



Crew Energy Announces Year End 2019 Reserves Highlighted by Strong Capital Efficiencies and Provides Operational Update

February 10, 2020

CALGARY, Feb. 10, 2020 /CNW/ - Crew Energy Inc. (TSX: CR) of Calgary, Alberta ("Crew" or the "Company") is pleased to provide highlights from our independent corporate reserves evaluation prepared by Sproule Associates Ltd. ("Sproule") with an effective date of December 31, 2019 (the "Sproule Report").

2019 RESERVES HIGHLIGHTS

Highlights of our proved developed producing ("PDP"), total proved ("1P") and total proved plus probable ("2P") reserves from the Sproule Report are provided below. All finding, development and acquisition ("FD&A")^{1,2} costs and finding and development ("F&D")^{1,2} costs below include changes in future development capital ("FDC").

Crew's 2019 capital program focused on the development of the Company's Ultra-Condensate Rich ("UCR")³ area emphasizing growth in high-value condensate production and reserves. Continued efforts to control both capital expenditures and operating costs and our ongoing initiatives to improve efficiencies led to net capital expenditures of \$95.0 million (\$114.1 million gross)^{1,4}. This capital program resulted in the drilling of 8.0 net extended reach horizontal ("ERH") wells in B.C., of which 6.0 net wells were drilled in Greater Septimus, and the completion of 12.0 net wells in our UCR area at Greater Septimus.

- **Proved Developed Producing Reserves Growth:** In 2019, Crew added 11.3 MMboe of PDP reserves representing approximately 19% of 2018 PDP reserves, bringing the total to 63.1 MMboe at year-end, 5% higher than 2018. PDP FD&A² costs were \$8.79 per boe resulting in a recycle ratio² of 1.4x.
- **Proved Reserves Increased 17% over 2018:** Crew added 37.5 MMboe of 1P reserves, which increased 17% to 202.0 MMboe, and achieved a 1P FD&A cost of \$6.16 per boe resulting in a recycle ratio of 2.0x. The Company's PDP and 1P reserves additions were achieved in concert with lower development capital due to efficiency enhancements in part associated with increasing the number of ERH wells. Crew's 2P reserves replaced production and remained stable at 410.6 MMboe, as the Company reduced 2P FDC by \$107 million, reflecting improved cost efficiencies and the removal of longer-dated reserve additions.
- **Continued Strong Performance from UCR Area:** Reserves assigned at Crew's UCR area of operations increased meaningfully in 2019 across all reserve categories:
 - 2P totaled 97.3 MMboe, 1P was 50.8 MMboe, and PDP was 15.8 Mmboe.
 - Condensate⁵ reserves in the area increased over 2018 with PDP up 110% to 4.0 MMbbls; 1P up 52% to 13.7 MMbbls and 2P increased by 24% to 26.4 MMbbls.
 - In Crew's UCR area the estimated net present value of future net revenue discounted at 10% (before tax) ("NPV₁₀ BT") for 2P reserves assigned by Sproule to 17.5 net sections was \$856.0 million⁶.
- **Longer Laterals Improve Recoveries:** Significant efficiencies and improvements in recoveries have been gained with the ERH program in Crew's UCR area relative to previous shorter-reach horizontal wells, with a 35% improvement in drilling cost per lateral length realized from 2016 to 2019. The ERH program can generate equivalent recoveries and superior economic returns with a smaller environmental footprint, lower operating costs and significantly lower development costs. Crew now has 50 ERH undeveloped 2P locations assigned by Sproule in the UCR area.
- **Strong Capital Efficiencies and Recycle Ratios^{1,2}:** Continued development success was realized at Crew's UCR area, leveraging improved completions design, longer ERH wells and reduced drill times to improve per well recoveries with reduced capital. Recycle ratios shown below are based on the estimated fourth quarter 2019 corporate operating netback of \$12.16 per boe^{1,4} divided by the F&D or FD&A costs. For informational purposes, the estimated annual operating netback for 2019 is \$14.05 per boe^{1,4}.

