



## Crew Energy Announces Closing the Acquisition of British Columbia Montney Acreage

July 9, 2013

CALGARY, ALBERTA--(Marketwired - July 9, 2013) -

Crew Energy Inc. ("Crew" or the "Company") (TSX:CR) of Calgary, Alberta is pleased to announce that it has closed the acquisition of the third tranche of Montney acreage in British Columbia for a purchase price of \$35.2 million.

### Third Tranche Highlights

- Acquisition of 81 sections of highly prospective Montney acreage proximate to Crew's existing 292 sections.
- The 18 section portion in the Altares area, as evaluated by Sproule Associates Ltd. ("Sproule") effective May 31, 2013, has a proved and proved plus probable reserve assignment of 2.0 mmboe and 7.6 mmboe, respectively.
- The net present value of the reserves at Altares discounted at 10% is \$19.4 million for the proved reserves and \$76.6 million for the proved plus probable reserves.
- An updated post acquisition independent resource evaluation by Sproule assigns a Total Petroleum Initially in Place ("TPIIP") of 91 TCFE on Crew's aggregated northeast British Columbia Montney acreage, up from the previously announced 76 TCFE.

### OVERVIEW

The closing of the third tranche of Crew's Montney acquisition is consistent with the Company's consolidation efforts in the Greater Septimus area and continues to build on Crew's significant Montney position. The strategic location and importance of this world class Montney play positions Crew for a methodical exploitation of this resource over the next five to ten years. An updated map of the Company's Montney acreage is posted on the Company's website at [www.crewenergy.com](http://www.crewenergy.com).

### MONTNEY RESOURCE EVALUATION

*The following discussion is subject to a number of cautionary statements, assumptions and risks as set forth therein. See "Information Regarding Disclosure on Oil and Gas Reserves, Resources and Operational Information" for additional cautionary language, explanations and discussion and "Forward Looking Information and Statements" for a statement of principal assumptions and risks that may apply. See also "Definitions of Oil and Gas Resources and Reserves". The discussion includes reference to TPIIP, DPIIP, UPIIP and Contingent Resources per the Sproule Associates Ltd. ("Sproule") Resources Evaluation effective as at May 1, 2013, prepared in accordance with the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook"). Unless indicated otherwise in this news release, all references to Contingent Resource volumes are Best Estimate Contingent Resource volumes.*

Sproule was engaged to conduct an updated independent Montney Resource Evaluation of Crew's 373 net Montney sections located in Northeast British Columbia ("NEBC"). The update includes the third tranche of Crew's acquired lands (the "Acquisition Lands") effective as of May 1, 2013 as well as Crew's previous Montney Resource Evaluation announced on May 13, 2013 (collectively, the "Resource Evaluation"). The Resource Evaluation confirms the development and resource potential on 100 percent of Crew's Montney land base.

The following tables summarize the results of the updated Resource Evaluation including the third tranche of the Acquisition Lands:

<b>Natural Gas Resource Categories</b> <sup>(1)(2)</sup>	<b>Tcf</b>
Total Petroleum Initially In Place (TPIIP)	<b>44.6</b>
Discovered Petroleum Initially In Place (DPIIP)	<b>15.8</b>
Undiscovered Petroleum Initially In Place (UPIIP)	<b>28.8</b>

(1) All volumes in table are company gross and raw gas volumes.

(2) Sproule's analysis identified four intervals in the Montney consisting of one interval in the Upper Montney and three intervals in the Lower Montney.

<b>Oil Resource Categories</b> <sup>(1)(2)(3)</sup>	<b>Mmbbls</b>
Total Petroleum Initially In Place (TPIIP)	<b>7,812.5</b>
Discovered Petroleum Initially In Place (DPIIP)	<b>880.0</b>
Undiscovered Petroleum Initially In Place (UPIIP)	<b>6,932.5</b>

(1) All volumes in table are company gross.

(2) The oil volumes are quoted as Stock Tank Barrels ("STB").

(3) Sproule's analysis identified four intervals in the Montney consisting of one interval in the Upper Montney and three intervals in the Lower Montney.

#### **Reserves and Contingent Resources <sup>(1)(2)</sup> Best Estimate**

##### **Natural Gas (Tcf)**

Reserves <sup>(3)</sup> **0.3**

Contingent Resources <sup>(6)</sup> **3.2**

##### **Natural Gas Liquids (mmbbls) <sup>(4)(5)</sup>**

Reserves <sup>(3)</sup> **8.7**

Contingent Resources <sup>(6)</sup> **142.5**

##### **Oil (mmbbls)**

Reserves <sup>(3)</sup> **0.3**

Contingent Resources **7.7**

(1) All DPIIP other than cumulative production, reserves, and Contingent Resources has been categorized as unrecoverable at this time.

