Crew Energy Inc. Announces Third Quarter 2017 Financial and Operating Results

November 2, 2017

CALGARY, Alberta, Nov. 02, 2017 (GLOBE NEWSWIRE) -- Crew Energy Inc. (TSX:CR) ("Crew" or the "Company") is pleased to announce our operating and financial results for the three and nine month periods ended September 30, 2017. Our Financial Statements and Notes, as well as Management's Discussion and Analysis ("MD&A") for the three and nine month periods ended September 30, 2017 are available on Crew's website and filed on SEDAR.

Q3 HIGHLIGHTS

- Funds from operations totaled $25.0 million ($0.17 per fully diluted share) in the third quarter, a 21% per share improvement over the second quarter of 2017, despite a 27% decrease in natural gas prices. All-in cash costs of $13.44 per boe were 13% lower than the second quarter of 2017 which helped to offset the impact of lower natural gas prices.

- Production for the quarter averaged 23,251 boe per day, reflecting the Company's decision to hold back approximately 2,600 boe per day of Northeast British Columbia ("NE BC") natural gas sales volumes that were exposed to weak Canadian spot pricing. Current production is 28,000 boe per day which is forecasted to ramp up to 31,000 boe per day by year end once the West Septimus plant expansion is complete.

- Crew drilled 13 (12.3 net) Montney wells and completed 16 (16.0 net) wells in NE BC during the third quarter, including 14 (14.0 net) wells at our liquids-rich Greater Septimus area, which will result in an inventory of 13 (11.2 net) drilled and uncompleted wells ("DUCs") and three (3.0 net) wells in various stages of completion and tie-in by the end of 2017.

- During the third quarter, Crew completed three ultra condensate-rich wells and after a ten day flow back period were on production at an average per well rate of 1,445 boe per day, comprised of 4.3 mmcf per day of raw gas with 824 bbls per day of wellhead condensate for an average condensate-gas ratio of 192 bbls per mmcf.

- Crew completed two wells in the transition zone between the liquids-rich and ultra condensate-rich areas of West Septimus which, after a ten-day flow back period, were producing at an average per well rate of 1,340 boe per day, comprised of 5.6 mmcf per day of raw gas and 420 bbls per day of condensate for an average condensate-gas ratio of 75 bbls per mmcf.

- Operationally, Crew was very active in the third quarter with capital expenditures of $89.9 million. This accelerated program, aided by exceptional weather conditions, allowed the Company to advance completion operations while natural gas prices were low in advance of the new gas contract year that starts on November 1st. The majority of Crew's completion operations were conducted in the third and early fourth quarters where producing wells were shut-in proximal to completion operations which impacted production but had less effect on funds from operations due to low prices.

- Expansion of the West Septimus facility to 120 mmcf per day continued during the quarter with total costs tracking under budget. Final tie-in work was completed during a twelve day shut-down of the plant early in the fourth quarter in preparation for an anticipated on-stream timeframe in mid-November.

- Crew's financial flexibility continued through the end of the third quarter, with $339.5 million in net debt which includes $300 million of senior notes due 2024, and $31.7 million drawn on our $235 million bank facility, leaving the facility 87% undrawn.

FINANCIAL & OPERATING HIGHLIGHTS:

FINANCIAL ($ thousands, except per share amounts)	**Three months ended Sept. 30, 2017**	Three months ended Sept. 30, 2016	**Nine months ended Sept. 30, 2017**	Nine months ended Sept. 30, 2016
Petroleum and natural gas sales	**47,824**	47,093	**154,008**	119,668
Funds from operations[(1)]	**24,970**	23,033	**74,042**	50,795
Per share - basic	**0.17**	0.16	**0.50**	0.36

- diluted	**0.17**	0.16	**0.49**	0.35
Net income /(loss)	**2,127**	(1,286)	**32,063**	(24,986)
Per share - basic	**0.01**	(0.01)	**0.22**	(0.17)
- diluted	**0.01**	(0.01)	**0.21**	(0.17)
Exploration and Development expenditures	**90,069**	37,731	**201,889**	70,590
Property acquisitions (net of dispositions)	**(144)**	(98)	**(46,197)**	874
Net capital expenditures	**89,925**	37,633	**155,692**	71,464