F&D per boe F&D recycle⁷ FD&A per boe FD&A recycle⁷

PDP	\$10.49	1.2x	\$8.79	1.4x
1P	\$6.66	1.8x	\$6.16	2.0x
2P	\$0.86	14.1x	(\$1.54)	(7.9x)

- **Three Year Costs Trending Lower:** With an ongoing focus on reduced capital costs and capturing drilling and completions efficiencies, Crew achieved another consecutive year of declining average three year 2P F&D and FD&A costs in 2019 which totaled \$5.66 per boe and \$5.02 per boe, respectively, reflecting reductions of 4% and 9% from 2018, respectively.

OPERATIONAL UPDATE

Results from Crew's 3-32 UCR pad at West Septimus have demonstrated continued improvement in operating efficiencies. In the fourth quarter of 2019, the Company completed four UCR wells that came in under budget and averaged greater than 3,000 metres in length, which are the longest in the Company's history. On this pad, which incorporated recent completion design improvements, completion costs averaged approximately \$3.8 million, or \$1,278 per lateral metre which is 26% lower than Crew's previous pacesetter pad.

The four wells on the 3-32 pad flowed back at restricted rates, with per well condensate sales volumes averaging 758 bbls per day, a propane/butane sales rate averaging 142 bbls per day and a conventional natural gas sales rate averaging 2.37 mmcf per day over the last six hours of a 19 day production test. During the flow period, over 50,000 bbls of sales condensate was produced and total sales liquid averaged approximately 70% of total production, with strong final flowing casing pressures averaging 1,123 psi at the end of the test.

Based on unaudited field estimates, Crew's annual production averaged 22,837 boe per day⁸ in 2019 while fourth quarter production was at the high end of the guidance range at 22,446 boe per day⁹ as the four completed UCR wells saw first hydrocarbons sooner and rates were higher than anticipated. Annual condensate volumes averaged 2,693 bbls per day which were 6% higher than the previously announced forecast of 2,550 bbls per day.

¹ All 2019 financial amounts are unaudited. See advisories.

² "Finding, Development and Acquisitions costs" or "FD&A costs", "Finding and Development costs" or "F&D costs" and "recycle ratio" do not have standardized meanings. See the table "Capital Program Efficiency" and "Information Regarding Disclosure on Oil and Gas Reserves and Operational Information" contained in this news release.

³ Ultra-Condensate Rich" or "UCR" is not defined in NI 51-101 and means a fairway of land at Crew's Greater Septimus area of operations where productive zones have high condensate rates (initial 30-day condensate / gas ratio rates of greater than 75 bbls per mmcf).

⁴ Non-IFRS Measure. "Operating netback" and "net capital expenditures" do not have standardized measures prescribed by International Financial Reporting Standards ("IFRS"), and therefore may not be comparable with the calculations of similar measures for other companies. See "Information Regarding Disclosure on Oil and Gas Reserves, Operational Information and Non-IFRS Measures" within this press release and the Company's MD&A for details including reasons for use.

⁵ Condensate is defined as a mixture of pentanes and heavier hydrocarbons recovered as a liquid at the inlet of a gas processing plant before the gas is processed and pentanes and heavier hydrocarbons obtained from the processing of raw natural gas.

⁶ Excludes field-level facility and maintenance operating expenses.

⁷ Crew's estimated operating netback in fourth quarter 2019, used in the above calculations, averaged \$12.16 per boe (unaudited), while the Company's estimated full year 2019 operating netback averaged \$14.05 per boe (unaudited). See 'Unaudited Financial Information' and 'Information Regarding Disclosure on Oil and Gas Reserves, Operational Information and Non-IFRS Measures' in the advisories.

⁸ 71% conventional natural gas, 12% condensate, 9% NGLs, 7% heavy oil and 1% light oil.

⁹ 72% conventional natural gas, 11% condensate, 9% NGLs, 7% heavy oil and 1% light oil.

