



## Crew Energy Inc.- Announces 2012 Year End Reserves

February 21, 2013

CALGARY, ALBERTA--(Marketwire - Feb. 21, 2013) -

Crew Energy Inc. (TSX:CR) of Calgary, Alberta ("Crew" or the "Company") is pleased to announce the results of its independent reserve evaluation for the year ended December 31, 2012 as prepared by Sproule Associates Ltd. ("Sproule").

### 2012 HIGHLIGHTS

- Achieved all-in finding, development and acquisition ("FD&A") costs of \$8.17 per boe on proved plus probable reserves, including changes in future development costs, resulting in a recycle ratio of 2.7 times;
- Achieved finding and development ("F&D") costs of \$11.71 per boe on proved plus probable reserves, including changes in future development costs, resulting in a recycle ratio of 1.9 times;
- Generated a proved plus probable reserve replacement ratio on production of 254% and a proven reserve replacement ratio on production of 193%;
- Proved developed producing reserves increased 50% to 44.7 mmboe after production of 10.2 mmboe and dispositions of 0.5 mmboe, yielding a proved producing F&D cost of \$13.90 per boe;
- Proved reserves increased 31% to 85.1 mmboe after production of 10.2 mmboe and dispositions of 3.5 mmboe. Proved reserves per share increased 11%;
- Proved plus probable reserves increased 28% to 153.0 mmboe after production of 10.2 mmboe and dispositions of 11.9 mmboe. Proved plus probable reserves per share increased 11%;
- Proved plus probable reserves at Crew's Septimus Montney property increased 44% year over year after production. Average probable undeveloped Montney natural gas reserves increased to 3.2 bcf per well from 2.6 bcf per well;
- Proved plus probable reserves at Crew's Deep Basin liquids rich gas property increased 55% year over year after production. This increase is related to the successful 2012 Cardium drilling program and the continued out performance of the Cardium type curve. Sproule has assigned average proved plus probable reserves of 1.8 bcf to 98 locations;
- Proved plus probable reserves at Crew's Princess property increased 7% year over year after production due to the positive response observed at Crew's pools under waterflood; and
- Proved plus probable reserves at Crew's Lloydminster property increased 20% year over year after production as a result of the successful 2012 drilling and recompletion program.

### RESERVES

The reserves data set forth below is based upon an independent reserves assessment and evaluation prepared by Sproule with an effective date of December 31, 2012 (the "Sproule Report"). The following presentation summarizes the Company's crude oil, natural gas liquids and natural gas reserves and the net present values before income tax of future net revenue for the Company's reserves using forecast prices and costs based on the Sproule Report. The Sproule Report has been prepared in accordance with definitions, standards, and procedures contained in the COGE Handbook and NI 51-101.

All evaluations and reviews of future net cash flows are stated prior to any provisions for interest costs or general and administrative costs and after the deduction of estimated future capital expenditures for wells to which reserves have been assigned. It should not be assumed that the estimates of future net revenues presented in the tables below represent the fair market value of the reserves. There is no assurance that the forecast prices and cost assumptions will be attained and variances could be material. The recovery and reserve estimates of our crude oil, natural gas liquids and natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, natural gas and natural gas liquids reserves may be greater than or less than the estimates provided herein. Reserves included herein are stated on a company gross basis (working interest before deduction of royalties without including any royalty interests) unless noted otherwise. In addition to the detailed information disclosed in this news release, more detailed information will be included in the Company's Annual Information Form (the "AIF") which will be filed on the Company's profile at [www.sedar.com](http://www.sedar.com) in due course.

See "Information Regarding Disclosure on Oil and Gas Reserves and Operational Information" for additional cautionary language, explanations and discussions and "Forward Looking Information and Statements" for a statement of principal assumptions and risks that may apply.

