Crew Energy Inc. Announces First Quarter 2020 Financial and Operating Results

May 7, 2020

CALGARY, May 7, 2020 /CNW/ - Crew Energy Inc. (TSX: CR) ("Crew" or the "Company") today announces our operating and financial results for the three month period ended March 31, 2020. Crew's Financial Statements and Notes, as well as Management's Discussion and Analysis ("MD&A") for the three month period ended March 31, 2020 are available on Crew's website and filed on SEDAR at www.sedar.com.

Q1 2020 HIGHLIGHTS

- **Production of 23,894 boe per day:** Volumes were 6% higher than Q4/19 and 3% higher than Q1/19, due to well performance that exceeded expectations. Production volumes consisted of 69% natural gas, 14% condensate[1], 10% ngl and 7% oil.
- **Strong Liquidity:** Quarter end net debt[2] of $337.7 million was 3% lower than Q4/19, which includes $300 million of senior unsecured term debt due in 2024 with no financial maintenance covenants and 13% drawn on a $235 million credit facility.
- **$35 Million Cash Inflow:** The first closing of a strategic debt and cost reduction transaction resulted in $35 million of proceeds that were applied to reduce credit facility borrowings and enables Crew to capture efficiencies and further strengthen the balance sheet. See our January 17 and February 27, 2020 press releases for complete transaction details.
  - After the second closing of this transaction, anticipated to occur in Q4/20, net debt will ultimately be reduced by $58.3 million with Crew realizing $2.1 million of annual cost savings going forward.
  - Commencing in 2021, Crew can exercise an option to dispose of an additional interest in our Greater Septimus facilities which would result in incremental cash consideration of up to $37.5 million.
- **Cost Reduction and Efficiency Optimizations:** Year-over-year, net operating and general and administrative ("G&A") costs decreased 8% and 24% per boe, respectively, reflecting successful streamlining and optimization of field operations, as well as reduced compensation costs and lower head office lease costs. As a result of these streamlining efforts, Crew is forecasting a reduction in G&A expenses of approximately 25% in 2020 compared to 2019.
- **Adjusted Funds Flow ("AFF")[2] Reflects Commodity Prices:** AFF of $12.4 million ($0.08 per fully diluted share) was 27% and 53% lower than Q4/19 and Q1/19, respectively, reflecting the impact of weak commodity prices.
- **Condensate Contribution:** Condensate[1] production averaged 3,340 bbls per day, 36% and 28% higher than Q4/19 and Q1/19, respectively, reflecting our focus on Crew's ultra-condensate rich ("UCR")[3] area at Septimus and West Septimus ("Greater Septimus").
- **Capital Expenditures Focused on Reducing Costs and Driving Sustainability:** Exploration and development expenditures totaled $18.0 million, with $5.7 million directed to cost reduction and sustainability initiatives that are expected to reduce operating costs and greenhouse gas ("GHG") and CO_2 emissions by 3,350 tonnes per year. Crew's commitment to our environmental, social and governance ("ESG") pillars has remained paramount, with social importance coming into sharper focus given the impact of COVID-19.

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(1) 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.

(2) Non-IFRS Measure. "Net debt", "Adjusted funds flow" 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.(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).

Financial & Operating Highlights:

FINANCIAL ($ thousands, except per share amounts)	**Three months ended Mar. 31, 2020**	Three months ended Mar. 31, 2019
Petroleum and natural gas sales	**38,094**	55,451
Adjusted Funds Flow [(1)]	**12,400**	25,771
Per share - basic	**0.08**	0.17
- diluted	**0.08**	0.17
Net (loss) income	**(191,909)**	6,186
Per share - basic	**(1.27)**	0.04
- diluted	**(1.27)**	0.04
Exploration and Development expenditures	**18,029**	55,241
Property acquisitions (net of dispositions)	**(34,940)**	(15,924)
Net capital expenditures	**(16,911)**	39,317
Capital Structure ($ thousands)	**As at Mar. 31, 2020**	As at Dec. 31, 2019
Working capital deficiency (surplus) [(2)]	**10,541**	(149)
Bank loan	**31,049**	52,136
	41,590	51,987
Senior Unsecured Notes	**296,113**	295,868
Total Net Debt [(3)]	**337,703**	347,855
Common Shares Outstanding (thousands)	**151,692**	151,534

Notes:

(1) Non-IFRS Measure. AFF 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 on the senior unsecured notes. AFF does not have a standardized measure prescribed by International Financial Reporting Standards, ("IFRS") 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 for details including a reconciliation of AFF to its most closely related IFRS measure.

