crew energy inc.

Crew Energy Issues 2012 Fourth Quarter and Annual Financial and Operating Results

March 7, 2013

CALGARY, ALBERTA--(Marketwire - March 7, 2013) - Crew Energy Inc. (TSX:CR) of Calgary, Alberta ("Crew" or the "Company") is pleased to present its financial and operating results for the three month period and year ended December 31, 2012.

Highlights

- Funds from operations in the fourth quarter increased 20% over the prior quarter to $47.1 million or $0.39 per share which was an 18% increase over the prior quarter funds from operations per share;
- Net income in 2012 was $21.5 million or $0.18 per share versus a loss of $130.2 million in 2011;
- 2012 production averaged 27,963 boe per day representing a 25% increase over the 22,452 boe per day produced in 2011;
- Fourth quarter production of 27,027 boe per day was 3% higher than the 26,281 boe per day in the prior quarter;
- Initial drilling of the Mannville at Princess has been successful with the first producing well having an optimized rate after six months of production of 285 bbls per day of oil and the second more recent well with a 30 day rate of 305 bbls per day of oil;
- Completed a well at Kakwa, Alberta which tested at 10.5 mmcf per day with 35 bbls/mmcf of free condensate at a flowing casing pressure of 3,560 psi;
- Previously, Crew released 2012 reserves resulting in finding, development and acquisition costs of $8.17 per boe leading to a recycle ratio of 2.7x while increasing reserves per share by 11%;
- Crew now owns 292 sections and has an option to purchase 81 sections of land in northeast British Columbia on the Montney resource play; and
- Crew strengthened its balance sheet in the fourth quarter reducing debt by $81.3 million over the prior quarter.

Financial ($ thousands, except per share amounts)	**Three months ended December 31, 2012**	Three months ended December 31, 2011	**Year ended December 31, 2012**	Year ended December 31, 2011
Petroleum and natural gas sales	**102,473**	142,063	**417,763**	388,166
Funds from operations (note 1)	**47,110**	64,841	**186,604**	172,103
Per share - basic	**0.39**	0.54	**1.54**	1.69
- diluted	**0.39**	0.54	**1.54**	1.67
Net income (loss)	**21,812**	(148,529)	**21,542**	(130,162)
Per share - basic	**0.18**	(1.24)	**0.18**	(1.28)
- diluted	**0.18**	(1.24)	**0.18**	(1.28)
Capital expenditures	**55,173**	108,854	**258,791**	375,874
Property acquisitions (net of dispositions)	**(86,395)**	(13,203)	**(96,557)**	(25,492)
Net capital expenditures	**(31,222)**	95,651	**162,234**	350,382

Capital Structure ($ thousands)	**As at December 31, 2012**	As at December 31, 2011
Working capital deficiency (note 2)	**48,522**	92,452
Bank loan	**242,834**	230,676
Net debt	**291,356**	323,128
Bank facility	**400,000**	430,000
Common Shares Outstanding (thousands)	**121,620**	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, the transportation liability charge and acquisition costs. 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 and assets held for sale less accounts payable and accrued liabilities.

Operations	**Three months ended December 31, 2012**	Three months ended December 31, 2011	**Year ended December 31, 2012**	Year ended December 31, 2011
Daily production				
Conventional oil (bbl/d)	**5,258**	6,784	**5,792**	5,737
Heavy oil (bbl/d)	**5,644**	6,145	**5,765**	3,221
Natural gas liquids (bbl/d)	**3,294**	2,995	**3,091**	2,035
Natural gas (mcf/d)	**76,983**	84,657	**79,889**	68,756
Oil equivalent (boe/d @ 6:1)	**27,027**	30,034	**27,963**	22,452
Average prices (note 1)				
Conventional oil ($/bbl)	**68.46**	86.34	**72.66**	78.05
Heavy oil ($/bbl)	**60.00**	77.47	**62.93**	70.30
Natural gas liquids ($/bbl)	**47.14**	64.15	**50.06**	62.68
Natural gas ($/mcf)	**3.38**	3.43	**2.54**	3.81
Oil equivalent ($/boe)	**41.21**	51.41	**40.82**	47.37
Netback ($/boe)				
Operating netback (note 2)	**22.14**	26.03	**21.35**	23.61
G&A	**1.83**	1.70	**1.79**	1.72
Interest on bank debt	**1.38**	0.87	**1.31**	0.88
Funds from operations	**18.93**	23.46	**18.25**	21.01
Drilling Activity				
Gross wells	**24**	37	**112**	158
Working interest wells	**24.0**	35.0	**107.2**	154.5
Success rate, net wells	**98 %**	97 %	**98 %**	99 %

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.

2012 OVERVIEW

Crew's fourth quarter was highlighted by the strengthening of the Company's balance sheet through the sale of the Company's 23 sections of Montney lands in the Kobes, British Columbia area for proceeds of $108 million. The sale included the disposition of 625 boe per day of production and 11.9 mboe of proved plus probable reserves. A portion of the proceeds, $22 million, were used to replace the disposed Montney acreage with 56 net sections of Montney lands proximal to the Company's operations in the Septimus/Groundbirch area. With these transactions completed before year end, the Company ended 2012 with total net debt of $291 million representing 1.55 times net debt to annualized fourth quarter funds from operations.