Capital Structure ($ thousands)	**As at** **Sept. 30, 2017**	As at Dec. 31, 2016
Working capital deficiency[2]	**14,306**	10,006
Bank loan	**31,696**	88,036
	46,002	98,042
Senior Unsecured Notes	**293,546**	147,329
Total Net Debt	**339,548**	245,371
Current Debt Capacity[3]	**535,000**	385,000
Common Shares Outstanding (thousands)	**148,956**	146,812

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 accretion of deferred financing 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. See "Non-IFRS Measures" contained within Crew's MD&A.
(2) Working capital deficiency includes cash and cash equivalents plus accounts receivable less accounts payable and accrued liabilities.
(3) Current Debt Capacity reflects the bank facility of $235 million plus $300 million in senior unsecured notes outstanding.

Operations	**Three months ended Sept. 30, 2017**	Three months ended Sept. 30, 2016	**Nine months ended Sept. 30, 2017**	Nine months ended Sept. 30, 2016
Daily production				
Light crude oil (bbl/d)	**553**	210	**528**	266
Heavy crude oil (bbl/d)	**1,902**	2,489	**1,846**	2,550
Condensate (bbl/d)	**2,102**	2,013	**1,856**	1,920
Other ngl (bbl/d)	**1,686**	1,603	**1,491**	1,411
Natural gas (mcf/d)	**102,046**	101,378	**99,577**	101,110
Total (boe/d @ 6:1)	**23,251**	23,211	**22,317**	22,999
Average prices [1]				
Light crude oil ($/bbl)	**52.47**	50.28	**56.66**	44.69
Heavy crude oil ($/bbl)	**43.91**	36.88	**43.95**	31.07
Condensate ($/bbl)	**52.71**	44.98	**58.41**	46.32
Other natural gas liquids ($/bbl)	**23.71**	6.49	**20.29**	6.43
Natural gas ($/mcf)	**2.51**	3.04	**3.16**	2.45
Oil equivalent ($/boe)	**22.36**	22.05	**25.28**	18.99

Notes:

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

	Three months ended Sept. 30, 2017	Three months ended Sept. 30, 2016	**Nine months ended Sept. 30, 2017**	Nine months ended Sept. 30, 2016
Netback ($/boe)				
Revenue	**22.36**	22.05	**25.28**	18.99
Royalties	**(1.43)**	(1.28)	**(1.88)**	(1.06)
Realized commodity hedging gain	**2.76**	0.99	**1.03**	1.99

Operating costs	**(5.86)**	(5.66)	**(5.78)**	(6.05)
Transportation costs	**(2.18)**	(2.02)	**(2.39)**	(2.30)
Operating netback (1)	**15.65**	14.08	**16.26**	11.57
G&A	**(1.29)**	(1.25)	**(1.43)**	(1.43)
Interest on long-term debt	**(2.68)**	(2.05)	**(2.67)**	(2.08)
Funds from operations	**11.68**	10.78	**12.16**	8.06
Drilling Activity				
Gross wells	**13**	8	**35**	13
Working interest wells	**12.3**	7.0	**34.3**	12.0
Success rate, net wells (%)	**100%**	100%	**97%**	100%

Notes:

(1) 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. See "Non-IFRS Measures" contained within Crew's MD&A.

OVERVIEW

The third quarter of 2017 was an active period operationally for Crew, as we moved towards the completion of our West Septimus facility expansion to 120 mmcf per day and put greater emphasis on the development of our ultra liquids-rich area at Greater Septimus. Crew's accelerated drilling and completions program, which began late in the second quarter, continued into the third quarter as we were able to capitalize on exceptionally dry summer weather leading to operational efficiencies. Work continued in the third quarter on the expansion of our West Septimus facility, with final tie-in work completed during a shut-down of the plant in October. On November 1st, with the start of the new gas contract year, Crew had 28,000 boe per day of production on-line, approximately 1,500 boe per day of production shut-in due to low regional gas prices in NE BC and over 3,000 boe per day expected to be brought on-line following the commissioning of the West Septimus facility expansion. A total of $89.9 million was invested during the quarter largely directed to liquids-rich drilling and completions activities coupled with our major infrastructure projects.