(2) Non-IFRS Measure. Working capital deficiency and surplus includes accounts receivable and net assets held for sale; less accounts payable and accrued liabilities. See "Non-IFRS Measures" contained within Crew's MD&A

(3) Non-IFRS Measure. Net debt is defined as outstanding long-term debt and net working capital. See "Non-IFRS Measures" within the Company's MD&A.

Operations	**Three months ended Mar. 31, 2020**	Three months ended Mar. 31, 2019
Daily production		

Light crude oil (bbl/d)	**215**	226
Heavy crude oil (bbl/d)	**1,527**	1,608
Natural gas liquids ("ngl")[(1)] (bbl/d)	**2,288**	2,014
Condensate (bbl/d)	**3,340**	2,617
Natural gas (mcf/d)	**99,144**	100,542
Total (boe/d @ 6:1)	**23,894**	23,222
Average prices [(2)]		
Light crude oil ($/bbl)	**44.81**	61.04
Heavy crude oil ($/bbl)	**20.06**	44.25
Natural gas liquids ($/bbl)	**4.86**	10.89
Condensate ($/bbl)	**54.83**	62.17
Natural gas ($/mcf)	**1.86**	3.45
Oil equivalent ($/boe)	**17.52**	26.53

Notes:

(1) Throughout this news release, natural gas liquids ("ngl") comprise all natural gas liquids as defined by NI 51-101 other than condensate, which is disclosed separately.

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

	Three months ended Mar. 31, 2020	Three months ended Mar. 31, 2019
Netback ($/boe)		
Petroleum and natural gas sales	**17.52**	26.53
Royalties	**(1.00)**	(1.85)
Realized commodity hedging gain/(loss)	**1.75**	(0.88)
Marketing income[(1)]	**0.11**	1.40
Net operating costs[(2)]	**(5.74)**	(6.25)
Transportation costs	**(3.21)**	(2.26)
Operating netback[(3)]	**9.43**	16.69
G&A	**(1.15)**	(1.51)
Other income	**-**	-
Financing costs on long-term debt	**(2.58)**	(2.86)

Adjusted funds flow	**5.70**	12.32
Drilling Activity		
Gross wells	**2**	7
Working interest wells	**2.0**	7.0
Success rate, net wells (%)	**100%**	100%

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) Non-IFRS Measure. Operating netback equals petroleum and natural gas sales including realized hedging gains and losses on commodity contracts, marketing income, less royalties, net operating costs and transportation costs calculated on a boe basis. Operating netback does not have a standardized measure prescribed by IFRS 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.

COMMITMENT TO ESG: CREW'S RAPID RESPONSE TO COVID-19

Crew is dedicated to ensuring the health, safety and security of employees, contractors, partners and residents within all of our operating areas and communities. In response to the COVID-19 pandemic, we mobilized quickly to implement response plans and procedures that would protect the health and well-being of all stakeholders. We established work from home protocols in mid-March, including training programs specifically designed to ensure home working environments are effective, and rolled-out new technologies and programs to facilitate remote working across the organization. Due to Crew's rapid and effective mitigation actions, 100% of our head office employees were able to work remotely within days of our local schools closing, having minimal impact on operations or productivity. We also implemented social distancing protocols throughout our field operations that help to protect our field staff and contractors while new workforce efficiencies have been implemented to streamline costs. As a result of the actions taken and the diligence of our staff in following prescribed social distancing measures, we are pleased to report that Crew has not had any lost time as a result of COVID-19.

The Company has taken a measured and calculated approach to shutting-in production to ensure that we not only minimize costs and maximize AFF, but also defer flush production in our UCR area to enhance returns. Crew continues to actively engage with government regulatory bodies both corporately and through our membership in EPAC. Due to our strong relationships, we have maintained open communication with these entities regarding industry challenges and the impacts on employees and the economy. In addition, the health and safety of our Crew family remains paramount and we are pleased to report that our strong safety record is ongoing with zero recordable injuries in Q1/20.

