter financial results were highlighted by a strengthening of the Company's financial position as a result of stronger cash flow and lower capital spending. Quarterly cash flow was bolstered by realized risk management gains which offset lower commodity prices. The Company's second quarter commodity pricing continued to weaken as compared to the first quarter of 2012. During the quarter, prices received for the Company's natural gas production dropped 12% to $2.06 per mcf compared to the average price received in the first quarter of $2.34 per mcf.

The Company's conventional and heavy oil prices also experienced decreases, tracking world oil prices as they declined through the second quarter as concerns over Asian growth and the European debt crisis weighed on the market. The average West Texas Intermediate ("WTI") price decreased 8% during the quarter to average $94 per bbl compared to $103 per bbl in the first quarter of 2012. Crew's crude pricing was also impacted by the widening of the differential between WTI pricing and Canadian crude pricing during the quarter. The differential between WTI and the Company's benchmark Western Canadian Select ("WCS") widened from 21% in the first quarter to 24% in the second quarter. During the quarter, Crew's average price received for conventional oil decreased 13% to average $70.41 per bbl and the price received for the Company's heavy oil decreased 17% to $58.95 per bbl as a result of the widening differentials.

Crew significantly curtailed its capital expenditures during the second quarter as activity levels were reduced during spring break-up. The Company spent $30.4 million primarily on completions, well optimization, tie-ins and recompletions of existing wells. Crew also completed certain non-core asset dispositions of primarily undeveloped land in central Alberta for net proceeds of approximately $4.2 million. During the quarter, Crew's net debt decreased to $372.8 million on a $430 million bank facility as the Company's funds from operations exceeded net capital expenditures by approximately $26 million.

The Company continues to actively protect its cash flow by hedging a portion of its future production against volatile commodity prices. Crew currently has hedged approximately 23.3 mmcf per day of natural gas for the period July through December 2012 at a price of approximately $2.00 per mcf and has an additional 21.0 mmcf per day of natural gas hedged for 2013 with an average floor price of $3.18 per mcf. The Company also holds hedges against a significant decline in oil prices with an average of 6,500 barrels per day of WTI oil hedged at an average floor price of $94.04 per barrel for the period July through December 2012 and 3,500 barrels per day of WTI oil hedged at an average floor price of $91.11 per barrel for 2013. In addition, the Company currently holds hedges that fix the differential between WTI and WCS pricing on an average of 2,000 barrels a day at a differential of $15.63 per barrel. During the second quarter, the Company monetized certain 2013 WTI oil hedges resulting in realized hedging gains of $12.1 million.

OPERATIONS UPDATE

Pekisko Play, Princess, Alberta

Activity at Princess focused on the completion and tie-in of our Q1 drilling program. By the end of the second quarter, a total of 15 wells had been brought on production with the remainder to be completed and tested in the third and fourth quarter. Four vertical wells drilled in the first quarter outside existing pool boundaries confirmed the extension of the Pekisko oil trends and further supports our long term inventory of drilling locations. Production averaged 6,850 boe per day for the quarter with production impacted by spring breakup as well as a turnaround at our West Tide Lake facility.

Our Tilley waterfloods continue to show positive response with the Pekisko "N" pool production rate 110% above and the Pekisko "K" pool production rate 80% above pre-waterflood conditions. Crew has initiated injection into three new Alderson waterfloods, and expects to have two West Tide Lake waterfloods on injection in the third quarter and one additional Alderson waterflood in the fourth quarter for a total of six new waterfloods in 2012. Crew plans to drill an additional eight (7.5 net) wells at Princess for the remainder of 2012 to further delineate our large undeveloped land base (86% of 460 net sections are undeveloped).

Heavy Oil, Lloydminster, Saskatchewan

At the end of the second quarter, Crew started the second phase of the Company's 2012 drilling program and drilled one (1.0 net) oil well in the second quarter. The Company plans to drill an additional 10 to 15 wells and continue with the successful recompletion program targeting secondary hydrocarbon zones within existing wellbores. These workovers have very strong economics as capital costs range from $50,000 to $100,000 with results comparable to the drilling, completion and equipping of a new well at a cost of approximately $500,000.

Tower, British Columbia

Crew drilled one (0.33 net) Montney oil well at Tower in the second quarter. Given this well's proximity to the Company's existing infrastructure in the area, Crew was able to bring the well on production immediately following the initial completion. Gross field estimated production for the initial 30 days averaged 318 boe per day comprised of 161 bbls per day 46 API oil, 39 bbls per day of natural gas liquids and 710 mcf per day of natural gas. Crew's first non-operated well at Tower has received the necessary surface land approvals and is expected to be on production in the third quarter. Crew is proceeding with necessary approvals to drill up to eight (6.0 net) additional wells, the timing of which will be determined based on the performance of the first two wells and capital availability.

Septimus/Kobes, British Columbia

At Septimus, Crew diverted a total of 14 wells from the western edge of the Septimus field into the newly acquired six inch Septimus/Tower pipeline which is now connected to the Septimus gas plant. Gathering system pressures were reduced by approximately 1,400 kPa resulting in a three mmcf per day increase in production (27 bbls/mmcf liquids). Crew also has two (2.0 net) Montney horizontal wells drilled in the first quarter for which completions were deferred given the weakness in natural gas prices. The Company is expected to proceed with the completion and tie-in of these wells in the third or fourth quarter. At Kobes, the Company is planning to drill one well late in the year to continue our entire 23 net section land block for an additional ten years.