Crew's third quarter production averaged 23,251 boe per day, which was an increase of 14% over the previous quarter. Production during the period was impacted by the Company's decision to limit NE BC natural gas sales volumes exposed to extremely weak spot Canadian pricing, as we elected to produce only those volumes processed and transported under firm contracts and previously dedicated to markets with prices significantly above Canadian spot prices. The impact of this decision was a reduction in third quarter production of approximately 2,600 boe per day resulting in quarterly volumes below previous guidance of 24,500 to 26,500 boe per day. Although production was affected, Crew's funds from operations were positively impacted by approximately $1 million, while preserving approximately 230,000 boe of production. These production volumes continued to be shut-in through October awaiting improved Canadian spot natural gas pricing.

Crew anticipates that challenges experienced in the first quarter of 2017 related to services procurement and cost escalation will be encountered again in the first quarter of 2018. To mitigate these challenges and take advantage of the favourable operating environment, Crew has elected to proceed with certain planned first quarter 2018 activity in the fourth quarter of 2017 resulting in an increase in our 2017 exploration and development capital budget to $235 million. This $35 million expansion to the capital program is forecasted to approximate fourth quarter funds from operations and will afford optimized capital and operating efficiencies, allowing for maximum flexibility to achieve our strategic goal of having physical connection to the three major pipelines in NE BC and at the same time provide a range of growth options for 2018 and beyond as commodity prices allow. The Company has not formally approved a 2018 budget and intends to release the 2018 budget in mid-December, 2017. Crew anticipates that the Company will target a capital budget that is driven by funds from operations through the end of 2018.

FINANCIAL

Funds from operations in the third quarter of 2017 totaled $25.0 million or $0.17 per share, a 21% increase over the previous quarter and 6% over the same period in 2016 on a per share basis. The quarter over quarter increase was reflective of higher production volumes, increased hedging gains and lower overall costs partially offset by lower natural gas prices. The year over year increase in funds from operations reflects higher realized liquids pricing, which was offset by a decrease in natural gas pricing and hedging gains.

The Company's third quarter liquids sales, including light oil, heavy oil and natural gas liquids, benefited from higher overall North American crude prices supported by OPEC's production curtailments relative to the same period in 2016. Compared to the second quarter of 2017, prices for Crew's third quarter liquids sales were impacted by a stronger Canadian dollar which negatively affected the price for the Company's production sold in Canadian markets. Natural gas prices in Canada weakened throughout the third quarter as planned and unplanned pipeline maintenance projects resulted in significant bottlenecks in the Western Canadian natural gas transportation system further weakening prices in an already oversupplied market. Compared to the second quarter of 2017, Crew's realized natural gas price declined 27% in the third quarter and 17% relative to the same period in 2016. The Company's realized natural gas prices reflect the strength of our portfolio marketing approach given the Canadian natural gas benchmark AECO daily spot price declined 48% quarter over quarter and 38% year over year.

Capital expenditures totaled $89.9 million for the quarter, reflecting several contributing factors. These factors include favorable weather conditions which allowed the Company to complete more projects in Q3 in a lower price cycle, an increased focus on condensate-rich wells that require higher sand loading, and ongoing infrastructure projects including the West Septimus facility expansion, the West Septimus to Saturn pipeline project and the installation of a pipeline to debottleneck the gathering system in the Septimus area. The Company directed $65.3 million or 73% of its capital expenditures to our drilling and completions program in NE BC. In addition, Crew invested $22.3 million for infrastructure, including pipeline expenditures required to tie-in new production to the Company's gas facilities and for improvements to roads and leases at West Septimus to allow for improved access.