Over the summer of 2020, Crew planned to offer educational work experience to four new students through our annual summer student program which, over the past five years, has provided valuable work experience for 17 students. However, to protect the health and safety of all employees and students, this program has been placed on hold pending easing of restrictions related to COVID-19.

In the current challenging financial and operating environment, Crew's Board has taken proactive steps to reduce G&A expenses, including a 20% reduction in cash compensation for the CEO and the Board of Directors, a 15% compensation reduction for the executive team and 10% reduction for all other staff. In addition, the Company implemented a Shareholder Engagement Policy during Q1/20, which reflects Crew's commitment to transparency, communications and active stakeholder engagement throughout all markets.

FINANCIAL OVERVIEW

Production Exceeds Expectations

- Volumes for the quarter averaged 23,894 boe per day, above our first half 2020 projected range of 22,000 to 23,000 boe per day stemming from stronger condensate and ngl volumes from the West Septimus UCR wells completed late in Q4/19.
- Greater Septimus production averaged 19,894 boe per day in Q1 2019, an increase of 6% over the 18,720 boe per day in Q4/19 and 2% above Q1/19.
- Exploration and development expenditures totaled $18.0 million during the period, with $10.8 million allocated to the drilling and completion of one (1.0 net) water disposal well in the West Septimus area and two (2.0 net) lease preserving multi-lateral heavy oil wells drilled at Lloydminster, $4.9 million to well sites, facilities and pipelines, and $2.3 million to land, seismic and other miscellaneous items.
- Crew continues to work with service providers to reduce capital and operating costs and have been pleased with the collaborative approach taken by our partners.

AFF Driven by Pricing

- Petroleum and natural gas sales of $38.1 million were 15% lower than Q4/19 and 31% less than Q1/19, primarily due to a 19% and

34% decline in Crew's per boe realized price over the same respective periods, slightly offset by higher production.

- Commodity prices remained under pressure through Q1/20 as benchmark prices for all products declined quarter-over-quarter and year-over-year. In particular, oil and condensate prices decreased significantly in the last half of March in response to events on the global stage, including a price war between OPEC+ members, and the demand destruction caused by the impact of the COVID-19 pandemic.
- The benchmarks for Crew's realized pricing declined relative to the same period in 2019 and to the previous quarter:
  - Crew's realized light crude oil price was 27% and 29% lower than in Q1/19 and Q4/19; respectively, while the Canadian dollar denominated West Texas Intermediate ("WTI") benchmark price in Q1/20 declined 16% and 18% over the same respective periods. The larger decline in the Company's light oil pricing compared to the WTI-based benchmark is primarily due to wider pricing differentials between Canadian and U.S. crude caused by the lack of Canadian egress.
  - The heavy crude oil benchmark, Western Canada Select ("WCS"), declined 40% from Q1/19 and 37% from Q4/19, while Crew's heavy oil realized price declined 55% relative to both periods, with the weakness driven by the above mentioned lack of Canadian egress, a seasonal increase in diluent required to blend with the heavy crude oil, combined with weaker spot price sales.
  - Realized pricing for Crew's ngl production decreased 55% in the first quarter as compared to the same period in 2019, and 44% relative to the previous quarter, primarily due to a decrease in component pricing.
  - Realized condensate prices decreased 12% and 13% over Q1/19 and Q4/19, respectively, approximating the same decreases as the Edmonton benchmark condensate price over the same periods.
  - Crew's Q1/20 natural gas sales continued to be exposed to diversified markets, a feature that has benefited the Company significantly in the past, particularly our higher exposure to US markets. For the first time in over four years, the Chicago City Gate net at ATP average quarterly benchmark price traded lower than prices at AECO 5A or Alliance, impacting Crew's realized natural gas price, which decreased 46% and 21% relative to Q1/19 and Q4/19, respectively. Through 2020 and into 2021, the Company's relative exposure to Canadian AECO and Alliance pricing will increase, while exposure to US prices will decrease proportionately.
- Crew generated $12.4 million of AFF in Q1/20 ($0.08 per fully diluted share), 52% lower than the comparable period of 2019 and 23% less than Q4/19, reflecting the impact of weak commodity prices and increased transportation costs per boe.
- Condensate continued to meaningfully impact the Company's financial results. Condensate volumes in Q1/20 represented 14% of total production compared to 11% in each of Q1/19 and Q4/19, while condensate revenue represented a significant share of total revenue at 44% compared to 26% in Q1/19 and 32% in Q4/19.
- During the quarter, the COVID-19 outbreak and subsequent measures taken to limit the pandemic's spread along with increased global oil supply led to a significant decline in our independent reserve engineers' commodity price forecasts. As a result, the Company conducted impairment tests on our cash generating units that resulted in a $267 million non-cash impairment charge against Crew's property, plant and equipment. Additional information is provided in the March 31, 2020 MD&A, under the heading 'Impairment'.