The Company's fourth quarter funds from operations increased, as compared to the third quarter of 2012, to $47.1 million or $0.39 per share. This increase resulted from a 3% quarter over quarter production increase from successful drilling at Lloydminster and Kakwa, Alberta. The increased production was enhanced by a 13% quarter over quarter increase in operating netbacks driven by increased pricing. The Company's price received (excluding hedging gains) for its production increased 8% while total cash costs per boe including royalties, operating costs, transportation, general and administrative and interest costs were consistent with third quarter levels. The Company's net income increased to $21.8 million during the quarter for total net income in 2012 of $21.5 million primarily due to a gain of $70.8 million on the disposition of the Kobes property.

Prices received for the Company's liquids production including conventional oil, heavy oil and natural gas liquids were consistent with those received for third quarter production as the price for West Texas Intermediate ("WTI") oil denominated in Canadian dollars decreased 5% during the quarter compared to the third quarter of 2012. The prices received for the Company's conventional and heavy oil sales correlate closely to the price of Western Canadian Select ("WCS"), which traditionally trades at a discount to WTI. During the fourth quarter the differential between WTI and WCS decreased to 21% from 24% in the third quarter partially offsetting the decline in WTI pricing. Finally, the Company's overall liquids pricing was positively impacted by a 5% increase in the price for the Company's natural gas liquids production. This increase was driven by an increase in prices received for condensate, ethane and propane.

Crew's revenue from natural gas continued to be positively impacted by pricing that outperformed market expectation as above average temperatures experienced in the highly populated eastern regions of Canada and the U.S. resulted in above average power generation demand for natural gas through the summer. This resulted in a smaller than expected inventory build during the summer and drove a positive market sentiment into the early winter heating season. The price for natural gas delivered at the Canadian AECO hub during the fourth quarter averaged $3.26 per mcf, an increase of

41% over the third quarter of 2012. The average price received for Crew's natural gas sales during the fourth quarter was $3.48 per mcf, a 39% increase over the third quarter.

The Company actively protects its cash flow by hedging a portion of its future production. Crew currently has hedged approximately 38.8 mmcf per day of natural gas for 2013 at a price of approximately $3.19 per mcf. The Company also has hedges to protect from a significant decline in oil prices with an average of 5,500 barrels per day of WTI oil hedged at an average floor price of approximately $92.00 per barrel for 2013. In addition, the Company currently has hedges that fix the differential between WTI and WCS pricing on an average of 500 barrels per day for 2013 at a differential of $25 per barrel. Crew has also begun building its hedge position to protect cash flow for 2014. The Company currently has hedged approximately 11.7 mmcf per day of natural gas for 2014 at a price of approximately $3.76 per mcf and 1,750 barrels per day of WTI oil hedged at an average floor price of approximately $96.00 per barrel with additional hedges fixing the differential between WTI and WCS pricing on an average of 1,000 barrels per day for 2014 at an average differential of $22.75 per barrel.

OPERATIONS UPDATE

Septimus, British Columbia

In British Columbia, Crew drilled two (2.0 net) Montney horizontal wells in the fourth quarter including one well at Kobes which was subsequently sold as part of the Kobes disposition announced in December 2012. Total drilling activity for the year was seven (7.0 net) wells targeting liquids rich natural gas in the Montney formation. Production for the fourth quarter averaged approximately 6,400 boe per day as wells brought on in the third quarter of 2012 continued to outperform historical type curves. Crew has announced the acquisition of approximately 115 net sections of land that are adjacent or proximal to our Septimus operating area. The Company plans to drill up to 11 (9.0 net) wells in this area in 2013, commence the expansion of the pipeline infrastructure to the west of Septimus, install the fourth compressor at the Crew operated Septimus facility boosting processing capacity to 60 to 65 mmcf per day and install a water handling and disposal system in the area that is expected to reduce operating costs.

Tower, British Columbia

At Tower, the initial Montney oil well (Crew 33% working interest) completed in the third quarter of 2011 was brought on continuous production at an average rate (latest 60 days) of 310 boe per day consisting of 210 bbls per day of oil, 20 bbls per day of ngl and 490 mmcf per day of natural gas. Crew has included capital in the 2013 program to drill two Montney oil wells at Tower and currently has licensed eight (5.3 net) wells.

Deep Basin, Alberta

In the Deep Basin, Crew drilled one (1.0 net) Falher horizontal well at Kakwa which tested at average production rates of 10.5 mmcf per day with 35 bbl/mmcf free condensate at a flowing casing pressure of 3,560 psi at the end of an 11 day production test period. The well was brought on production at a restricted rate due to capacity limitations at third party facilities. In total for the year, Crew drilled nine (7.2 net) wells primarily targeting liquids rich natural gas in the Cardium formation on Crew's Elmworth and Kakwa lands. In the fourth quarter of 2012, production averaged approximately 4,800 boe per day with Cardium horizontal well performance exceeding historical type curves allowing the Company to exit the year producing approximately 6,000 boe per day.