The Company's accelerated 2017 capital program will be funded through funds from operations, the proceeds of the $300 million, 6.5% senior unsecured notes (the "2024 Notes") issued in the first quarter of 2017 and the $49 million of proceeds from the Company's second quarter property disposition. Crew's net debt at the end of the third quarter was $339.5 million with $31.7 million drawn on our $235 million credit facility. This amount, along with the Company's working capital deficiency of $14.3 million represents a draw of 20% on the facility. With a seven year term and attractive coupon on our 2024 Notes, coupled with significant room on our credit facility, Crew has maintained a strong financial position with flexibility moving into 2018.

TRANSPORTATION, MARKETING & HEDGING

Crew's natural gas sales portfolio mix for the third quarter was consistent with the previous quarter and allocated approximately 39% to Chicago City Gate, 28% to AECO, 26% to Alliance ATP and 7% to Station 2. Our portfolio was also enhanced by natural gas contracts sold at higher monthly index prices, physical fixed differential contracts and our natural gas hedge portfolio. Commencing November 1, 2017, in anticipation of the increased throughput associated with the West Septimus facility expansion start-up, the sales mix is expected to change to 39% Chicago City Gate, 35% to AECO, 19% to Alliance ATP and 7% to Station 2.

Starting in April of 2018, Crew will have 60 mmcf per day of firm service capacity on TransCanada Pipeline's ("TCPL") Nova line, followed by another 60 mmcf per day currently planned for June of 2019. As such, by April 2018, Crew plans to have connectivity to all three major export pipeline systems, a unique position for Montney producers, and one that affords the Company significant flexibility and access to diverse markets. In conjunction with this expanded transportation option, Crew has broadened its market diversity with added exposure to alternative Canadian and US natural gas markets.

Crew will continue to plan for processing and transportation diversification for natural gas from our Greater Septimus and Groundbirch areas as part of our longer term, Septimus 5X growth strategy. This strategy is designed to replicate the free cash flow currently being generated by our 60 mmcf per day facility at Septimus a total of five times across our asset base over the next number of years, depending on commodity prices. As our 120 mmcf per day West Septimus expansion nears completion and becomes the third component of this Septimus 5X strategy, Crew's next growth phase will shift to the Company's strategic Groundbirch acreage, where we have secured significant optionality regarding the development and infrastructure build-out in this area, described below in the 'NE BC Montney – Groundbirch Overview' section.

The Company's marketing team continues to monitor commodity futures markets with the view to adding to the hedge position when pricing is conducive to maintaining attractive economics. For the balance of 2017, Crew's total natural gas hedged position is 69,000 gj per day at a transportation-adjusted equivalent price of $2.92 per gj, which when adjusting for the higher heat content of Crew's gas, equates to $3.62 per mcf. For liquids, we have 1,750 bbl per day hedged at an average West Texas Intermediate ("WTI") price of CDN$68.02 per bbl. Forward pricing into 2018 has been weak throughout the past two quarters, and has not met thresholds at which the Company was willing to lock in hedges. Hedges in place for 2018 include 13,000 gj per day of natural gas at an average price of $2.71 per gj, or $3.36 per mcf adjusted for heat content, and 500 bbls per day of liquids hedged at an average WTI price of $62.64 per bbl. We continue to closely monitor 2018 oil and natural gas prices with the intention to add commodity price protection for up to 50% of our planned 2018 production.

OPERATIONS

NE BC Montney - Greater Septimus Overview

Throughout the third quarter, Crew maintained high activity levels focused in Greater Septimus with 88% of our $90 million expenditures directed to the area, including $58 million for drilling and completions and $19.5 million for infrastructure, including the expansion of our West Septimus facility to 120 mmcf per day of processing capacity, the installation of a pipeline to debottleneck the gathering system in the Septimus area and initial work on the pipeline connection from West Septimus to the TCPL Saturn meter station. During the quarter, we drilled 13 (12.3 net) wells and completed 14 (14.0 net) wells at Greater Septimus, of which seven and four, respectively, were in our ultra-condensate rich area. Greater Septimus production for the quarter averaged 18,154 boe per day, an increase of 17% over the previous quarter and consistent with the same period in 2016.