Controlling Cash Costs

- Crew's focus remains on controlling costs across all facets of the organization. Relative to the same period in 2019, Q1/20 net operating costs of $5.74 per boe declined 8%, while transportation costs of $3.21 per boe were higher due to incremental costs associated with Crew's natural gas market diversification strategy that came on-stream during 2019.
- G&A costs of $1.15 per boe were 24% lower in Q1/20 compared to Q1/19 and 14% lower than Q4/19. This reflects the impact of lower head office lease costs and ongoing streamlining of G&A expenses which is expected to be reduced by 25% year-over-year.

Prioritizing Liquidity

- Net debt of $337.7 million at March 31, 2020 was 7% lower than Q1/19, and 3% lower than year end 2019 and reflects the application of $35 million of proceeds from the first closing of our strategic infrastructure transactions to outstanding draws on our credit facility, which totaled $31.0 million at March 31, 2020.
- The infrastructure transactions allow Crew to capture efficiencies and strengthen the balance sheet, ultimately reducing net debt by $58.3 million in 2020, with the added benefit of $2.1 million of annual cost savings following the second closing. In addition, commencing in 2021, Crew can elect to exercise an option for a further disposition of the facility working interests which would result in additional cash consideration of up to $37.5 million, providing added liquidity in an uncertain environment.

- Crew's debt is comprised of $300 million of senior unsecured term debt with no financial maintenance covenants or repayment required until 2024, and a $235 million credit facility that was 13% drawn at quarter-end. The Company is currently working with our banking partners on the annual renewal of our credit facility, which is expected to be completed in May.

TRANSPORTATION, MARKETING & HEDGING

Diversified Market Access and Risk Management

- A key differentiator for Crew is access to multiple natural gas pipeline systems, a highly diversified portfolio and an active marketing team whose efforts have afforded the Company significant exposure to more attractive US price points over the past several years.

- TC Energy's mainline protocol change in Q3/19, that helped stabilize and elevate Canadian natural gas prices to levels more aligned with US sales hubs, has impacted Crew's premium natural gas pricing. As a result of Crew's active portfolio approach and transportation flexibility, we will rebalance the Company's marketing portfolio over the near term to reduce transportation commitments and realign our natural gas portfolio to the markets that provide the best natural gas prices available.

- In Q1/20, Crew's average natural gas sales exposure was weighted approximately 58% to Chicago, 16% to Henry Hub, 19% to Alliance 5A, and 7% to Station 2.

- The Company's 2020 sales portfolio is estimated to be weighted 59% to Chicago, 16% to Henry Hub, 13% to Alliance 5A, 9% to Station 2 and 3% to Malin.

- As we move towards 2021, our estimated weighting will shift to approximately 49% to Chicago, 20% to Alliance 5A, 20% to AECO 5A and 11% to Station 2.

- See our MD&A for a complete list of all hedges in place as at March 31, 2020 along with incremental contracts secured subsequent to quarter end.

OPERATIONS & AREA OVERVIEW

NE BC Montney - Greater Septimus

- All four of Crew's 3-32 wells were flowing through permanent producing facilities in February and continue to exceed expectations with aggregate production of approximately 180,000 bbls of sales condensate in the first four months of production. At the end of Q1/20, per well production rates averaged approximately 3.25 mmcf per day of raw gas and 360 bbls per day of wellhead condensate.

- The twinning of a pipeline in West Septimus was completed and came on-stream in Q1/20, reducing line pressure in our UCR area. This enabled an increase in production and reduced gas lift compression requirements from high-value wells and is expected to lead to a reduction of 1,550 tonnes of CO_2 emissions annually.

