



Crew Energy Inc. Announces Closing of Second Phase of Strategic Midstream Transaction and Receipt of \$35 Million

November 5, 2020

CALGARY, AB, Nov. 5, 2020 /CNW/ - Crew Energy Inc. (TSX: CR) ("**Crew**" or the "**Company**") is pleased to announce the second of two closings of our previously announced strategic transaction with a third party midstream company (collectively, the "**Transaction**"), which was first announced on January 17, 2020. The Transaction is one of many innovative value-creation initiatives Crew has undertaken to streamline our asset base over the past several years. Over and above the proceeds realized from the Transaction, the Company has successfully generated more than \$502 million through portfolio optimization since 2014. These proceeds have supported continued development of our high-quality Montney assets, including ongoing returns-focused drilling and completions projects in our Septimus and West Septimus ("Greater Septimus") areas. Consistent with our track record, Crew plans to continue pursuing strategic, non-core dispositions and other value-enhancing transactions designed to further strengthen our long-term prospects.

Proceeds of \$35 Million on Second Closing

Concurrent with this second closing, Crew has received an additional \$35 million of cash consideration in exchange for the disposition of another 11% net working interest ("**WI**") in our Septimus and West Septimus gas processing facilities located within Crew's northeast B.C. ("**NEBC**") Montney operations at Greater Septimus (the "**NEBC Facilities**"). Under the Transaction, Crew's total WI divestment in the NEBC Facilities equaled 22%, generating combined proceeds of \$70 million received in two phases. Further, Crew has entered into a long-term processing arrangement with the purchaser, under which the Company is expected to make annual payments of approximately \$6.36 million to the purchaser over a 20-year period. In conjunction with the Transaction, Crew and the midstream company plan to build on their strategic infrastructure alliance with the goal of collaborating on future value creation opportunities.

Unrelated to the Transaction, Crew also exercised and recently closed upon an option with a different third party to acquire a net WI of approximately 16% in the NEBC Facilities for \$11.7 million. As a result of this additional transaction, Crew is expected to save approximately \$5.9 million of annual processing fees on a go-forward basis.

Based on the two transactions described above, the Company realizes meaningful benefits, including:

- receipt of net cash proceeds totaling \$58.3 million;
- retention of an approximate 23% net WI in, and operatorship of, the NEBC Facilities;
- net effect of annual cost reductions of approximately \$3 million; and
- a remaining option to dispose of an additional 11.43% WI in the NEBC Facilities for additional proceeds of up to \$37.5 million exercisable between January 2021 and June 2023.

Crew is a growth-oriented oil and natural gas producer, committed to pursuing sustainable per share growth and long term value creation through development of its Montney resource located in northeast British Columbia. Crew's common shares are listed for trading on the Toronto Stock Exchange ("**TSX**") under the symbol "CR".

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 benefits to be derived from completion of the transactions described herein including projected cost-savings resulting therefrom;; the potential for Crew and the Purchaser to complete future transactions pursuant to the strategic alliance described herein; and the possible future disposition of an additional interest in the NEBC Facilities pursuant to the excise of the option described herein.

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.

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, those risks identified herein 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.

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