crew energy inc.

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

November 9, 2020

CALGARY, AB, Nov. 9, 2020 /CNW/ - Crew Energy Inc. (TSX: CR) ("Crew" or the "Company") today announces our operating and financial results for the three and nine month periods ended September 30, 2020. Crew's Financial Statements and Notes, as well as Management's Discussion and Analysis ("MD&A") for the three and nine month periods ended September 30, 2020 are available on Crew's website and filed on SEDAR at www.sedar.com.

Q3 2020 HIGHLIGHTS

- **Production Guidance Increased:** Q3 production averaged 20,207 boe (121.2 mmcfe) per day, beating our quarterly guidance range of 18,000 to 19,000 boe per day, while volumes for the first nine months of 2020 averaged 22,052 boe per day, 4% lower than the same period of 2019. Strong well performance has allowed the Company to increase Q4/20 guidance from 19,500 to 20,500 boe per day to 20,000 to 21,000 boe per day and refine annual production guidance to 21,000 to 22,000 boe per day.
- **Adjusted Funds Flow ("AFF")[1] Improves From Q2/20:** AFF totaled $8.5 million ($0.06 per fully diluted share) in Q3/20, an 85% improvement, sequentially, over Q2/20 due to improved commodity pricing and operating cost reductions.
- **Operating Costs Reduced:** General and administrative ("G&A") costs per boe declined 42% and 36% in Q3/20 and the first nine months of 2020 over the same periods of 2019, respectively, averaging $0.79 per boe in Q3, while net operating costs per boe declined 3% and 6% compared to the same respective 2019 periods, averaging $5.74 per boe in Q3. These efforts have allowed the Company to reduce 2020 annual operating cost guidance from $6.00 to $6.50 per boe to $5.75 to $6.00 per boe.
- **Capital Allocated to Drive Returns:** Net capital expenditures[1] totaled $21.8 million, $13.4 million of which was primarily directed to drilling activities, including the drilling of the first six wells on the seven well West Septimus 9-5 pad, which is expected to be on production prior to year-end.
- **Strong Drilling Performance:** The Company realized further cost and operational improvements on the West Septimus 9-5 pad, including reducing drill times by over 20% relative to our performance on the previously drilled 3-32 pad, which is expected to contribute to strong capital efficiencies and enhanced returns.
- **Retaining Financial Flexibility:** Quarter end net debt[1] of $353.7 million positions the Company well from a liquidity perspective, with 28% drawn on our $150 million credit facility, reconfirmed until June 2021, and an additional net $23 million of proceeds received during the fourth quarter related to the strategic infrastructure transactions previously disclosed in Q1/20. With $300 million of senior notes termed out until 2024, Crew has no near-term maturities or repayment requirements.
- **Advancing Environmental, Social and Governance ("ESG") Principles:** With meaningful support received through various provincial and federal government stimulus programs, Crew is reducing our environmental footprint by directing capital to ongoing abandonment, reclamation and restoration activities at inactive well sites, pipelines and facilities, positively impacting our asset decommissioning obligation liabilities and ESG performance.

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(1) Non-IFRS Measure. "Adjusted funds flow", "net debt", 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.

Financial & Operating Highlights:

FINANCIAL ($ thousands, except per share amounts)	**Three months ended Sept. 30, 2020**	Three months ended Sept. 30, 2019	**Nine months ended Sept. 30, 2020**	Nine months ended Sept. 30, 2019

Petroleum and natural gas sales	**32,344**	41,597	**95,327**	148,591
Adjusted Funds Flow [(1)]	**8,549**	16,664	**25,582**	64,948
Per share - basic	**0.06**	0.11	**0.17**	0.43
- diluted	**0.06**	0.11	**0.17**	0.43
Net (loss) income	**(21,136)**	(3,255)	**(237,848)**	18,306
Per share - basic	**(0.14)**	(0.02)	**(1.56)**	0.12
- diluted	**(0.14)**	(0.02)	**(1.56)**	0.12
Exploration and Development expenditures	**21,876**	18,466	**45,253**	87,704
Property acquisitions (net of dispositions)	**(35)**	7	**(34,931)**	(19,166)
Net capital expenditures	**21,841**	18,473	**10,322**	68,538