Crew's two initial ultra condensate-rich wells have performed exceptionally, with the first well paying out in nine months, and have been on production for 326 and 211 days, respectively. Crew has embarked on a more aggressive plan for the development of the ultra condensate-rich area as a key source of feedstock for the West Septimus plant expansion. The higher liquids weighting offers significant economic benefit even after the impact of a 10 to 15% industry cost increase that has brought total average well costs with higher intensity completions to between $4.8 and $5.0 million. Crew expects to have completed and tied-in ten ultra liquids-rich wells at West Septimus by the end of 2017, compared to two at the end of 2016. Crew intends on developing the Company's large inventory of ultra condensate-rich drilling locations over the next several years.

During the third quarter, Crew continued to delineate West Septimus and completed three ultra condensate-rich wells. After a ten day flow back period, these wells were on production at an average per well rate of 1,445 boe per day comprised of 824 bbls per day of condensate and 4.3 mmcf per day of raw gas for a condensate-gas ratio of 192 bbls per mmcf. A fourth well that was also completed in an exploratory stratigraphic interval in the area continues to flow back high volumes of frac fluid, and after 180 hours, flowed 4.4 mmcf per day and 106 bbls per day of condensate over a 24 hour period. Crew also completed two wells in the transition zone between the liquids-rich and ultra condensate-rich areas at West Septimus which, after ten days, were producing at an average 1,340 boe per day, including 420 bbls per day of wellhead condensate and 5.6 mmcf per day of raw gas for an average condensate-gas ratio of 75 bbls per mmcf. All of these wells are in the process of being tied-in to the expanded West Septimus gas plant. A six well pad was drilled in the ultra condensate-rich area with three wells scheduled to be completed in the fourth quarter, and the remaining three scheduled for completion in the first quarter of 2018.

Work continued in the third quarter on the expansion of our West Septimus facility, with final tie-in work completed during a shut-down of the plant in October. Crew anticipates starting up the expanded capacity in mid-November with the total cost expected to come in under the $63 million budget. With the high degree of volatility in current gas pricing, Crew will focus on maximizing liquids production while meeting current firm gas transportation arrangements and will bring on excess volumes as commodity prices warrant.

Greater Septimus Operational Statistics

Production & Drilling	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016

Average daily production (boe/d)	18,154	15,558	17,440	17,307	18,592
Wells drilled (gross / net)	13 / 12.3	5 / 5.0	10 / 10.0	8 / 7.7	8 / 7.0
Wells completed (gross / net)	14 / 14.0	9 / 9.0	3 / 3.0	5 / 4.0	7 / 7.0

Operating Netback ($ per boe)	**Q3 2017**	**Q2 2017**	**Q1 2017**	**Q4 2016**	**Q3 2016**
Revenue	20.05	24.51	26.49	25.10	20.56
Royalties	(0.89)	(1.57)	(1.66)	(1.47)	(0.94)
% basis	4.4%	6.4%	6.3%	5.9%	4.6%
Realized commodity hedge gain / (loss)	2.97	0.77	(0.41)	(0.39)	1.11
Operating costs	(3.38)	(4.10)	(3.34)	(3.34)	(3.61)
Transportation costs	(1.65)	(2.03)	(1.67)	(1.68)	(1.59)
Operating netback	17.10	17.58	19.41	18.22	15.53

NE BC Montney – Groundbirch Overview

Crew completed two (2.0 net) delineation wells at Groundbirch in the third quarter, both of which targeted two distinct stratigraphic intervals within the Upper Montney that had not been tested in the original two wells drilled in the area in 2014. After five days of flow back, these wells were flowing an average of 5.1 mmcf per day of gas and 108 bbls per day of condensate at an average flowing casing pressure of 1,407 psi, a pressure that was more than double the original two wells. To further test their productivity, the wells were produced through a third party facility at an IP30 restricted rate of 3.1 mmcf per day with condensate recovery of 23 bbls per mmcf.