### Reserves Summary

In 2012, the Company's total proved plus probable reserves increased to 153.0 mmboe while proved reserves increased to 85.1 mmboe. The year over year growth in proved plus probable reserves was achieved even when including 10.2 mmboe of 2012 production, 11.9 mmboe of dispositions and 6.3 mmboe of negative technical revisions. Of the increase in proved plus probable reserves, pool extensions and improved recoveries accounted for 32.1 mmboe which was concentrated at Crew's Septimus Montney property in northeast British Columbia ("NEBC") and Deep Basin property in

Alberta. Negative technical revisions were concentrated in the Helmet area in the Cordova Embayment in NEBC and the Company's CBM assets in Wimborne. In the 2012 year end Sproule Report, approximately 200 undeveloped locations are booked in Crew's four core areas out of an inventory of over 2500 potential drilling locations.

### Septimus

Proved plus probable reserves increased 44% after production. A majority of this increase occurred in the proved producing category recognizing better type well performance as a result of improved completion techniques and facility enhancements. Average probable undeveloped Montney reserves increased to 3.2 bcf per well from 2.6 bcf per well in Crew's 2011 year end reserves report. Crew currently has 40 locations booked at Septimus at an average proved plus probable reserve booking of 640 mboe per location, with 24 of those locations booked in the proved undeveloped category. Only 15 of Crew's 234 Montney sections have been assigned reserves in the 2012 Sproule Report. The Company also has an outstanding option to purchase an additional 140 sections of Montney rights from a third party.

### Deep Basin

Proved plus probable reserves increased 55% after production. This increase is related to the successful 2012 Cardium drilling program and the continued out performance of the previous year's type curve. Crew currently has 98 Cardium locations booked in the Deep Basin at an average proved plus probable reserve booking of 442 mboe per location, with 64 of those locations booked in the proved undeveloped category.

### Princess

Proved plus probable reserves increased more than 7% after production to 25.8 mmboe. The high production declines observed during the first quarter of 2012, due to well interference on certain pools, resulted in negative technical revisions which were offset by reserve increases due to the positive response observed at Crew's pools under waterflood. Crew currently has 26 locations booked (21 horizontal) at Princess at an average proved plus probable reserve booking of 101 mboe per location, with 21 of those locations booked in the proved undeveloped category.

### Lloydminster

Proved plus probable reserves increased 20% after production, reflecting the successful 2012 drilling and recompletion program. Crew currently has 41 locations booked at Lloydminster at an average proved plus probable reserve booking of 48 mboe per location, with 28 of those locations booked in the proved undeveloped category.

The following table provides summary reserve information based upon the Sproule Report and using the published Sproule (2012-12-31) price forecast.

	Oil <sup>(3)</sup>	Natural Gas Liquids	Natural gas	Barrels of oil equivalent <sup>(2)</sup>
	Gross <sup>(1)</sup>	Gross <sup>(1)</sup>	Gross <sup>(1)</sup>	Gross <sup>(1)</sup>
	(mbbl)	(mbbl)	(mmcf)	(mboe)
Proved				
Producing	11,887	6,422	158,128	44,664
Non-producing	4,282	148	4,369	5,158
Undeveloped	4,449	7,912	137,425	35,265
Total proved	20,617	14,483	299,922	85,087
Probable	14,074	11,312	255,023	67,889
Total proved plus probable	34,691	25,794	554,945	152,976

Notes:

(1) "Gross" reserves means Crew's working interest (operating and non-operating) share before deduction of royalties and without including any royalty interest of the Company.

(2) Oil equivalent amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil.

(3) Includes light, medium, and heavy oils. See the Company's AIF for detailed product type categorization.

(4) May not add due to rounding.

### Reserves Values

The estimated before tax future net revenues associated with Crew's reserves effective December 31, 2012 and based on the Sproule Report and the published Sproule (2012-12-31) future price forecast are summarized in the following table:

(MM\$)	0%	5%	10%	15%	20%
Proved					
Producing	954,230	754,762	629,735	544,376	482,432
Non-producing	154,652	125,142	103,941	88,134	75,983
Undeveloped	475,740	275,874	162,800	93,486	48,451
Total proved	1,584,623	1,155,778	896,475	725,996	606,867
Probable	1,636,656	907,060	581,272	406,645	300,824

Total proved plus probable 3,221,279 2,062,837 1,477,748 1,132,641 907,691

Notes:

(1) The estimated future net revenues are stated before deducting future estimated site restoration costs and are reduced for estimated future abandonment costs and estimated capital for future development associated with the reserves.