Capital Structure ($ thousands)	**As at** **Sept. 30, 2020**	As at Dec. 31, 2019
Working capital deficiency (surplus) [(2)]	**14,998**	(149)
Bank loan	**42,137**	52,136
	57,135	51,987
Senior Unsecured Notes	**296,605**	295,868
Total Net Debt [(3)]	**353,740**	347,855
Common Shares Outstanding (thousands)	**151,742**	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, excluding grants, 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 Sept. 30, 2020**	Three months ended Sept. 30, 2019	**Nine months ended Sept. 30, 2020**	Nine months ended Sept. 30, 2019

Daily production				
Light crude oil (bbl/d)	**159**	233	**188**	205
Heavy crude oil (bbl/d)	**1,464**	1,627	**1,389**	1,653
Natural gas liquids ("ngl")[1] (bbl/d)	**1,894**	2,148	**2,109**	2,071
Condensate (bbl/d)	**2,247**	2,575	**2,739**	2,773
Natural gas (mcf/d)	**86,658**	97,443	**93,763**	97,608
Total (boe/d @ 6:1)	**20,207**	22,824	**22,052**	22,970
Average prices [2]				
Light crude oil ($/bbl)	**43.93**	63.81	**37.56**	63.39
Heavy crude oil ($/bbl)	**37.82**	52.86	**25.79**	52.58
Natural gas liquids ($/bbl)	**11.08**	0.57	**7.71**	6.16
Condensate ($/bbl)	**43.53**	62.19	**41.77**	64.73
Natural gas ($/mcf)	**1.97**	1.95	**1.86**	2.58
Oil equivalent ($/boe)	**17.40**	19.81	**15.78**	23.70

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 derivative financial instruments.

	Three months ended Sept. 30, 2020	Three months ended Sept. 30, 2019	**Nine months ended Sept. 30, 2020**	Nine months ended Sept. 30, 2019
Netback ($/boe)				
Petroleum and natural gas sales	**17.40**	19.81	**15.78**	23.70
Royalties	**(0.76)**	(1.49)	**(0.74)**	(1.70)
Realized commodity hedging gain	**1.90**	1.38	**2.33**	0.12
Marketing income[1]	**(0.28)**	1.33	**(0.13)**	1.32
Net operating costs[2]	**(5.74)**	(5.94)	**(5.72)**	(6.06)
Transportation costs	**(3.89)**	(2.80)	**(3.49)**	(2.69)

Operating netbacks[3]	**8.63**	12.29	**8.03**	14.69
G&A	**(0.79)**	(1.36)	**(0.91)**	(1.42)
Other revenue	**0.12**	-	**0.04**	-
Financing costs on long-term debt	**(3.25)**	(2.99)	**(2.88)**	(2.90)
Adjusted funds flow	**4.71**	7.94	**4.28**	10.37
Drilling Activity				
Gross wells	**6**	0	**8**	6
Working interest wells	**6.0**	0.0	**8.0**	6.0
Success rate, net wells (%)	**100%**	N/A	**100%**	100%

Notes:

(1) Marketing income was recognized from the monetization of forward natural gas 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" within Crew's MD&A.

THE CREW ADVANTAGE

As the global economy continued to manage through the broad-reaching effects of COVID-19 during Q3/20, the energy sector began to see some optimism with improving commodity prices, particularly for natural gas, and a slow return of industry activity. These factors contributed to Crew exceeding our previous quarterly production guidance range and delivering AFF per share which improved as the quarter progressed. The stronger forward curve for natural gas prices gave us an opportunity to continue adding to the Company's robust 2020 and 2021 hedge positions, which we have continued into the fourth quarter. Operationally, we remained active in Q3/20, focusing on the drilling of the first six wells on our seven-well 9-5 pad at West Septimus. With the combination of improved natural gas prices, a solid hedge position and favorable geology at West Septimus, Crew expects this project to generate compelling returns, with capital cost recoveries in approximately 12 to 14 months.

Crew's large proved plus probable reserve base of 2.46 TCFE[1,2] provides low risk development and our uniquely positioned Montney asset base provides diversity of commodity types, as well as exposure to market diversification opportunities. The Company's proactive marketing strategy is centered on maintaining the flexibility to react quickly when markets dictate, allowing the Company to enhance AFF. This process has resulted in an active rebalancing of Crew's marketing portfolio to align our transportation commitments and processing capacity, while redirecting natural gas to markets that support stronger price realizations.