- A water disposal well that was drilled and completed in West Septimus during the quarter is expected to significantly reduce water handling costs and remove 6,100 truckloads annually from roads which is equivalent to 2,800 tonnes of CO_2 emissions. Tie-in and pipeline work is scheduled to commence after spring break-up with the commissioning of the disposal well anticipated in early Q4/20.

Greater Septimus

Production & Drilling	**Q1 2020**	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Average daily production (boe/d)	**19,894**	18,720	19,648	19,594	19,535
Wells drilled (gross / net)	**0**	0	0	1 / 1.0	6 / 6.0
Wells completed (gross / net)	**0**	4 / 4.0	1 / 1.0	0	8 / 8.0
Operating Netback ($ per boe)	**Q1 2020**	Q4 2019	Q3 2019	Q2 2019	Q1 2019

Revenue	**17.61**	20.13	17.38	22.20	25.61
Royalties	**(0.86)**	(1.76)	(1.04)	(1.27)	(1.56)
Realized commodity hedge gain / (loss)	**1.44**	0.90	1.78	0.28	(0.74)
Marketing income(1)	**0.13**	(0.02)	1.55	1.43	1.66
Net operating costs(2)	**(4.52)**	(3.99)	(4.41)	(4.46)	(4.65)
Transportation costs	**(2.99)**	(2.61)	(2.62)	(2.81)	(1.73)
Operating netback(3)	**10.81**	12.65	12.64	15.37	18.59

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) Non-IFRS Measure. Operating netback equals petroleum and natural gas sales including realized hedging gains and losses on commodity contracts, marking income, less royalties, net operating costs and transportation costs calculated on a boe basis. Operating netback does not have a standardized measure prescribed by IFRS 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 from this area averaged 691 boe per day in Q1/20, comprised of 185 bbls per day of oil, 19 bbls per day of condensate, 52 bbls per day of ngl and 2,609 mcf per day of natural gas. Crew is evaluating options to reduce operating costs through optimization of existing pipeline infrastructure and is expected to result in improved netbacks.

- **Attachie:** Approximately 44 of the Company's 90 net sections in this area are located within the liquids-rich hydrocarbon window. Given the positive results generated by offsetting operators, a lease retention well is currently planned and would conclude the lease preservation program at Attachie.

- **Oak / Flatrock:** In this liquids-rich gas area, Crew has more than 60 (52 net) sections of land, and the Company plans to continue monitoring industry activity and offsetting well results which have been encouraging.

AB / SK Heavy Oil - Lloydminster

- Two heavy oil multi-lateral lease retention wells were drilled in Q1/20, which in combination have retained 11 additional multi-lateral drilling locations. These wells came in under budget, with completions and facility tie-in work anticipated in early Q2/20.

- Crew began to scale back production of the heavy oil operations at Lloydminster during the quarter in order to preserve value and minimize operating costs. The Company had approximately 400 bbls of oil per day shut-in in April, with that number expected to increase to 750 bbls of oil per day in May.

OUTLOOK

- In light of the severely weak commodity price environment, the Company plans to commence shutting-in additional production in May, 2020, designed to preserve well economics, optimize pricing and further reduce costs. With the current pricing volatility, decisions related to producing volumes will be a fluid and dynamic process. Crew currently anticipates shut-ins of approximately 750 boe per day at Lloydminster and approximately 3,500 boe per day of recently completed UCR production in northeast B.C. in May, with all production to be carefully and continuously monitored for relative and incremental returns.

- Notwithstanding our plans to shut-in over 4,000 boe per day of productive capacity in May and June, Crew's strong Q1 production performance has allowed the Company to maintain annual production guidance of 20,000 to 22,000 boe per day. Crew's annual capital budget range has been reduced to $35 to $40 million with Q2/20 capital spending projected to be $6 to $8 million.

- Crew remains well positioned from a liquidity perspective with 13% drawn on our $235 million credit facility at quarter-end, and an additional net $23 million cash payment expected to be realized during Q4/20 associated with the strategic infrastructure transactions. With $300 million of senior notes termed out to 2024, Crew does not face any near-term maturities or repayment requirements, affording financial flexibility to weather continued market weakness.