Pekisko Play - Princess, Alberta

In the fourth quarter, Crew drilled 13 (13.0 net) wells for a total of 51 (51.0 net) wells for the year. In addition to the Company's ongoing Pekisko development, Crew drilled two Mannville horizontal wells on Crown land which were brought on production in 2012 with an optimized rate after six months of production of 285 bbls of oil per day and the second more recent well with a 30 day rate of 305 bbls of oil per day. Crew has approximately 55 net sections of Crown rights in the Princess area and is in the process of delineating the extent of the Mannville potential on Company lands. Production at Princess for the fourth quarter averaged approximately 5,900 boe per day consistent with the third quarter as the combination of production from new wells and the early impact from our waterflood projects have offset historical production declines in the order of 35 to 40%. Current production at Princess is 6,000 to 6,500 boe per day.

Pekisko Secondary Recovery

In the fourth quarter, Crew initiated waterflooding of the Pekisko "DD" pool bringing the total to eight pools currently under waterflood. The original Tilley Pekisko "K" and "N" pools have consistently exceeded expectations with current oil production levels 254% and 176%, respectively, above pre-waterflood levels (waterfloods initiated in January 2010 and July 2011, respectively). At Alderson the Pekisko "M", "KK" and "HH" have been under waterflood since July 2012 and have shown positive initial response with gas oil ratio reductions of up to 70% over pre-waterflood levels and some early flush oil production. At West Tide Lake the Pekisko "CC" and "KK" pools have been under waterflood since September 2012, and are showing indications of initial response through reduction in the gas oil ratio on the order of 27% on a combined basis. In aggregate, the eight pools under waterflood represent approximately 25% of the currently developed Pekisko resource (approximately 16% of Crew's Pekisko land base is currently developed).

Heavy Oil, Lloydminster, Saskatchewan

Crew drilled eight gross (8.0 net) wells in the Lloydminster area in the fourth quarter of 2012 for a total of 44 gross (41.8 net) wells for the year. At Neilburg, Crew began delineation of an undeveloped Colony sand prospect by drilling two vertical wells. Both wells have exceeded our type curves with optimized initial production rates of 85 and 65 bbls of oil per day based on a 30 day average. Crew has identified up to 18 additional locations on the lands. At Wildmere, three horizontal wells were drilled targeting both the General Petroleum and Lloydminster formations with initial production rates (60 day average) of 90 bbls of oil per day on average. Crew will be pursuing additional development on this play with three horizontal wells targeted for the first quarter of 2013. Capital efficiencies for the fourth quarter capital program were again consistent with the previous three quarters at $14,200/boe per day (30 day initial production) with an average for the year of $15,600/boe per day. Production for the fourth quarter of 2012 averaged approximately 5,800 boe per day, an increase of 8% from the third quarter on the strength of the Company's successful capital program in the area.

OUTLOOK

Crew is maintaining its forecasted average production of 27,500 to 28,500 boe per day in 2013. The first quarter has been very active with the Company operating up to six drilling rigs and expecting to drill 35 wells. Crew will continue to invest in projects that provide near term funds flow with the highest rates of return in addition to resource capture initiatives at a reasonable cost. As a result, approximately 87% of the wells planned in 2013 are targeting oil while acquisition targets have focused on scalable resource. The Company has recognized a window of opportunity to consolidate a dominant Montney land position in northeast British Columbia and has acted quickly and decisively to secure this opportunity. Crew now owns 292 sections in the northeast British Columbia Montney resource play and has an option to purchase another 81 sections. The Company believes the accumulation of these assets will prove to add significant value over time.

Crew expects to spend approximately $70 million on exploration and development activities in the first quarter out of an approved $219 million annual exploration and development capital budget. With the recent acquisition of 59 sections of land in northeast British Columbia on the regional Montney resource complex for $20 million, estimated net debt at the end of the first quarter is currently forecast to be $340 to $350 million or 1.8 times annualized fourth quarter 2012 funds from operations.

Crew's 2012 program was executed successfully with a finding, development and acquisition cost of $8.17 per boe yielding a corporate recycle rate of 2.7 times. We were able to reduce our net debt by $31.8 million and increase reserves by 11% per share over 2011. The Company will continue to be disciplined in its capital allocation and capital spending with a focus on the efficient execution of our capital program.

We would like to thank our employees, consultants and Board of Directors for their hard work and dedication in contributing to Crew's success in 2012. On behalf of our Crew, we would like to express our sincere appreciation for the continued supported of our shareholders. We look forward to a very exciting year and reporting our first quarter 2013 results in May.

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 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; year-end production; future oil and natural gas prices and Crew's commodity risk management programs; future liquidity and financial capacity; estimated first quarter net debt; future results from operations and operating metrics; 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 including new infrastructure; operating costs; the potential of the Montney resource play.

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; ability to improve upon historical recovery factors.

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".

A complete copy of the Company's consolidated financial statements and Management's Discussion and Analysis for the years ended December 31, 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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