(2) All volumes in table are company gross and sales volumes.

(3) For reserves, the volume under the heading Best Estimate are proved plus probable reserves. The third tranche acquisition effective May 31, 2013 was added to the previously disclosed reserves evaluated at December 31, 2012.

(4) The liquid yields are based on average yield over the producing life of the property.

(5) Liquid yields are unique to each area. They are estimated based on gas composition of gas samples in the area and expected plant recoveries.

(6) Project economic Status is currently undetermined. There is no certainty that it will be commercially viable to produce any of the resources.

#### **Prospective Resources <sup>(1)(2)</sup> Best Estimate**

Natural gas (Tcf) **4.2**

Natural gas liquids (mmbbls) **174.6**

Oil (mmbbls) **17.8**

(1) All UPIIP other than Prospective Resources has been categorized as unrecoverable at this time.

(2) All volumes in table are company gross and sales volumes.

Based upon the foregoing analysis and Crew's expertise in the Montney formation in NEBC, it is expected that significant additional reserves will be developed in the future with continued drilling success on currently undeveloped Montney acreage together with further development, completion refinements and improved economic conditions. Additional drilling, completion, and test results are required before Crew can commit to development and these contingent resources can be converted to reserves and a larger component of Prospective Resources is converted to Contingent Resource.

#### **Definitions of Oil and Gas Resources and Reserves**

Reserves are estimated remaining quantities of oil and natural gas and related substances anticipated to be recoverable from known accumulations, as of a given date, based on the analysis of drilling, geological, geophysical and engineering data; the use of established technology; and specified economic conditions, which are generally accepted as being reasonable. Reserves are classified according to the degree of certainty associated with the estimates as follows:

**Proved Reserves** are those reserves that can be estimated with a high degree of certainty to be recoverable. It is likely that the actual remaining quantities recovered will exceed the estimated proved reserves.

**Probable Reserves** are those additional reserves that are less certain to be recovered than proved reserves. It is equally likely that the actual remaining quantities recovered will be greater or less than the sum of the estimated proved plus probable reserves.

**Possible Reserves** are those additional reserves that are less certain to be recovered than probable reserves. It is unlikely that the actual remaining quantities recovered will exceed the sum of the estimated proved plus probable plus possible reserves.

**Cumulative Production** is the cumulative quantity of petroleum that has been recovered at a given date.

**Resources** encompasses all petroleum quantities that originally existed on or within the earth's crust in naturally occurring accumulations, including Discovered and Undiscovered (recoverable and unrecoverable) plus quantities already produced. "Total resources" is equivalent to "Total Petroleum Initially-In-Place". Resources are classified in the following categories:

**Total Petroleum Initially-In-Place ("TPIIP")** is that quantity of petroleum that is estimated to exist originally in naturally occurring accumulations. It includes that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations, prior to production, plus those estimated quantities in accumulations yet to be discovered.

**Discovered Petroleum Initially-In-Place ("DPIIP")** is that quantity of petroleum that is estimated, as of a given date, to be contained in known accumulations prior to production. The recoverable portion of discovered petroleum initially in place includes production, reserves, and contingent resources; the remainder is unrecoverable.

**Contingent Resources** are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations using established technology or technology under development but which are not currently considered to be commercially recoverable due to one or more contingencies. Contingencies may include such factors as economic, legal, environmental, political and regulatory matters or a lack of markets. It is also appropriate to classify as Contingent Resources the estimated discovered recoverable quantities associated with a project in the early evaluation stage.

**Undiscovered Petroleum Initially-In-Place ("UPIIP")** is that quantity of petroleum that is estimated, on a given date, to be contained in accumulations yet to be discovered. The recoverable portion of undiscovered petroleum initially in place is referred to as "prospective resources" and the remainder as "unrecoverable."

**Prospective Resources** are those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects. Prospective resources have both an associated chance of discovery and a chance of development.

**Unrecoverable** is that portion of DPIIP and UPIIP quantities which is estimated, as of a given date, not to be recoverable by future development projects. A portion of these quantities may become recoverable in the future as commercial circumstances change or technological developments occur; the remaining portion may never be recovered due to the physical/chemical constraints represented by subsurface interaction of fluids and reservoir rocks.