2019 RESERVES DETAIL

The detailed reserves data set forth below is based upon the Sproule Report with an effective date of December 31, 2019. The following presentation summarizes the Company's crude oil, natural gas liquids and conventional natural gas reserves and the net present values before income tax of future net revenue for the Company's reserves using forecast prices and costs based on the Sproule Report. The Sproule Report has been prepared in accordance with definitions, standards, and procedures contained in the Canadian Oil and Gas Evaluation Handbook ("COGE Handbook") and National Instrument 51-101 – *Standards of Disclosure for Oil and Gas Activities* ("NI-51-101"). The reserves evaluation was based on Sproule forecast escalated pricing and foreign exchange rates at December 31, 2019 as outlined in the table herein entitled "Price Forecast".

All evaluations and summaries of future net revenue are stated prior to provision for interest, debt service charges and general administrative expenses, the input of hedging activities and after deduction of royalties, operating costs, estimated well abandonment, decommissioning and reclamation costs associated with the Company's assets in the reserve report and estimated future capital expenditures associated with reserves. It should not be assumed that the estimates of net present value of future net revenues presented in the tables below represent the fair market value of the reserves. There is no assurance that the forecast prices and cost assumptions will be attained and variances could be material. The recovery and reserve estimates of our crude oil, natural gas liquids and conventional natural gas reserves provided herein are estimates only and there is no guarantee that the estimated reserves will be recovered. Actual crude oil, conventional natural gas and natural gas liquids reserves may be greater than or less than the estimates provided herein. Reserves included herein are stated on a company gross basis (working interest before deduction of royalties without including any royalty interests) unless noted otherwise. In addition to the detailed information disclosed in this news release, more detailed information as prescribed by NI 51-101 will be included in the Company's Annual Information Form (the "AIF") for the year ended December 31, 2019, which will be filed on the Company's profile at www.sedar.com on or before March 30, 2020.

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

Corporate Reserves^(1,2,5)

	Light Crude Oil and Medium Crude Oil	Heavy Crude Oil	Natural Gas Liquids	Conventional Natural Gas ⁽³⁾	Barrels of oil equivalent ⁽⁴⁾
	(mdbl)	(mdbl)	(mdbl)	(mmcf)	(mboe)
Proved					
Developed Producing	315	1,070	13,141	291,587	63,122
Developed Non-producing ⁰		856	195	5,098	1,901
Undeveloped	3,198	2,068	27,784	623,453	136,958
Total Proved	3,512	3,994	41,120	920,138	201,982
Total Probable	3,794	3,574	43,310	947,488	208,592
Total Proved plus Probable	7,306	7,568	84,430	1,867,626	410,574

Notes:

- (1) Reserves have been presented on a "gross" basis which is defined as Crew's working interest (operating and non-operating) share before deduction of royalties and without including any royalty interest of the Company.
- (2) Based on Sproule's December 31, 2019 escalated price forecast.
- (3) Reflects 100% Conventional Natural Gas by product type.

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

(5) Columns may not add due to rounding.

Reserves Values⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾

The estimated before tax net present value ("NPV") of future net revenues associated with Crew's reserves effective December 31, 2019 and based on the Sproule Report and the published Sproule (December 31, 2019) future price forecast are summarized in the following table:

(m\$)	0%	5%	10%	15%	20%
Proved					
Developed Producing	704,938	543,075	438,722	370,013	322,240
Developed Non-producing	27,826	23,323	20,130	17,755	15,903
Undeveloped	1,983,005	1,081,723	653,409	423,237	286,736
Total Proved	2,715,768	1,648,121	1,112,261	811,005	624,879
Total Probable	4,343,823	3,182,803	2,395,345	1,579,980	939,500
Total Proved plus Probable	7,059,591	4,831,477	3,507,606	2,391,390	1,564,379

Notes:

(1) Based on Sproule's December 31, 2019 escalated price forecast.

(2) The estimated future net revenues are stated prior to provision for interest, debt service charges, general administrative expenses, the impact of hedging activities, and after deduction of royalties, operating costs, ADR associated with the Company's assets and estimated future capital expenditures.

(3) The after-tax present values of future net revenue attributed to Crew's reserves will be included in the Company's 2019 AIF to be filed on or before March 30, 2020.

(4) Columns may not add due to rounding.