Crew has a current engineering design for a 120 mmcf per day facility at Groundbirch and has selected pad sites for the first phase of drilling which would initially fill the facility. Fortunately, by proceeding with the installation of strategic pipeline infrastructure from the West Septimus facility through our Groundbirch acreage and connecting into the existing TCPL Saturn meter station, Crew will have the flexibility to meet the majority of our transportation commitments through 2019 without the need for additional processing capacity at Groundbirch. Crew's plan to proceed with our plant at Groundbirch is currently deferred given the superior economics of our ultra-condensate rich program and a priority to lower expenses and increase margins through full optimization of facilities. Our Septimus 5X growth strategy has been developed to provide maximum flexibility and optionality for the Company to respond to drilling results and broader market conditions in the development of our world-class asset base, demonstrated by the Groundbirch decision.

NE BC Montney – Tower Overview

Crew's Montney Tower area continues to represent a significant future development opportunity for the Company and offers high torque to crude oil prices. Gas lift infrastructure was successfully installed through the second and early third quarters and is now operational. As a result, our overall production at Tower averaged 1,475 boe per day in the third quarter, including 524 bbls of oil per day.

Lloydminster, AB/SK Overview

Crew produced an average of 1,907 boe per day at Lloydminster in the third quarter with minor amounts of workover capital expended. The Company remains committed to divesting the Lloydminster assets to further focus efforts on our Montney acreage and plans to continue investing minor amounts of capital in order to maintain the value inherent in these assets as part of the ongoing disposition process.

OUTLOOK

Crew has continued to focus on profitability through cost control and margin expansion by pursuing the highest value projects amidst ongoing volatility in commodity prices. We elected to shut-in 2,600 boe per day during the period which resulted in approximately $1 million of incremental funds from operations, attributable to not producing gas at low spot prices and avoiding delivery of gas into higher-cost interruptible transportation service. With little relief forecast for natural gas prices at Station 2, Crew intends to keep this production shut-in awaiting a gas price recovery. Positively, the Canadian dollar has continued to lose value against its U.S. counterpart and oil prices have trended up through the latter half of October as supply/demand fundamentals are becoming balanced setting up for a possible recovery.

Our commitment to cost control continued through the third quarter, with Greater Septimus operating expenses being reduced to $3.38 per boe, 6% lower than the same period in 2016 and 18% lower than the second quarter of 2017. Although industry inflation combined with Crew's higher intensity completions have increased per well capital costs by 10 to 15% in 2017, these increases have been largely offset by higher productivity and increased condensate-gas ratios. By focusing on ultra condensate-rich development at West Septimus, maintaining our low cost structure and electing to shut-in production that does not meet corporate netback hurdles, Crew anticipates continued improvement in our margins going forward.

For the past several years, Crew has been focused on the execution of our long-term Montney growth strategy and has successfully achieved the first phase: capturing a sizeable resource. Crew now owns over 280,000 net acres of Montney rights in NE BC with an independently assigned resource of over 16 billion boe of Total Petroleum Initially in Place ("TPIIP"). We have accumulated this world-class asset for a net cost of approximately $80 million or $285 per acre. Phase two of our plan is centered on proving the production and economic viability of each of our areas, including Tower, Greater Septimus, Groundbirch and Attachie. To date, Crew and other industry participants have successfully drilled, completed and tested wells in all of these areas proving the economic merits of each.

Phase three of our long-term plan is the build-out and control of processing and transportation infrastructure, expanding on the over 180 mmcf per day of processing capacity established to date at Septimus, West Septimus and Tower. Currently, Crew is connected to two major export pipeline systems and expects to complete a major pipeline project in 2018 to install approximately 83 kilometres of line pipe from West Septimus to the TCPL Saturn meter station, which will achieve our goal of having access to all three major export pipeline systems in Canada.

