Crew Energy Inc. Announces Second Quarter 2018 Financial And Operating Results

August 1, 2018

CALGARY, Aug. 1, 2018 /CNW/ - Crew Energy Inc. (TSX: CR) ("Crew" or the "Company") is pleased to announce our operating and financial results for the three and six month periods ended June 30, 2018. Our Financial Statements and Notes, as well as Management's Discussion and Analysis ("MD&A") for the three and six month periods ended June 30, 2018 are available on Crew's website and filed on SEDAR.

HIGHLIGHTS

- **Production Ahead of Forecast:** At 23,583 boe per day in Q2, average production volumes were 15% above the Q2 2017 average and 3% above the upper end of our quarterly guidance of 22,000 to 23,000 boe per day. First half production averaged 24,754 boe per day, positioning Crew to meet our 2018 guidance of 23,500 to 24,500 boe per day. Greater Septimus production of 18,953 boe per day was 22% higher than the 15,558 boe per day produced in Q2 2017.

- **Growing Montney Condensate Volumes Into Higher Pricing:** Q2 condensate volumes of 2,304 barrels ("bbls") per day were 49% higher compared to Q2 2017 as Crew benefited from a 38% increase in realized condensate pricing in the quarter, averaging $82.73 per barrel, compared to $59.90 per bbl in Q2 2017 and $73.82 per bbl compared to the previous quarter.

- **Diverse Marketing Strategy Leads to Price Outperformance:** Q2 average realized natural gas price of $2.23 per mcf outperformed the AECO 5A benchmark by 89%, driven by Crew's high heat content natural gas and exposure to diversified sales hubs and gas markets.

- **Strong Performance from Heavy Oil Operations:** Q2 heavy oil volumes averaged 1,930 bbls per day, a 9% increase over the same period of 2017 and a 10% increase over Q1 2018, despite limited capital investment over the past 24 months.

- **Adjusted Funds Flow ("AFF") Reflects Higher Volumes and Strong Liquids Prices:** Q2 AFF totaled $21.8 million or $0.14 per fully diluted share, in line with the same period in 2017, reflecting an increased weighting to higher-value liquids production, higher volumes and improved liquids pricing, offset by lower realized natural gas prices and a realized hedging loss.

- **Modest Spending with Strong Capital Efficiencies:** Net exploration and development expenditures in Q2 were $12.5 million, with activity directed to the completion of two (1.6 net) natural gas wells at our liquids-rich Greater Septimus area and the recompletion of ten (9.5 net) heavy oil wells in Lloydminster.

- **Strong Balance Sheet Maintained:** Quarter end net debt of $329.2 million reflects a 3% decrease over the previous quarter, and 5% lower than year-end 2017, and includes $300 million of term debt that has no financial covenants and no repayment required until 2024.

FINANCIAL & OPERATING HIGHLIGHTS

FINANCIAL ($ thousands, except per share amounts)		**Three months ended June 30, 2018**	Three months ended June 30, 2017	**Six months ended June 30, 2018**	Six months ended June 30, 2017
Petroleum and natural gas sales		**54,040**	48,886	**113,467**	106,184
Adjusted Funds Flow(1)		**21,804**	21,353	**48,177**	49,072
Per share	- basic	**0.14**	0.14	**0.32**	0.33
	- diluted	**0.14**	0.14	**0.32**	0.32
Net (loss) / income		**(9,181)**	21,880	**(5,033)**	29,936
Per share	- basic	**(0.06)**	0.15	**(0.03)**	0.20
	- diluted	**(0.06)**	0.14	**(0.03)**	0.20
Exploration and Development expenditures		**12,468**	36,656	**46,389**	111,820
Property acquisitions (net of dispositions)		**17**	(45,701)	**(9,990)**	(46,053)
Net capital expenditures		**12,485**	(9,045)	**36,399**	65,767

Capital Structure	**As at**	As at
($ thousands)	**June 30, 2018**	Dec. 31, 2017
Working capital (surplus) / deficiency[2]	**(19,954)**	29,143
Bank loan	**54,803**	21,977
	34,849	51,120
Senior Unsecured Notes	**294,380**	293,862
Total Net Debt	**329,229**	344,982
Current Debt Capacity[3]	**535,000**	535,000
Common Shares Outstanding (thousands)	**151,708**	149,328

Notes:

(1) Adjusted funds flow 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. Adjusted funds flow is used to analyze the Company's operating performance and leverage. Adjusted funds flow 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 (surplus) / 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**	Three months ended	**Six months ended**	Six months ended
	June 30, 2018	June 30, 2017	**June 30, 2018**	June 30, 2017
Daily production				
Light crude oil (bbl/d)	**261**	499	**288**	514
Heavy crude oil (bbl/d)	**1,930**	1,778	**1,839**	1,817
Condensate (bbl/d)	**2,304**	1,550	**2,500**	1,731
Other natural gas liquids (bbl/d)	**1,710**	1,336	**1,751**	1,392
Natural gas (mcf/d)	**104,269**	91,828	**110,257**	98,321
Total (boe/d @ 6:1)	**23,583**	20,468	**24,754**	21,841
Average prices [1]				
Light crude oil ($/bbl)	**75.72**	58.14	**71.62**	58.96
Heavy crude oil ($/bbl)	**55.65**	45.05	**46.41**	43.98
Condensate ($/bbl)	**82.73**	59.90	**77.95**	61.94
Other natural gas liquids ($/bbl)	**25.63**	14.03	**25.21**	18.19
Natural gas ($/mcf)	**2.23**	3.45	**2.56**	3.50
Oil equivalent ($/boe)	**25.18**	26.25	**25.32**	26.86

Notes:

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

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Netback ($/boe)				
Revenue	**25.18**	26.25	**25.32**	26.86
Royalties	**(1.83)**	(2.06)	**(1.77)**	(2.12)
Realized commodity (loss) / gain	**(1.23)**	0.64	**(1.07)**	0.10
Marketing income (1)	**0.28**	-	**0.28**	-
Net operating costs(2)	**(6.56)**	(6.15)	**(6.42)**	(5.74)
Transportation costs	**(1.78)**	(2.75)	**(1.95)**	(2.51)
Operating netback (3)	**14.06**	15.93	**14.39**	16.59
G&A	**(1.23)**	(1.52)	**(1.31)**	(1.51)
Other income	**-**	-	**0.22**	-
Financing costs on long-term debt	**(2.67)**	(2.93)	**(2.55)**	(2.66)
Adjusted funds flow	**10.16**	11.48	**10.75**	12.42
Drilling Activity				
Gross wells	**0**	7	**0**	22
Working interest wells	**0.0**	7.0	**0.0**	22.0
Success rate, net wells (%)	**-**	100%	**-**	95%

Notes:

(1) Marketing income was recognized from the monetization of forward physical sales contracts offset by the cost of committed natural gas transportation that was not available during the period.

(2) Net operating costs are calculated as gross operating costs less processing revenue.

(3) 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 adjusted funds flow 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

FINANCIAL OVERVIEW

Strong Second Quarter Production

- Q2 2018 volumes of 23,583 boe per day exceeded the upper range of our quarterly guidance and were 15% higher than the same period in 2017, reflecting limited break-up related downtime, management of natural gas volumes within a volatile Canadian pricing environment and a 9% increase in Lloydminster production stemming from successful recompletions during the first half of 2018.
- Greater Septimus production averaged 18,953 boe per day, a 22% increase over the same period in 2017 and a 7% decline from Q1 2018 as the Company managed production through the low Q2 natural gas price environment.
- Second quarter natural gas production was curtailed to firm processing and transportation commitments and the Company's firm natural gas sales arrangements in order to avoid the extremely low spot Canadian natural gas prices that were realized during certain days throughout the quarter.

Adjusted Funds Flow Continued to Exceed Net Capital Expenditures

- AFF in Q2 2018 totaled $21.8 million ($0.14 per diluted share) and exceeded Crew's net capital expenditures for the second consecutive period, while remaining consistent with absolute and per share AFF generated in Q2 2017. Stronger realized pricing for crude oil, condensate and other natural gas liquids ("ngl") year-over-year contributed to AFF, however the decline in natural gas prices offset the liquids price gain. AFF declined 17% compared to

Q1 2018 due to a 22% decline in realized natural gas prices and lower production.