Commencing in 2019, Sproule included additional abandonment and reclamation obligations ("ARO") in the Company's reserves evaluation, which resulted in a decrease in value relative to 2018. This significant change to the prior years' practices, which were consistent with the reporting of many other companies in the industry, was made based on new guidelines contained within the COGE Handbook, which recommends adopting the best practice of including abandonment, decommissioning and reclamation ("ADR") costs associated with all of the Company's assets evaluated in the Sproule Report. This includes costs for both active and inactive wells, including ADR costs for producing wells, suspended wells, service wells, gathering systems, facilities, and surface land development for all the Company's assets. At year-end 2019, Sproule's evaluation of Crew's NPV₁₀ BT for ADR related to Crew's 2P, 1P and PDP reserves was \$42.5 million, \$42.7 million, and \$40.8 million, respectively, an increase of \$35.3 million, \$35.8 million, and \$36.2 million compared to the corresponding ADR measures at the end of 2018.

Price Forecast

The Sproule December 31, 2019 price forecast is summarized as follows:

Year	Exchange Rate	WTI @ Cushing	Canadian Light Sweet	Western Canada Select	Henry Hub	Natural gas AECO-C spot
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	(\$US/\$Cdn)	(US\$/bbl)	(C\$/bbl)	(C\$/bbl)	(US\$/mmbtu)	(C\$/mmbtu)
2020	0.760	61.00	73.84	59.81	2.80	2.04
2021	0.770	65.00	78.51	63.98	3.00	2.27
2022	0.800	67.00	78.73	63.77	3.25	2.81
2023	0.800	68.34	80.30	65.04	3.32	2.89
2024	0.800	69.71	81.91	66.34	3.38	2.98
2025	0.800	71.10	83.54	67.67	3.45	3.06
2026	0.800	72.52	85.21	69.02	3.52	3.15
2027	0.800	73.97	86.92	70.40	3.59	3.24
2028	0.800	75.45	88.66	71.81	3.66	3.33
2029	0.800	76.96	90.43	73.25	3.73	3.42
2030	0.800	78.50	92.24	74.71	3.81	3.51
2031 + ⁽¹⁾		2.0%/yr	2.0%/yr	2.0%/yr	2.0%/yr	2.0%/yr

Note:

(1) Escalated at 2.0% per year starting in 2030 with the exception of foreign exchange which remains flat.

Reserves Reconciliation

The following reconciliation of Crew's gross reserves compares changes in the Company's reserves as at December 31, 2019 based on the Sproule (December 31, 2019) future price forecast relative to the reserves as at December 31, 2018.

FACTORS	MBOE		
	Total Proved	Total Probable	Total Proved + Probable
December 31, 2018	172,840	238,127	410,967
Extensions and Improved Recovery ⁽¹⁾	9,542	17,626	27,168
Infill Drilling	65	43	108
Technical Revisions	30,114	(48,168)	(18,054)
Discoveries	0	0	0
Acquisitions	0	0	0
Dispositions	(49)	(23)	(72)

Economic Factors	(2,195)	987	(1,208)
Production	(8,336)	0	(8,336)
December 31, 2019	201,982	208,593	410,574

Notes:

- (1) Increases to Extensions and Improved Recovery are the result of step-out locations drilled by Crew. Reserves additions for improved recovery and extensions are combined and reported as "Extensions and Improved Recovery".
- (2) Columns may not add due to rounding.
- (3) Reconciliation by product type in accordance with NI 51-101 will be contained in Crew's AIF to be filed on or before March 30, 2020.

Technical revisions in the 1P category for year end 2019 were predominantly the result of undeveloped locations moving from the Total Probable category into the Total Proved category. Several factors contributed to technical revisions on 2P reserves at year end 2019, including a minor reduction in NGL yield at Septimus and West Septimus, which declined from 38.5 bbls/mmcf in 2018 to 36.0 bbls/mmcf in 2019. Due to the increase in UCR wells in 2019, Crew realized changes to gas shrinkage rates at Septimus and West Septimus, which increased from 7.5% at year end 2018 to 9.0% in 2019. Finally, in the greater Tower area, 16 probable only locations were removed as those extended beyond the ten years of development timing guidance as prescribed within the COGE Handbook, with a lower priority of corporate commitment to the project.