The fourth and final phase of our long-term plan is to generate free funds from operations across each of Septimus, West Septimus and Groundbirch, which we have achieved at Septimus. Encouraged by the results to date, Crew's focus continues to be on the Company's exciting new condensate-rich development at West Septimus, which is targeted to be the next area to generate free funds from operations. With the Company's recent success and heightened drive to increase the liquids component of our portfolio, efforts to grow the lower liquids yielding gas has been replaced with an emphasis on the ultra condensate-rich areas of our asset base. Given the continued volatility in the commodities, particularly natural gas, we believe the optimal strategy is to maintain our focus on cost control, margin expansion and growth in funds from operations per share, rather than growing natural gas production in an over-supplied market.

Crew began diversifying natural gas sales markets three years ago and will continue to do so, having predominantly outperformed the natural gas benchmarks since the end of 2015. In addition, we will seek opportunities to high-grade or monetize assets similar to the successful transactions we have undertaken in the past to raise funds to initially strengthen the balance sheet and then to invest in the Montney. The Company's balance sheet remains strong with 20% drawn on our $235 million bank facility.

Crew's fourth quarter 2017 production estimate reflects the continued shut-in of previously mentioned NE BC production due to low regional natural gas prices and the shut-down of the West Septimus gas plant for tie-in of the expansion resulting in the deferral of approximately 7,500 boe per day of production in October. On November 1st with the start of the new gas contract year, production rose to 28,000 boe per day with over 3,000 boe per day awaiting commissioning of the West Septimus plant and 1,500 boe per day shut in due to pricing. Crew expects to average 26,000 to 27,000 boe per day in the fourth quarter with an exit rate of approximately 31,000 boe per day and anticipates entering 2018 with 13 (11.2 net) drilled but uncompleted wells in the Montney.

Our focus on increasing the Company's condensate weighting is not necessarily a unique strategy in the current environment. However, Crew's large inventory of tier one, ultra condensate-rich drilling locations, wells that are highly productive with the potential to payout in less than one year, operating expenses at Greater Septimus under $3.50 per boe and per well capital costs of $4.8 to $5.0 million, the Company is in an excellent position to provide profitable growth for many years to come from this exciting new development.

We would like to thank our employees and Board of Directors for their commitment to Crew, and our shareholders for their ongoing support.

A summary of Crew's operational and financial highlights are as follows:

2017 average production(1)	23,000 – 24,000 boe/d
2017 exit production(1)	31,000 boe/d
Total proved + probable reserves(2)	324 MMboe
Total proved + probable BT NPV10(2)	$2 billion
Montney potential drilling locations(3)	~5,465
2017 capital program(1)	$235 MM
Net debt(4)	$339.5 MM
Exit 2017 net debt / funds from operations(1)	2.5 – 2.9x
Basic shares outstanding(4)	149.0 MM
Tax pools(4)	~$1.1 billion

(1) Forecast. See "Forward Looking Information and Statements".
(2) Reserves included herein are stated on a company gross basis (working interest before deduction of royalties without including any royalty interests). Information presented herein in respect of reserves and related information is based on our independent reserves evaluation (the "Sproule Report") for the year ended December 31, 2016 prepared by Sproule Associates Limited ("Sproule") details of which were provided in our press release issued on February 9, 2017 and are contained in our Annual Information Form filed on SEDAR.
(3) Estimated potential drilling locations are the total number of risked Contingent (1,953) and Prospective (3,160) resource locations as identified in Crew's year-end independent Resource Evaluation, plus the 2P booked locations (356) as identified in the Sproule Report, both of which were prepared in accordance with the COGE Handbook provisions and NI 51-101.
(4) As at Sept. 30, 2017.

Cautionary Statements

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 news release, the terms Boe (barrels of oil equivalent) and Mmboe (millions of barrels of oil 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 mcfe. 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 and without including any royalty interest, unless otherwise stated. Unless otherwise specified, all reserves volumes in this news release (and all information derived therefrom) are based on "company gross reserves" using forecast prices and costs. It should not be assumed that the estimates of future net revenues presented herein represent the fair market value of Crew's reserves. There is no assurance that the forecast prices and cost assumptions will be attained and variances could be material and there is no guarantee that the estimated reserves will be recovered. Our oil and gas reserves statement for the year-ended December 31, 2016 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.