- Q2 2018 revenue grew 11% over Q2 2017 due to higher production from liquids-weighted areas complemented by realized liquids prices that were 64% stronger, on average, relative to the same period in 2017.
- Q2 2018 liquids revenue comprised 61% of Crew's total revenue, a marked increase over the 50% and 41% in Q1 2018 and Q2 2017, respectively; a reflection of Crew's focus on liquids and condensate-rich targets in West Septimus, complemented by stronger liquids pricing.
- Corporate operating netbacks of $14.06 per boe were 12% and 4% lower than Q2 2017 and Q1 2018, respectively, reflecting the impact of lower natural gas prices, realized losses on the Company's risk management program, and higher net operating costs. This was partially offset by marketing income derived from strategic marketing initiatives, combined with lower royalties and transportation costs.
- Corporate cash costs per boe were consistent with Q1 2018 and declined 9% over Q2 2017, as lower royalties, transportation, general and administrative and financing costs were offset by higher net operating costs. Compared with Q2 2017 and Q1 2018, higher net operating costs in the current quarter stemmed from increased fixed processing fees at the expanded West Septimus facility, higher volumes from Lloydminster, where operating costs are higher relative to the corporate average, and lower third-party processing revenue.

Rising Liquids Prices Helped Offset Weak Natural Gas Prices

- Average realized price per boe in Q2 2018 was $25.18, a 4% decline from Q2 2017 and 1% lower than Q1 2018. Liquids prices in Q2 2018 increased 36% to $58.40 per boe over Q2 2017, and were 16% higher than Q1 2018, offset by realized natural gas prices that were 35% and 22% lower compared to Q2 2017 and Q1 2018, respectively.
- Global crude oil prices continued to rise through Q2 2018, fueled by shrinking world crude inventories brought on by increasing world demand and concerns over supply interruptions resulting from U.S.-led trade embargos against Iran and political unrest in Venezuela and Libya. Late in the quarter, the Organization of Petroleum Exporting Countries ("OPEC") authorized an output increase that was lower than market expectations which further contributed to rising crude oil benchmark prices.
- Canadian dollar denominated West Texas Intermediate ("WTI") oil benchmark increased 35% in Q2 2018 compared to Q2 2017 and increased 10% over Q1 2018. This increase supported an increase in Crew's average Q2 2018 liquids prices of 39% and 16% compared to Q2 2017 and Q1 2018, respectively.
- Crew's diversified marketing portfolio and higher heat content natural gas (higher liquids content) resulted in Crew's gas price outperforming the Canadian benchmark by 89%. Canadian natural gas prices continued to be volatile as bottlenecks in our natural gas pipeline egress system has limited access to markets outside of Canada. This was enhanced in Q2 2018 as maintenance on TransCanada Pipeline infrastructure further limited movement of gas outside of Western Canada and into local storage facilities. This decrease in demand resulted in the benchmark AECO 5A price averaging $1.18 per mcf, a drop of 58% over Q2 2017, and a drop of 43% over Q1 2018. Crew's Q2 2018 natural gas sales price averaged $2.23 per mcf, a 35% decrease over Q2 2017 and 22% lower than Q1 2018.

Modest Capital Expenditure Reflects Value Preservation

- Q2 2018 exploration and development expenditures totaled $12.5 million. Of the total, $6.8 million, or 54%, was directed to activities related to drilling and completions, $2.9 million to well site development, facilities and pipelines and $2.8 million to land, seismic and other miscellaneous items.
- Activity in the quarter included the completion and tie-in of two (1.6 net) liquids-rich natural gas wells in West Septimus and the recompletion of ten (9.5 net) heavy oil wells in Lloydminster.

Declining Net Debt and Continued Balance Sheet Strength

- Net debt declined to $329.2 million at the end of Q2 2018. Crew's debt is largely termed-out, with $300 million of term debt that has no financial covenants and no repayment required until 2024.

TRANSPORTATION, MARKETING & HEDGING

- **Natural Gas Pricing Exposure**: Approximately 37% Chicago City Gate, 24% AECO 5A, 15% AECO 7A, 17% Alliance ATP, 4% Sumas and 3% Station 2 through Q2 2018 and forecast through Q3 2018. This market diversification resulted in Crew's realized natural gas sales price exceeding the Canadian AECO 5A benchmark by 89%.
- **Clear Value Focus**: In Q1 2018, Crew took steps to monetize the inherent value in our Dawn and Malin market exposure for Q2 and Q3, 2018. As a result, we recognized $1.5 million of marketing revenue in Q2, with an equivalent amount expected to be recognized in Q3 2018.
- **New Natural Gas Sales Exposure**: Construction on the strategic pipeline from the West Septimus facility through our Groundbirch acreage connecting into the existing TCPL Saturn meter station is anticipated to be finalized by the end of Q3. This will complete Crew's goal of accessing all three major export pipelines in BC, allowing the Company to benefit from additional natural gas sales exposure, including Nymex, which complements our long-standing market diversification strategy.