Advancing Crew's ESG goals and conducting our operations to the highest standards has always been part of our corporate identity. Our team of employees and contractors remained safe during the quarter, with zero recordable or lost time injuries and no reported incidents of COVID-19. Our environmental performance was exemplary as the Company had no reportable spills in Q3/20. The twinning and start-up of a pipeline at West Septimus earlier in the year continues to support production volumes, while reducing gas lift compression requirements. This proactive initiative facilitates an expected reduction of 1,550 tonnes of CO_2 emissions annually, having the equivalent impact of removing 337 cars from the road each year[3]. In addition, a West Septimus water disposal well that began operating in Q2/20 is expected to handle all produced water from the West Septimus processing facility, ultimately reducing annual costs by up to $6.0 million, while eliminating 2,800 tonnes of CO_2 emissions, equivalent to removing 609 cars off the road annually[3].

1Reflects total corporate reserves based on the Corporation's independent reserves evaluation effective December 31, 2019

2Oil equivalent amounts have been calculated using a conversion rate of six thousand cubic feet of natural gas to one barrel of oil

[3]The average North American car emits 4.6 tonnes of CO_2 per year (Source: EPA / Natural Resources Canada)

FINANCIAL OVERVIEW

Production Higher as Prices Improve

- Third quarter production averaged 20,207 boe per day, while volumes for the nine months ended September 30, 2020 were 22,052 boe per day, in-line with Crew's projected annual range of 20,000 to 22,000 boe per day for 2020. Production for the period exceeded guidance, a result of gathering system improvements in the ultra-condensate rich ("UCR") area and better than expected well performance from both our 3-32 pad and from our two new Lloydminster heavy oil wells that were drilled in Q1/20. Production in Q3/20 reflects 41% lower exploration and development spending over the past twelve months compared to the same period of 2019, the planned ten-day turnaround at our Septimus processing facility which was completed in five days, and a 29-day turnaround at the McMahon gas processing facility which was completed on time.
- Production from Crew's Septimus and West Septimus areas ("Greater Septimus") averaged 17,119 boe per day in Q3/20, 13% and 8% lower than Q3/19 and Q2/20, respectively, reflecting reduced exploration and development spending over the past 12 months and production that was offline for the five day Septimus facility turnaround during the quarter.
- Exploration and development expenditures in Q3/20 totaled $21.8 million, within the previously established guidance range of $20 to $25 million. This amount included $13.4 million that was directed primarily to drilling activities, $6.6 million to well sites, facilities and pipelines and $1.9 million to land, seismic and other miscellaneous items.

Positive AFF

- Crew generated $8.5 million of AFF in Q3/20 ($0.06 per fully diluted share), an 85% increase over Q2/20 and a 49% decrease compared to the same period of 2019, with AFF of $25.6 million ($0.17 per fully diluted share) in the nine months ended September 30, 2020, as AFF continued to be impacted by a challenging commodity price environment.
- Commodity prices recovered through Q3/20 as benchmark prices for all products increased quarter-over-quarter. Improved commodity prices reflect increased global demand as restrictions related to COVID-19 were eased. Despite this improvement, benchmark prices remain below prior year levels due to the ongoing global impact of COVID-19.
    - Crew's realized light crude oil price was 83% higher than Q2/20 and 31% lower than in Q3/19, compared to an increase of 42% and a decrease of 27% in the Canadian dollar denominated West Texas Intermediate ("WTI") benchmark price over the same respective periods. The Company's Q3/20 realized price improvement was more pronounced than the WTI benchmark due to improved pricing differentials between Canadian and US crude benchmark pricing as egress to US markets was more abundant given lower production moving out of Canada during the third quarter.
    - The Western Canada Select ("WCS") heavy crude oil benchmark increased 89% from Q2/20 and decreased 27% from Q3/19, with Crew's realized heavy crude oil price increasing 109% and decreasing 28% relative to both periods, respectively. Crew's heavy crude oil price outperformance relative to the Q2/20 benchmark was the result of the above-mentioned improvement in Canadian oil differentials.
    - Pricing for the Company's ngl production in Q3/20 increased 43% and 1,844% over Q2/20 and Q3/19, respectively, largely due to increases in propane and butane pricing across North America. Higher ngl component prices can have a significant impact on Crew's realized ngl price as the increased component pricing disproportionately offsets the imbedded cost of processing and fractionation netted into Crew's realized price.
    - Crew's realized condensate prices increased by 84% in Q3/20 compared to Q2/20, and decreased 30% from Q3/19, compared to an increase of 63% and a decrease of 27% in the Canadian dollar denominated Edmonton condensate benchmark price over the same periods, with the relative difference being the result of fixed transportation costs netted into the price Crew receives for delivering condensate to market at our plant gate.
    - Crew's Q3/20 natural gas sales continued to be exposed to diversified markets, a feature that has benefited the Company significantly in the past, particularly our greater exposure to US markets. During 2020, the Company, through legacy contracts, continues to expose a large percentage of our natural gas production to the Chicago City Gate market delivered at ATP. This market has underperformed Canadian markets year-to-date, and has impacted Crew's realized gas price. Based on this pricing exposure in Q3/20, Crew's realized natural gas price increased 12% and 1% relative to Q2/20 and Q3/19, respectively. As we move into Q4/20, Crew expects improved pricing for our natural gas portfolio with a greater percentage of production directed to Canada's AECO market, while the forward price for Crew's US markets is forecasted to trade in-line or above Canadian prices.