This news release contains metrics commonly used in the oil and natural gas industry, such as "funds from operations" and "operating netback". Such terms do not have a standardized meaning and may not be comparable to similar measures presented by other companies, and therefore should not be used to make such comparisons. These metrics do not have standardized meanings and may not be comparable to similar measures presented by other companies. As such, they should not be used to make comparisons. Management uses these oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare Crew's performance over time, however, such measures are not reliable indicators of Crew's future performance and future performance may not compare to the performance in previous periods.

*This news release contains references to estimates of oil and gas classified as Total Petroleum Initially In Place ("**TPIIP**") in Crew's Montney region in northeast British Columbia which are not, and should not, be confused with, oil and gas reserves. Such estimates are based upon an independent resource evaluation effective as at December 31, 2016, prepared for Crew in accordance with the Canadian Oil & Gas Evaluation Handbook, complete details of which evaluation were set forth in Crew's previously disseminated news release dated May 8, 2017 (the "**Resource Report News Release**"). Such resource estimates are broken into the requisite categories and are subject to a number of cautionary statements, assumptions, risks, positive and negative factors relative to the estimates and contingencies, all of which details are set forth in the Resource Report News Release, all of which is incorporated by reference herein.*

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: estimates of the volume and product mix of Crew's oil and gas production and expectations in respect thereof; production estimates including Q4 and annual 2017 forecast average production and 2017 exit rate; the volumes and estimated value of Crew's resources and reserves; future oil and natural gas prices and Crew's commodity risk management programs; future liquidity and financial capacity; future results from operations and operating metrics; year-end forecasted debt to funds from operations ratio; potential to improve operating costs, well costs and G&A expenditures and potential to improve ultimate recoveries and initial production rates; future costs, expenses and royalty rates; transportation commitments; 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; our long-term plan regarding free cash flow generation at West Septimus and Groundbirch and the timing thereof; the number of potential drilling locations and the potential value associated with our undeveloped land base; the amount and timing of capital projects including infrastructure, pipeline and facility expansions, commissioning and the timing and anticipated impact thereof; service capacity and pipeline connectivity expectations; the total future capital associated with development of reserves and resources; our 2017 budget and preliminary expectations in respect of our 2018 budget and methods of funding our capital program, including possible non-core asset divestitures and asset swaps.

In this news release, reference is made to the Company's long-term plan and potential Montney growth scenario, more particularly referred to herein as our "Septimus 5X Growth Strategy" and associated information including phases comprising the same. Such information reflects internal projections used by management for the purposes of making capital investment decisions and for internal long-term planning and budget preparation. This information is based upon a variety of assumptions that may prove to be incorrect and, accordingly, long-term projections and targets are not intended to reflect estimates or forecasts of metrics that may actually be achieved. Accordingly, undue reliance should not be placed on the same.

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 and the adequacy of cash flow to fund its planned expenditures; 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.

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; 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.

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, particularly those short in duration, may not necessarily be indicative of long term performance or of ultimate recovery.

About Crew

Crew Energy Inc. is a growth-oriented oil and natural gas producer, committed to pursuing sustainable per share growth through a balanced mix of financially responsible exploration and development complemented by strategic acquisitions. The Company's operations are primarily focused in the vast Montney resource, situated in northeast British Columbia, and include a large contiguous land base. Crew's liquids-rich Greater Septimus area along with Groundbirch and the light oil area at Tower in British Columbia offer significant development potential over the long-term. The Company has access to diversified markets with operated infrastructure and increasing liquids production. Crew's common shares are listed for trading on the Toronto Stock Exchange ("TSX") under the symbol "CR".

FOR DETAILED INFORMATION, PLEASE CONTACT:

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