(2) See the Company's AIF for the after-tax present values of future net revenue attributed to Crew's reserves.

(3) May not add due to rounding.

**Price Forecast**

The Sproule (2012-12-31) price forecast is summarized as follows:

Year	\$US/\$Cdn Exchange Rate	WTI @ Cushing (US\$/bbl)	Edmonton light crude oil (C\$/bbl)	Western Canada Select (WCS) (C\$/bbl)	Natural gas at AECO/NIT spot (C\$/mmbtu)	Westcoast Station 2 (C\$/mmbtu)
2013	1.001	89.63	84.55	69.33	3.31	3.25
2014	1.001	89.93	89.84	74.57	3.72	3.66
2015	1.001	88.29	88.21	73.21	3.91	3.85
2016	1.001	95.52	95.43	80.17	4.70	4.64
2017	1.001	96.96	96.87	81.37	5.32	5.26
2018	1.001	98.41	98.32	82.59	5.40	5.34
2019	1.001	99.89	99.79	83.83	5.49	5.43
2020	1.001	101.38	101.29	85.08	5.58	5.52
2021	1.001	102.91	102.81	86.36	5.67	5.61
2022	1.001	104.45	104.35	87.66	5.76	5.70
2023	1.001	106.02	105.92	88.97	5.85	5.79
2023 +	1.001	1.5%/yr	1.5%/yr	1.5%/yr	1.5%/yr	1.5%/yr

Notes:

(1) Inflation is accounted for at 1.5% per year.

**Reserves Reconciliation**

The following summary reconciliation of Crew's Gross reserves compares changes in the Company's reserves as at December 31, 2012 to the reserves as at December 31, 2011 based on the Sproule (2012-12-31) future price forecast.

<b>TOTAL PROVED</b>	Oil (mmbbls) <sup>(1)</sup>	NGL's (mmbbls)	Natural Gas (mmcf)	Oil Equivalent (mboe)
<b>Opening Balance</b>	<b>19,830</b>	<b>10,139</b>	<b>273,927</b>	<b>75,624</b>
Extensions & Improved Recovery	1,468	5,624	47,122	14,945
Infill Drilling	1,938	1,175	38,157	9,472
Technical Revisions	1,460	(276)	(14,227)	(1,187)
Discoveries	174	0	0	174
Acquisitions	44	14	2,271	436
Dispositions	0	(1,003)	(15,142)	(3,526)
Economic Factors	(68)	(60)	(2,999)	(627)
Production	(4,228)	(1,130)	(29,186)	(10,223)
<b>Closing Balance</b>	<b>20,617</b>	<b>14,483</b>	<b>299,922</b>	<b>85,087</b>
<b>PROVED PLUS PROBABLE</b>	Oil (mmbbls) <sup>(1)</sup>	NGL's (mmbbls)	Natural Gas (mmcf)	Oil Equivalent (mboe)
<b>Opening Balance</b>	<b>35,218</b>	<b>19,676</b>	<b>494,278</b>	<b>137,274</b>
Extensions & Improved Recovery	2,814	9,771	116,922	32,072
Infill Drilling	2,938	1,272	41,304	11,094
Technical Revisions	(2,378)	(348)	(21,373)	(6,288)
Discoveries	319	0	0	319
Acquisitions	66	39	7,055	1,281
Dispositions	0	(3,407)	(50,718)	(11,860)

Economic Factors	(58	) (78	) (3,336	) (692	)
Production	(4,228	) (1,130	) (29,186	) (10,223	)
<b>Closing Balance</b>	<b>34,691</b>	<b>25,794</b>	<b>554,945</b>	<b>152,976</b>	

Notes:

(1) Includes light, medium, and heavy oils. See the Company's AIF for detailed product type categorization.

(2) May not add due to rounding

### Capital Program Efficiency

During 2012 Crew's capital expenditures (unaudited), net of dispositions, resulted in proved plus probable reserve additions of 25.9 mmboe at a net finding, development and acquisition cost of \$8.17 per boe including changes to future development capital ("FDC"). Proved reserve additions in 2012 were 19.7 mmboe which were added at a net FD&A cost of \$15.00 per boe including changes to FDC.