- Crew has identified material cost savings associated with shutting-in low margin production, reduced water handling and trucking costs related to our new water disposal well, lower processing fees and lower G&A. The Company continues to diligently implement plans to reduce expenses and improve netbacks
- The Company's strategic asset base, which offers access to three natural gas export pipelines and an active, diversified marketing portfolio, enables Crew to leverage transportation arrangements to access natural gas markets offering the strongest pricing. With our 2020 gas weighting expected to be approximately 72%, we are encouraged by the constructive supply / demand fundamentals and futures price outlook. We are prepared to capitalize on changing price environments and seek to produce the commodity offering the highest potential returns into favorably priced markets.
- Crew is actively reviewing its eligibility for all Government of Canada and provincial programs and subsidies that have been offered due to the Covid-19 pandemic. While these programs may assist to cushion the Company from financial losses over the short-term, Crew's dedicated team and strong liquidity position are critical to the Company's survival and success in this challenging yet opportunity-rich environment.

The crisis caused by the COVID-19 pandemic has resulted in unprecedented economic challenges facing the world and in particular our business. We appreciate the tireless efforts of Crew's employees and Directors whose commitment and dedication is critical to the success of our Company. We thank all of our shareholders and bondholders for your ongoing support.

Stay safe and be well.

Advisories

Information Regarding Disclosure on Operational Information and Non-IFRS Measures

All amounts in this news release are stated in Canadian dollars unless otherwise specified.
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 "adjusted funds flow", "operating netbacks", "net capital expenditures", "working capital surplus" and "net debt". 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.

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 potential and uncertain impact of COVID-19 on the Company's operations and results; as to the execution of Crew's business plan including 2020 production guidance, capital spending plans and budget estimates; the anticipated receipt of additional net cash proceeds of $23 million upon remaining closings of the Company's previously announced strategic transactions; as to the Company's ongoing goal of increasing the overall weighting of condensate in its production mix; the estimated volumes, including planned production shut-ins, and product mix of Crew's oil and gas production; production estimates; commodity price expectations including Crew's estimates of natural gas pricing exposure; Crew's commodity risk management programs; marketing and transportation plans; estimates of sales points weightings; future liquidity and financial capacity; expectations regarding our credit facility renewal; future results from operations and operating metrics; potential for lower costs and efficiencies going forward including forecasted reductions in G&A for 2020 and estimated annual savings associated with shut-ins and planned operations and streamlining efforts; expectations regarding the potential government programs associated with COVID-19; world supply and demand projections and anticipated reductions in industry spending as a result, and long-term impact on pricing; future development, exploration, acquisition and disposition activities (including drilling and completion plans and associated timing and cost estimates); infrastructure investment plans and associated production capacity; and the amount and timing of capital projects.

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: the impact of COVID-19; 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; interruptions, unanticipated operating results or production declines; changes in tax or environmental laws, royalty rates; climate change regulations, 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 internal projections, expectations or beliefs underlying the Company's 2020 capital budget and corporate outlook for 2020 and beyond are subject to change in light of ongoing results, prevailing economic circumstances, commodity prices and industry conditions and regulations. Crew's outlook for 2020 and beyond provides shareholders with relevant information on management's expectations for results of operations, excluding any potential acquisitions, dispositions or strategic transactions that may be completed in 2020 and beyond. Accordingly, readers are cautioned that events or circumstances could cause results to differ materially from those predicted and Crew's 2020 guidance and outlook may not be appropriate for other purposes.

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.

Supplemental Information Regarding Product Types

This news release includes references to average daily production volumes by quarter at Greater Septimus. The following is intended to provide the product type composition for each of the production figures provided herein, where not already disclosed within tables above:

	Greater Septimus Production Volume Breakdown			
	Natural gas liquids(1)	Condensate	Natural gas	Total (boe/d)
Q1/20	*11%*	*17%*	*72%*	19,894
Q4/19	*10%*	*13%*	*77%*	18,720
Q3/19	*11%*	*13%*	*76%*	19,648
Q2/19	*10%*	*16%*	*74%*	19,594
Q1/19	*10%*	*13%*	*77%*	19,535

Notes:

(1) Throughout this news release, natural gas liquids ("ngl") comprise all natural gas liquids as defined by NI 51-101 other than condensate, which is disclosed separately.

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 and socially 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 ultra-condensate-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 Management's Discussion and Analysis for the three month periods ended March 31, 2020 and 2019 are filed on SEDAR at www.sedar.com and are available on the Company's website at www.crewenergy.com.

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