2012 Guidance

Crew is maintaining its guidance to average production of 28,000 to 29,000 boe per day for 2012. Priority has been given to debt reduction, oil investments and retention of the Company's liquids rich natural gas resource assets. By managing capital expenditures and certain monetization programs, Crew expects to exit the year with approximately $350 to $360 million of net debt while maintaining net capital spending at approximately $225 million. This program is expected to increase average annual production by approximately 6,000 boe per day (25%) year over year and position Crew to continue its growth through 2013 and beyond. With improving natural gas prices, the Company's 3,500 boe per day of shut-in and deferred production is expected to be placed on production assisting in achieving this goal in 2013. Crew has been actively hedging oil and gas production volumes for 2013 which has historically been used to underpin funds from operations in order to maintain a base capital program.

Outlook

Since the Company was founded in 2003, Crew's strategy has been to explore for and develop large oil and gas in place reservoirs where technology can be applied to improve recoveries with a goal to grow the Company's production, funds from operations and reserves on a per share basis. Crew's staff has successfully managed through many commodity cycles and is well prepared and confident in our ability to continue to do the same in the current environment. Capital preservation and balance sheet strength become paramount in a low or volatile commodity price cycle and the $25.8 million of debt reduction in the second quarter is a testament to our resolve to accomplish these goals. As in past commodity price cycles, the current volatile environment has created both challenges and opportunities. Crew will continue to invest in the highest return and most capital efficient projects while retaining the upside for our shareholders on a significant resource of oil, natural gas and natural gas liquids. We look forward to reporting our progress on the 2012 business plan in the third quarter report.

Financial statements and Management's Discussion and Analysis for the three and six month periods ended June 30, 2012 and 2011 will be filed on SEDAR at www.sedar.com and are available on the Company's website at www.crewenergy.com.

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" "forecast" and similar expressions are intended to identify forward-looking information or statements. In particular, but without limiting the foregoing, this news release contains forward-looking information and statements pertaining to the following: the volume and product mix of Crew's oil and gas production; production estimates including 2012 forecast average production; plans to place on production previously shut-in production; future oil and natural gas prices and Crew's commodity risk management programs; future liquidity and financial capacity; projected debt levels including forecast 2012 year end net debt; future results from operations and operating metrics; management's expectations in regards to waterfloods at Princess; future costs, expenses and royalty *rates; future interest costs; the exchange rate between the $US and $Cdn; future development, exploration, acquisition and development activities and related capital expenditures and the timing thereof; the number of wells to be drilled, completed and tied-in and the timing thereof; the amount and timing of capital projects; operating costs; the total future capital associated with development of reserves and resources; and methods of funding our capital program.*

Forward-looking statements or information are based on a number of material factors, expectations or assumptions of Crew which have been used to develop such statements and information but which may prove to be incorrect. Although Crew believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because Crew can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified herein, assumptions have been made regarding, among other things: the impact of increasing competition; the general stability of the economic and political environment in which Crew operates; the timely receipt of any required regulatory approvals; the ability of Crew to obtain qualified staff, equipment and services in a timely and cost efficient manner; drilling results; the ability of the operator of the projects in which Crew has an interest in to operate the field in a safe, efficient and effective manner; the ability of Crew to obtain financing on acceptable terms; field production rates and decline rates; the ability to replace and expand oil and natural gas reserves through acquisition, development and exploration; the timing and cost of pipeline, storage and facility construction and expansion and the ability of Crew to secure adequate product transportation; future commodity prices; currency, exchange and interest rates; regulatory framework regarding royalties, taxes and environmental matters in the jurisdictions in which Crew operates; the ability of Crew to successfully market its oil and natural gas products. Included herein is an estimate of Crew's year-end net debt based on assumptions as to cash flow, capital spending in 2012 and the other assumptions utilized in arriving at Crew's 2012 capital budget. To the extent such estimate constitutes a financial outlook, it is included herein to provide readers with an understanding of estimated capital expenditures and the effect thereof on debt levels and readers are cautioned that the information may not be appropriate for other purposes.

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 statements, 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. Given that the value ratio based on the current price of crude oil as compared to natural gas is significantly different than the energy equivalency of 6:1, utilizing a 6:1 conversion basis may be misleading as an indication of value.

Test Results and Initial Production Rates

A pressure transient analysis or well-test interpretation has not been carried out and thus certain of the test results provided herein should be considered to be preliminary until such analysis or interpretation has been completed. Test results and initial production rates disclosed herein may not necessarily be indicative of long term performance or of ultimate recovery.

Crew is an oil and gas exploration and production company whose shares are traded on The Toronto Stock Exchange under the trading symbol "CR".

Financial statements and Management's Discussion and Analysis for the three and six month periods ended June 30, 2012 and 2011 will be filed on SEDAR at www.sedar.com and are available on the Company's website at www.crewenergy.com.

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