The efficiency of the Company's capital program for the year ended December 31, 2012 is summarized below.

<b>FD&amp;A costs</b>	<b>Excluding FDC</b>		<b>Including FDC</b>	
(\$thousands)	<b>Proved</b>	<b>Proved + Probable</b>	<b>Proved</b>	<b>Proved + Probable</b>
E & D Capital Expenditures	258,791	258,791	258,791	258,791
E & D Capital Expenditures - change in FDC			167,932	168,815
<b>Total E &amp; D capital expenditures</b>	<b>258,791</b>	<b>258,791</b>	<b>426,723</b>	<b>427,606</b>
Net Acquisition/Disposition	(96,557	) (96,557	) (96,557	) (96,557
Net Acquisition/Disposition - change in FDC			(34,940	) (119,180
Total Net Acquisition/Disposition	(96,557	) (96,557	) (131,497	) (215,737
<b>Total Capital</b>	<b>162,234</b>	<b>162,234</b>	<b>295,226</b>	<b>211,869</b>
E & D Reserve additions (mboe)	22,777	36,504	22,777	36,504
Net Acquisition/Disposition reserves (mboe)	(3,090	) (10,579	) (3,090	) (10,579
<b>Total Reserve additions</b>	<b>19,687</b>	<b>25,925</b>	<b>19,687</b>	<b>25,925</b>

	<b>Excluding FDC</b>		<b>Including FDC</b>	
<b>Finding Costs - \$ per boe</b>	<b>Proved</b>	<b>Proved + Probable</b>	<b>Proved</b>	<b>Proved + Probable</b>
F&D costs - 2012	11.36	7.09	18.74	11.71
F&D costs - 2011	21.62	12.16	23.51	17.88
F&D costs - Three year average	15.87	9.96	19.63	14.47
FD&A costs - 2012	8.24	6.26	15.00	8.17
FD&A costs - 2011	23.95	12.95	27.63	18.37
FD&A costs - Three year average	17.34	10.79	21.37	15.08

<b>Recycle Ratio<sup>(4)</sup></b>	<b>Excluding FDC</b>	<b>Including FDC</b>
<b>2012 F&amp;D Proven</b>	1.9	1.2
<b>2012 F&amp;D Proved plus Probable</b>	3.1	1.9
<b>2012 FD&amp;A Proven</b>	2.7	1.5
<b>2012 FD&amp;A Proved plus Probable</b>	3.5	2.7

<b>Future Development Capital (\$mm)</b>	<b>Total Proved</b>	<b>Total Proved + Probable</b>
2013	119	160
2014	79	135
2015	80	170
2016	121	187
2017	54	78
Remainder	1	1
<b>Total FDC undiscounted</b>	<b>454</b>	<b>731</b>
<b>Total FDC discounted at 10%</b>	<b>371</b>	<b>593</b>

Notes:

(1) 2012 figures include information based on estimated unaudited financial results that may change on the completion of the audited financial statements.

(2) The aggregate of the exploration and development costs incurred in the most recent financial year and the change during that year in estimated future development costs generally will not reflect total finding and development costs related to reserve additions for that year.

(3) Crew calculates finding, development and acquisition costs which incorporate both the costs and associated reserve additions related to acquisitions net of any dispositions during the year. Since acquisitions and divestitures have had a significant impact on Crew's annual reserve replacement costs, the Company believes that FD&A costs provide a meaningful portrayal of Crew's cost structure.

(4) The 2012 recycle ratio is calculated using the Company's 2012 4<sup>th</sup> quarter operating netback of \$22.14 per boe (unaudited) which includes commodity related hedging gains for the period.

## Net Asset Value

The following table provides a calculation of Crew's estimated net asset value at December 31, 2012 based on the estimated future net revenues associated with Crew's proved plus probable reserves before income tax and discounted at 10% as presented in the Sproule Report and including Crew's internal assessment of undeveloped land values.