Capital Program Efficiency

	2019		2018		2017-2019	
	1P	2P	1P	2P	1P	2P
Exploration and Development Expenditures ⁽¹⁾⁽⁶⁾ (\$ thousands)	114,094	114,094	103,219	103,219	455,615	455,615
Acquisitions/(Dispositions) ⁽¹⁾⁽⁶⁾ (\$ thousands)	(19,085)	(19,085)	(9,805)	(9,805)	(76,796)	(76,796)
Change in Future Development Capital ⁽¹⁾ (\$ thousands)						
- Exploration and Development	135,712	(107,199)	(19,952)	130,237	125,274	205,907
- Acquisitions/Dispositions	(10)	(10)	(40)	(40)	(7,925)	(21,850)
Reserves Additions with Revisions and Economic Factors (mboe)						
- Exploration and Development	37,526	8,015	12,200	49,506	75,596	74,244
- Acquisitions/Dispositions	(49)	(72)	(18)	(28)	(1,352)	(4,788)
	37,476	7,943	12,182	49,478	74,244	112,102

2019	2018	3 Year Average 2017-2019
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1P 2P 1P 2P 1P 2P

Finding & Development Costs⁽²⁾⁽⁵⁾

(\$ per boe)

- with revisions and economic factors **6.66 0.86** 6.82 4.72 7.68 5.66

Finding, Development & Acquisition Costs⁽²⁾⁽⁵⁾ (\$ per boe)

- with revisions and economic factors **6.16 (1.54)** 6.03 4.52 6.68 5.02

Recycle Ratio⁽³⁾⁽⁵⁾ (F&D)

1.8 14.1 2.3 3.4

Reserves Replacement⁽⁴⁾⁽⁵⁾

450%95% 140%568%

Notes:

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

(2) The calculation of F&D and FD&A costs incorporates the change in FDC required to bring proved undeveloped and developed reserves into production. In all cases, the F&D or FD&A number is calculated by dividing the identified capital expenditures by the applicable reserves additions after changes in FDC costs.

(3) Recycle ratio is defined as operating netback per boe divided by F&D costs on a per boe basis. Operating netback is a Non-IFRS Measure and is calculated as revenue (including realized hedging gains and losses) minus royalties, operating expenses, and transportation expenses. Crew's estimated operating netback in fourth quarter 2019, used in the above calculations, averaged \$12.16 per boe (unaudited), while the Company's full year 2019 estimated operating netback averaged \$14.05 per boe (unaudited). These amounts are estimates and subject to audit verification. See Non-IFRS Measures contained in Crew's MD&A for calculations and rationale for use.

(4) Reserves replacement ratio is calculated as total reserve additions (including acquisitions net of dispositions) divided by annual production. Based on field estimates, Crew's 2019 annual production averaged 22,837 boe per day.

(5) "Reserves Replacement", "FD&A Cost", "F&D Cost", and "Recycle Ratio" do not have standardized meanings and therefore may not be comparable with the calculation of similar measures for other entities. See "Information Regarding Disclosure on Oil and Gas Reserves and Operational Information" in this news release.

(6) All 2019 financial amounts are unaudited. See advisories.

Future Development Capital

The following table provides a summary of the estimated FDC required to bring Crew's reserves on production.

	Total	Total Proved
Future Development Capital (\$millions)⁽¹⁾Provedplus Probable		
2020	76	80
2021	139	150
2022	191	221

2023	164	187
2024	83	88
Remainder	192	1,061
Total FDC undiscounted	844	1,787
Total FDC discounted at 10%	618	998

Notes:

- (1) Reflects development costs deducted by Sproule in the Sproule Report in the estimation of future net revenue attributed to the noted reserve categories using Sproule's forecast pricing and foreign exchange rates at December 31, 2019.
- (2) Columns may not add due to rounding

Advisories

Unaudited Financial Information

Certain financial and operating information included in this press release for the quarter and year ended December 31, 2019, including exploration and development expenditures, acquisitions / dispositions, finding and development costs, recycle ratio and operating netbacks are based on estimated unaudited financial results for the quarter and year then ended, and are subject to the same limitations as discussed under Forward Looking Information set out below. These estimated amounts may change upon the completion of audited financial statements for the year ended December 31, 2019 and changes could be material.