Natural Gas & Liquids Hedging

- Approximately 23% of budgeted 2018 natural gas volumes are hedged at an average of $2.50 per GJ or approximately $2.64 per mcf which increases to approximately $3.10 per mcf after adjusting for Crew's heat conversion.

- Through 2018, 2,750 bbls per day of WTI is hedged at a minimum average price of C$72.57 per bbl, 750 bbls per day of Western Canadian Select ("WCS") for the second half of 2018 at an average price of C$56.62 per bbl and 400 bbls per day of OPIS Conway propane hedged at US$0.7863 per gallon or US$33.03 per bbl.

- Crew's 2019 risk management program currently has 1,625 barrels per day of WTI hedged at an average price of C$73.72 per barrel and 250 barrels per day of WCS for the first half of 2019 at an average price of C$52.10 per bbl. As a result of the weak forward pricing for natural gas, we have elected to hedge cautiously with 7,500 mmbtu per day of Chicago City Gate gas at C$3.19 per mmbtu and 2,500 mmbtu per day of Dawn gas at C$3.30 per mmbtu.

OPERATIONS & AREA Overview

NE BC Montney - Greater Septimus

- During Q2, Crew flowed back a total of eight wells, including all six that were completed by the end of Q1 2018, and two wells completed during Q2. These wells targeted three distinct stratigraphic intervals in the Upper Montney and are being flow-restricted in order to optimize condensate recoveries. Over the first 30 days on production, these eight wells averaged sales of 4.0 mmcf per day of gas and 220 bbls per day of ngl (64% condensate) at an average flowing casing pressure of 1,765 psi. Based on the successful test spacing of this program, a future development spacing of 15 wells per section in the Upper Montney is supported in this area.

- Early in Q3 2018, Crew commenced drilling a five well pad in the ultra-condensate rich ("UCR") Montney area with lateral lengths that are 30-50% longer than previous wells. We plan to utilize a revised cased-hole plug and perf completion design expected to optimize condensate recovery.

- Crew now has over 70 mmcf per day of excess natural gas processing capacity to accommodate future growth. After completion of the Groundbirch to Saturn meter station pipeline later in Q3, the Company will have access to all three export pipelines in northeast BC.

Greater Septimus

Production & Drilling	**Q2 2018**	**Q1 2018**	**Q4 2017**	**Q3 2017**	**Q2 2017**
Average daily production (boe/d)	**18,953**	20,467	20,193	18,154	15,558
Wells drilled (gross / net)	**-**	-	5 / 3.9	13 / 12.3	5 / 5.0
Wells completed (gross / net)	**2 / 1.6**	9 / 7.7	3 / 3.0	14 / 14.0	9 / 9.0
Operating Netback ($ per boe)	**Q2 2018**	**Q1 2018**	**Q4 2017**	**Q3 2017**	**Q2 2017**
Revenue	**22.70**	25.40	24.43	20.05	24.51
Royalties	**(1.35)**	(1.50)	(1.19)	(0.89)	(1.57)
Realized commodity hedge (loss) / gain	**(1.32)**	(1.01)	1.74	2.97	0.77
Marketing income	**0.34**	0.37	-	-	-
Net operating costs(1)	**(4.71)**	(4.45)	(3.67)	(3.38)	(4.10)
Transportation costs	**(1.40)**	(1.51)	(1.51)	(1.65)	(2.03)
Operating netback(2)	**14.26**	17.30	19.80	17.10	17.58

(1) Net operating costs are calculated as gross operating costs less processing revenue.

(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 adjusted funds flow 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.

Other NE BC Montney

- **Tower:** Production in the Tower area averaged 875 boe per day in Q2 2018. Crew continues to evaluate the relative economics of Tower development as well as the encouraging early results from our peers in the Lower Montney. Production rates and gas condensate ratios from nearby wells have generally exceeded those of the Upper Montney in the area. Crew plans to reinitiate drilling in this area in 2019.

- **Attachie:** Crew owns 97 sections of land in this area with approximately 45 sections in the liquids-rich hydrocarbon window. An offsetting operator has been actively testing wells with condensate rates of over 1,000 bbls per day. Crew plans on drilling one well in this area in 2019 to retain land.
- **Oak / Flatrock:** Crew has over 60 sections of land in this area where drilling activity is gaining momentum for liquids-rich gas. We will continue to monitor well results and consider this an asset Crew could monetize.
- **Inga:** Crew has eight sections of Montney rights in this area, which is prospective for highly liquids-rich gas. Montney rights have recently sold for approximately $4,000 to $6,000 per acre in close proximity to our lands.