Costs Trending Lower

- A focused effort by the Company to reduce operating costs has led to the lower realized charges. In Q3/20, net operating costs of $5.74 per boe were 3% lower than Q3/19, and were 6% lower for the first nine months of 2020 compared to the

same period of 2019. These efforts have allowed the Company to reduce 2020 annual operating cost guidance from $6.00 to $6.50 per boe to $5.75 to $6.00 per boe.
- G&A costs of $0.79 per boe in Q3/20 and $0.91 per boe in the first nine months of 2020 declined 42% and 36% from the comparable periods in 2019, respectively, and were comparable to Q2/20, reflecting administrative cost reductions, lower compensation costs, lower head office operating costs and property taxes, and the impact of government grants received under the Canada Emergency Wage Subsidy.

Liquidity Remains Strong

- Q3/20 ending net debt of $353.7 million was similar to the same period in 2019 and approximately 4% higher than the previous quarter, reflecting increased capital spending activities directed to drilling our 9-5 multi-well pad at West Septimus.
- 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 $150 million credit facility drawn 28% at quarter-end. In early November, the facility's borrowing base was reconfirmed at $150 million until June 2021.
- The second phase of the previously disclosed infrastructure transactions closed in early November, netting Crew approximately $23 million of proceeds that have been applied against the Company's outstanding bank debt. The Company also has the option to transact on a further disposition of Crew's ownership interest in the Greater Septimus gas processing complex, which, if exercised, would generate up to an incremental $37.5 million between January 2021 and June 2023.

TRANSPORTATION, MARKETING & HEDGING

Market Access Diversification and Increased Risk Management Focus

- As natural gas prices have strengthened across sales hubs in western Canada in 2020, Crew has taken steps to rebalance the Company's marketing portfolio to reduce transportation commitments and their associated costs, as well as redirect our natural gas portfolio to those markets across North American that offer the best prices to support stronger netbacks.
- At the beginning of November 2020, Crew's commitments on the Alliance pipeline have been reduced from 100 mmcf per day to 65 mmcf per day with the Company retaining annual renewal rights.
- Crew's average natural gas sales exposure in Q3/20 was weighted approximately 54% to Chicago (up from 49% in Q2/20), 18% to Henry Hub (up from 16% in Q2/20), 22% to Alliance 5A (down from 24% in Q2/20), 5% to Station 2 (down from 8% in Q2/20) and 1% to AECO 5A (down from 3% in Q2/20).
- For Q4/20, the Company's sales portfolio is estimated to be weighted 47% to Chicago, 6% to Henry Hub, 17% to Alliance 5A, 9% to Station 2, and 21% to AECO 5A.
- Into 2021, based on current forward pricing, our estimated natural gas market weighting is expected to shift to approximately 26% to Chicago, 15% to Alliance 5A, 50% to AECO 5A and 9% to Station 2.
- Stronger forward prices for natural gas have provided an opportunity to add hedges for 2021 and 2022 to secure attractive returns on our incremental gas production from our planned drilling and completion program. Crew's Q3/20 MD&A contains a complete list of all hedges in place as at September 30, 2020 along with contracts secured subsequent to quarter end.