	5%	10%
	Discount	Discount
(\$ thousands)		
Proved plus probable reserves	2,062,837	1,477,748
Undeveloped Land (note 1)	286,726	286,726
Bank debt as at December 31, 2012 (note 2)	(242,834 )	(242,834 )
Estimated working capital deficiency as at December 31, 2012 (notes 2&3)	(48,522 )	(48,522 )
Proceeds from dilutive stock options	14,569	14,569
<b>Net asset value</b>	<b>2,071,736</b>	<b>1,487,687</b>
Diluted Common shares outstanding (thousands)	124,188	124,188
<b>Net asset value per share</b>	<b>\$ 16.68</b>	<b>\$ 11.98</b>

## Notes:

(1) Based upon an internal evaluation of the fair market value of the Company's undeveloped land holdings as at December 31, 2012, which evaluation was completed principally using industry activity levels, third party transactions and land acquisitions that occurred in proximity to the Company's undeveloped lands during the past year.

(2) Figures include estimated information based on unaudited financial results that may change.

(3) Working capital deficiency includes an estimate of the Company's accounts receivable less accounts payable and accrued liabilities as at December 31, 2012.

## CAUTIONARY STATEMENTS

### Unaudited financial information

*Certain financial and operating information included in this press release for the quarter and year ended December 31, 2012, including finding and development costs and net asset value, are based on estimated unaudited financial results for the quarter and year then ended, and are subject to the same limitations as discussed under Forward Looking Information set out below. These estimated amounts may change upon the completion of audited financial statements for the year ended December 31, 2012 and changes could be material.*

### Information Regarding Disclosure on Oil and Gas Reserves and Operational Information

*Our oil and gas reserves statement for the year ended December 31, 2012, which will include complete disclosure of our oil and gas reserves and other oil and gas information in accordance with NI 51-101, will be contained within our Annual Information Form which will be available on our SEDAR profile at [www.sedar.com](http://www.sedar.com). The recovery and reserve estimates contained herein are estimates only and there is no guarantee that the estimated reserves will be recovered. In relation to the disclosure of estimates for individual properties, such estimates may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation. The Company's belief that it will establish additional reserves over time with conversion of probable undeveloped reserves into proved reserves is a forward-looking statement and is based on certain assumptions and is subject to certain risks, as discussed below under the heading "Forward-Looking Information and Statements".*

*In relation to the disclosure of net asset value ("NAV"), the NAV table shows what is normally referred to as a "produce-out" NAV calculation under which the current value of the Company's reserves would be produced at forecast future prices and costs and do not necessarily represent a "going concern" value of the Company. The value is a snapshot in time and is based on various assumptions including commodity price forecasts and foreign exchange rates that vary over time. It should not be assumed that the future net revenues estimated by Sproule represent the fair market value of the reserves, nor should it be assumed that Crew's internally estimated value of its undeveloped land holdings represent the fair market value of the lands.*

### 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 foregoing, this news release contains forward-looking information and statements pertaining to the following: the recognition of significant additional reserves under the heading "Reserves", the volumes and estimated value of Crew's oil and gas reserves; the life of Crew's reserves; the volume and product mix of Crew's oil and gas production; future oil*

and natural gas prices and Crew's commodity risk management program; future results from operations and operating metrics, and future development, exploration, acquisition and development activities (including drilling plans) and related production and reserves expectations.

*The recovery and reserve estimates of Crew's reserves and resources provided herein are estimates only and there is no guarantee that the estimated reserves or resources will be recovered. In addition, 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 Crew will continue to conduct its operations in a manner consistent with past operations; results from drilling and development activities consistent with past operations; the quality of the reservoirs in which Crew operates and continued performance from existing wells; the continued and timely development of infrastructure in areas of new production; the accuracy of the estimates of Crew's reserve volumes; continued availability of debt and equity financing and cash flow to fund Crew's current and future plans and expenditures; the impact of increasing competition; the general stability of the economic and political environment in which Crew operates; the general continuance of current industry conditions; 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; and the ability of Crew to successfully market its oil and natural gas products.*

*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 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, the early stage of development of some of the evaluated areas; 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 the 6:1 conversion ratio, utilizing the 6:1 ratio may be misleading as an indication of value.*

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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