AB / SK Heavy Oil - Lloydminster

- An effective $1.4 million recompletion program was executed at Lloydminster in Q2 2018, resulting in average production volumes of 1,930 bbls per day, a 9% increase over the same period in 2017 and a 10% increase over the prior quarter. Rising oil prices and narrowing differentials contributed to strong Lloydminster operating netbacks of $26.48 per boe.
- Over the past three years, Crew has successfully disposed of $61 million of assets at Lloydminster with less than 200 boe per day of associated production. Despite a rigorous sales process, the lack of available capital funding for companies in the Canadian energy market has resulted in two potential buyers failing to close on acquisitions for the balance of our heavy oil operations. At current commodity prices, Crew plans on maintaining production in this area and expects this property to continue generating free cash flow that can be deployed to our Montney operations until a reasonable valuation for the asset can be realized through a successful disposition.

OUTLOOK

Second Half 2018 Operations Focused on Condensate Growth

- Crew has benefited from stronger liquids production and pricing which supports continued development of our liquids and condensate-rich area at West Septimus. Our condensate operating netbacks in Q2 were over $70 per barrel illustrating our low-cost structure and premium realized price for this commodity.
- The remainder of our 2018 capital spending will be focused on our UCR area with a total of five wells at West Septimus. Three of these wells are expected to be completed in 2018 and two in 2019, with plans to implement additional water handling at West Septimus to further enhance our produced water recycling program.

2018 Guidance Remains on Target

- Q3 2018 capital expenditures are expected to be $25 to $30 million, with forecast production expected to average 23,000 to 24,000 boe per day, which reflects additional planned maintenance on the TCPL system and continued management of natural gas volumes during summer price volatility. The Company continues to forecast annual capital expenditures will approximate adjusted funds flow for 2018.
- Crew's diversified marketing strategy affords optionality to reduce exposure to those markets with pricing that remains below our returns threshold and the Company will continue adjusting production levels to generate optimal returns.
- Production year-to-date has exceeded Crew's original forecast and averaged 24,754 boe per day, positioning the Company to meet our annual guidance of 23,500 to 24,500 boe per day.

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

Cautionary Statements

Information Regarding Disclosure on Oil and Gas and Operational Information and Non-IFRS Measures

This press release contains metrics commonly used in the oil and natural gas industry, such as "adjusted funds flow" and "operating netbacks". These terms are not defined in IFRS and do not have standardized meanings or standardized methods of calculation and therefore may not be comparable to similar measures presented by other companies, and therefore should not be used to make such comparisons. Such metrics have been included herein to provide readers with additional information to evaluate the Company's performance, however such metrics should not be unduly relied upon. Management uses oil and gas metrics for its own performance measurements and to provide shareholders with measures to compare Crew's operations over time. Readers are cautioned that the information provided by these metrics, or that can be derived from the metrics presented in this press release, should not be relied upon for investment or other purposes. See "Non-IFRS Measures" contained within Crew's MD&A for applicable calculations and reconciliations.

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 estimated volumes, including shut-ins, and product mix of Crew's oil and gas production; production estimates including Q3 and 2018 average production forecasts; commodity price expectations including Crew's estimates of natural gas pricing exposure; Crew's commodity risk management programs; marketing, transportation and natural gas egress plans; future liquidity and financial capacity; future results from operations and operating metrics; potential for lower costs and efficiencies going forward; future development, exploration, acquisition and disposition activities (including drilling, completion and infrastructure plans and methodology and associated timing and cost estimates); the amount and timing of capital projects; Q3 and 2018 capital expenditure and operational plans; and Crew's 2018 budget and methods of funding our capital program.

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; certain commodity price and other cost assumptions; 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 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, the early stage of development of some of the evaluated areas and zones the potential for variation in the quality of the Montney formation; 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 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.

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 the 6:1 conversion ratio may be misleading as an indication of value.

Crew 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 Septimus and West Septimus areas ("Greater Septimus") 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 access to multiple pipeline egress options. Crew's common shares are listed for trading on the Toronto Stock Exchange ("TSX") under the symbol "CR".

Financial statements and MD&A for the three and six month periods ended June 30, 2018 and 2017 are filed on SEDAR at www.sedar.com and are available on the Company's website at www.crewenergy.com.

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SOURCE Crew Energy Inc.