**Uncertainty Ranges** are described by the Canadian Oil and Gas Evaluation Handbook as low, best, and high estimates for reserves and resources. The **Best Estimate** is considered to be the best estimate of the quantity that will actually be recovered. It is equally likely that the actual remaining quantities recovered will be greater or less than the best estimate. If probabilistic methods are used, there should be at least a 50 percent probability (P50) that the quantities actually recovered will equal or exceed the best estimate.

#### **Information Regarding Disclosure on Oil and Gas Reserves, Resources and Operational Information**

*All amounts in this news release are stated in Canadian dollars unless otherwise specified. Throughout this press release, the terms Boe (barrels of oil equivalent), Mmboe (millions of barrels of oil equivalent), and Tcfe (trillion cubic feet of gas equivalent) are used. Such terms when used in isolation, may be misleading. Where applicable, natural gas has been converted to barrels of oil equivalent ("BOE") based on 6 Mcf:1 BOE and oil and liquids have been converted to natural gas equivalent on the basis of 1 bbl:6 mcf. The BOE rate is based on an energy equivalent conversion method primarily applicable at the burner tip, and 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 conversion ratio may be misleading as an indication of value. The BOE rate is based on an energy equivalent conversion method primarily applicable at the burner tip and does not represent a value equivalent at the wellhead. In accordance with Canadian practice, production volumes and revenues are reported on a company gross basis, before deduction of Crown and other royalties, unless otherwise stated. Unless otherwise specified, all reserves volumes and net present value of reserves in this news release (and all information derived therefrom) are based on "company gross reserves" using forecast prices and costs. Our oil and gas reserves statement for the year-ended December 31, 2012 includes complete disclosure of our oil and gas reserves and other oil and gas information in accordance with NI 51-101, and is contained within our Annual Information Form which is available on our SEDAR profile at [www.sedar.com](http://www.sedar.com).*

*This news release contains references to estimates of oil and gas classified as TPIIP and DPIIP in the Montney region in northeastern British Columbia which are not, and should not be confused with, oil and gas reserves. See "Definitions of Oil and Gas Resources and Reserves". TPIIP, DPIIP and UPIIP have been estimated using a zero percent porosity cutoff.*

*Projects have not been defined to develop the resources in the Evaluated Areas as at the evaluation date. Such projects, in the case of the Montney resource development, have historically been developed sequentially over a number of drilling seasons and are subject to annual budget constraints, Crew's policy of orderly development on a staged basis, the timing of the growth of third party infrastructure, the short and long-term view of Crew on gas prices, the results of exploration and development activities of Crew and others in the area and possible infrastructure capacity constraints. As with any resource estimates, the evaluation will change over time as new information becomes available.*

*Prospective Resources have not been risked for chance of discovery. There is no certainty that any portion of the Prospective Resources will be discovered. The Prospective and Contingent Resources have not been risked for chance of development. There is no certainty that it will be commercially viable to produce any portion of the Prospective (if discovered) or Contingent Resources. The Contingent Resource contingencies are identified as economic or non-technical, there are no technical contingencies. Significant positive factors are historic drilling success and production history on the more fully developed Montney acreage, abundant well log and production test data. Potential negative factors include lack of long term production history over the majority of Crew lands, lack of infrastructure, potential for variations in the quality of the Montney formation where minimal well data currently exists, access to the substantial amount of capital which would be required to develop the resources, low commodity prices that would curtail the economics of development and the future performance of wells, regulatory approvals, access to the required services at the appropriate cost and topographic or surface restrictions.*

*Crew's belief that it will establish significant additional reserves over time with the conversion of Prospective Resource into Contingent Resource, Contingent Resource into probable reserves and probable 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".*

#### **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; the recognition of significant resources under the heading "Montney Resource Evaluation"; future oil and natural gas prices and Crew's commodity risk management programs; future liquidity and financial capacity; future results from operations; 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. There are a number of assumptions associated with the potential of resource volumes assigned to the Evaluated Areas including the quality of the Montney reservoir, future drilling programs, continued performance from existing wells and performance of new wells, the growth of infrastructure, well density per section, and recovery factors and discovery and development necessarily involves known and unknown risks and uncertainties, including those identified in this press release.*

*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; the early stage of development of some areas in the Evaluated Areas; the potential for variation in the quality of the Montney formation; 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.*

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

Crew Energy Inc.  
Dale Shwed  
President and C.E.O.  
(403) 231-8850

Crew Energy Inc.  
John Leach  
Senior Vice President and C.F.O.  
(403) 231-8859

Crew Energy Inc.  
Rob Morgan  
Senior Vice President and C.O.O.  
(403) 513-9628

[www.crewenergy.com](http://www.crewenergy.com)