



Crew Energy Announces Strategic Transactions in Northeast British Columbia

December 4, 2012

CALGARY, ALBERTA--(Marketwire - Dec. 4, 2012) - Crew Energy Inc. ("Crew" or the "Company") (TSX:CR) of Calgary, Alberta is pleased to announce two transactions in the Company's British Columbia Montney resource play area of operations.

Through the combination of these two transactions, Crew will increase its Montney land position from 130,748 net acres to over 150,000 net acres. The Company is consolidating Montney lands within the Septimus/Groundbirch corridor proximal to Company infrastructure and reducing the Company's net debt position by approximately \$86 million subject to closing adjustments.

Kobes Transaction

Crew has executed a definitive agreement to sell, for \$108 million prior to closing adjustments, approximately 15,800 net acres of liquids rich Montney land in the Kobes area with current production of approximately 625 boe per day (29% liquids) and one cased horizontal well awaiting completion which was expected to add approximately 1,100 boe per day of production in January 2013. The lands have proved developed producing reserves of 444 mboe, total proved reserves of 3,541 mboe, and proved plus probable reserves of 11,862 mboe as assigned by GLJ Petroleum Consultants as at December 31, 2011. Future development capital of \$112.3 million was attributed to the proved plus probable reserve assignment. This transaction has an effective date of December 1, 2012 and is expected to close by December 28, 2012, subject to satisfaction of standard industry closing conditions.

Septimus/Groundbirch Transaction

The second transaction involves assets that are contiguous to Crew's Septimus area of operation and involves the purchase, for \$22.0 million, of approximately 36,000 net acres of primarily liquids rich Montney rights, current production of 52 boe per day, proved developed producing reserves of 152 mboe, total proved reserves of 1,077 mboe and proved plus probable reserves of 3,280 mboe assigned by GLJ Petroleum Consultants as at December 31, 2011. Future development capital of \$26.1 million was attributed to the proved plus probable reserve assignment. Crew has retained an exclusive option to purchase, by March 15, 2013, an additional 140 sections of land, total proved reserves of 1,850 mboe and proved plus probable reserves of 9,970 mboe, as assigned by GLJ Petroleum Consultants effective December 31, 2011, for \$56 million on the option lands. Future development capital of \$77 million was attributed to the proved plus probable reserve assignment. The bulk of the reserves and land in the option area are in the Altares and Attachie liquids rich areas of the Montney play. This option, if exercised, is expected to close by March 31, 2013.

Transaction Rationale

These transactions are consistent with Crew's strategy of building a significant resource base at a reasonable cost while maintaining a strong balance sheet.

- Crew's balance sheet is improved with an \$86 million net reduction of debt to an estimated year-end total debt forecast of \$294 million assuming completion of both transactions;
- Crew's northeast British Columbia Montney ownership has increased by 16% to over 150,000 net acres. A map of the acreage acquired in the Septimus/Groundbirch transaction will be posted on the Company's website;
- The Kobes lands were purchased by Crew for \$3.4 million resulting in significant value creation from the Kobes transaction;
- A greater concentration of lands proximal to Company infrastructure at Septimus and west Septimus/Groundbirch will result in enhanced economies of scale and improved economics;
- Crew's infrastructure and lands are situated to take advantage of our current "flow east" economic solution or can be re-directed for a "flow west" solution;
- Of the 36,000 net acres acquired in the first phase of the Septimus/Groundbirch transaction, approximately 29,000 net acres are in the "wet gas" window, most of which are in a "sweet spot" with expected yields of 45 to 59 bbls per mmcf of liquids (17% to 32% condensate), 5,700 net acres are within the Montney "oil" window and 1,300 net acres are located within the "dry gas" window;
- The upper Montney at west Septimus/Groundbirch has thicknesses of 450 to 525 feet compared to Septimus at 260 to 450 feet with a total Montney thickness of approximately 800 feet. While no horizontal wells have been drilled on the lands to date, the results from tests on several vertical wells located on the lands and reservoir quality as determined from

petrophysical analysis are similar to vertical tests in significant high deliverability horizontal Montney developments nearby;

- Crew has identified and will continue to pursue additional Montney consolidation opportunities;
- The addition of the prospective lands will require the expansion of the Aux Sable Canada, Crew operated Septimus gas plant.

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: completion of the asset disposition and acquisition and the timing thereof; projected debt levels including forecast 2012 year end net debt after closing of the transactions; future development, exploration, acquisition and development activities and related capital expenditures and the timing thereof; 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: that all conditions to closing of the transactions are satisfied or waived; 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 differ 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.

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

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