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

All amounts in this news release are stated in Canadian dollars unless otherwise specified. Our oil and gas reserves statement for the year ended December 31, 2019, which will include complete disclosure of our oil and gas reserves and other oil and gas information in accordance with NI 51-101, will be contained within our Annual Information Form which will be available on our SEDAR profile at www.sedar.com on or before March 30, 2020. The recovery and reserve estimates contained herein are estimates only and there is no guarantee that the estimated reserves will be recovered. In relation to the disclosure of estimates for individual properties or subsets thereof, including the UCR area of operations, such estimates may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation. The Company's belief that it will establish additional reserves over time with conversion of probable undeveloped reserves into proved reserves is a forward-looking statement and is based on certain assumptions and is subject to certain risks, as discussed below under the heading "Forward-Looking Information and Statements".

This press release contains metrics commonly used in the oil and natural gas industry, such as "recycle ratio", "finding and development costs", "finding and development recycle ratio", "finding, development and acquisition costs", "reserves replacement", and "reserves replacement ratio". Each of these metrics are determined by Crew as specifically set forth in this news release. These terms 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 to provide readers with additional information to evaluate the Company's performance however, such metrics should not be unduly relied upon for investment or other purposes. Management uses these metrics for its own performance measurements and to provide readers with measures to compare Crew's performance over time.

Both F&D and FD&A costs take into account reserves revisions during the year on a per boe basis. The aggregate of the costs incurred in the financial year and changes during that year in estimated FDC may not reflect total F&D costs related to reserves additions for that year. Finding and development costs both including and excluding acquisitions and dispositions have been presented in this press release because acquisitions and dispositions can have a significant impact on our ongoing reserves replacement costs and excluding these amounts could result in an inaccurate portrayal of our cost structure.

This press release contains financial and performance metrics that are not defined in IFRS and do not have standardized meanings or standardized methods of calculation, such as "operating netbacks" and "net capital expenditures". As such, these terms 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.

With respect to the use of terms used in this press release identified as Non-IFRS Measures, see Non-IFRS Measures contained in Crew's MD&A for applicable definitions, calculations, rationale for use and, where applicable, reconciliations to the most directly comparable measure under IFRS.

Operating Netbacks

Operating netback equals petroleum and natural gas sales including realized gains and losses on commodity related derivative financial instruments, marketing income, less royalties, net operating costs and transportation costs calculated on a boe basis. Management considers operating netback an important measure to evaluate its operational performance as it demonstrates its field level profitability relative to current commodity prices. The calculation of Crew's netbacks can be seen under "Operating Netbacks" within the Company's most recently filed MD&A.

Net Capital Expenditures

Net capital expenditures equals exploration and development expenditures plus property acquisitions or less property dispositions.

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 recognition of significant additional reserves under the heading "2019 Reserves Detail", the volumes and estimated value of Crew's oil and gas reserves, the future net value of Crew's reserves, the future development capital and costs, the future ADR, the life of Crew's reserves, the estimated volumes, including shut-ins, and product mix of Crew's oil and gas production; production estimates; Crew's commodity risk management programs; future liquidity and financial capacity required to carry out our planned program; future results from operations and operating metrics; expectations regarding superior economics from our UCR area of operations and ERH program; future development activities (including drilling and completion plans and associated timing and cost estimates) and related production estimates; 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 differ materially from those anticipated in such forward-looking information or statements including, without limitation: changes in commodity prices; changes in the demand for or supply of Crew's products, the early stage of development of some of the evaluated areas 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 the 6:1 conversion ratio, utilizing the 6:1 ratio may be misleading as an indication of value.

Crew Energy Inc. is a dynamic, growth-oriented exploration and production company, focused on increasing long-term production, reserves and cash flow per share through the development of our world-class Montney resource. Crew is based in Calgary, Alberta and our shares are traded on The Toronto Stock Exchange under the trading symbol "CR".

SOURCE Crew Energy Inc.