OPERATIONS & AREA OVERVIEW

Sustainability and ESG Initiatives

- The Company reported zero recordable or lost time injuries and no reported incidents of COVID-19 through Q3/20 or the nine months ending September 30, 2020. In addition, no spills of significance were reported in either Q3/20 or year to date 2020, continuing Crew's strong track record of minimizing our impact on the environment.
- In keeping with our continued efforts to enhance the Company's long-term sustainability, Crew has planned the installation of a waste heat recovery system for our West Septimus gas plant.
  - This waste heat recovery system is expected to enable Crew to reduce greenhouse gas emissions by an estimated 7,700 tonnes per year, while expanding condensate stabilization capacity by 30%.
- Crew continues to successfully coordinate with three provincial regulatory bodies to fund and coordinate site abandonment, reclamation and restoration programs. The deployment and execution of this important abandonment and reclamation work is currently underway with a majority of Crew's work expected to be completed by H1/21.

NE BC Montney - Greater Septimus

- Through Q3/20, Crew's 3-32 UCR wells continued to meet expectations for proved plus probable type wells derived from Crew's independent reserves evaluation at year end 2019.
- The development of natural gas in Greater Septimus is supported by favorable geology, a low operating cost structure, reduced capital costs and an active hedging program.
  - Drilling operations continued on the first six of seven wells at the 9-5 pad at West Septimus.
  - The development area benefits from the low variable operating costs at West Septimus, which average

approximately $1 per boe, as well as available capacity from recent area plant and pipeline expansions.

Greater Septimus

Production & Drilling	**Q3 2020**	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Average daily production (boe/d)	**17,119**	18,565	19,894	18,720	19,648
Wells drilled (gross / net)	6 / 6.0	0	0	0	0
Wells completed (gross / net)	0	0	0	4 / 4.0	1 / 1.0

Operating Netback ($ per boe)	**Q3 2020**	Q2 2020	Q1 2020	Q4 2019	Q3 2019
Revenue	**15.73**	11.97	17.61	20.13	17.38
Royalties	**(0.42)**	(0.36)	(0.86)	(1.76)	(1.04)
Realized commodity hedge gain	**2.18**	3.06	1.44	0.90	1.78
Marketing income(1)	**(0.33)**	(0.31)	0.13	(0.02)	1.55
Net operating costs(2)	**(4.71)**	(4.81)	(4.52)	(3.99)	(4.41)
Transportation costs	**(3.86)**	(3.37)	(2.99)	(2.61)	(2.62)
Operating netback(3)	**8.59**	6.18	10.81	12.65	12.64

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 averaged 627 boe per day in this area during Q3/20, comprised of 159 bbls per day of oil, 18 bbls per day of condensate, 46 bbls per day of ngl and 2,419 mcf per day of natural gas. Crew continues to evaluate the potential in the Lower Montney where development has experienced considerable success.
- **Attachie:** This area represents an attractive mid-to longer term development opportunity with approximately 36 of our 76 net sections at Attachie situated within the liquids-rich hydrocarbon window. Given the positive results generated by offsetting operators, a lease retention well is planned to be drilled in 2021 which would conclude the lease preservation program in the area.
- **Oak / Flatrock:** In this liquids-rich gas area, Crew has more than 60 (52 net) sections of land. The Company plans to continue monitoring industry activity and offsetting well results for potential future development.
- **Groundbirch:** This area is ideally situated for future development with approximately 112 sections adjacent to acreage planned to be developed for a west coast LNG project, and existing pipeline infrastructure proximal to the Coastal GasLink pipeline inlet.

AB / SK Heavy Oil Lloydminster

- During Q3/20, Crew continued to take steps for the preservation of value and to minimize costs, including realizing benefits from certain infrastructure capital investments during the downturn which featured short-payouts and contributed to an improved heavy oil operating cost structure, further advancing our long-term sustainability.
- Production averaged 1,477 bbls per day of oil in Q3/20 reflecting the performance of two wells that were drilled in Q1/20 and completed in Q2/20, as well as the successful reactivation of shut-in wells.

OUTLOOK

- Despite an unprecedented global pandemic collapsing demand for oil and gas, and six years of low natural gas prices, Crew has been conditioned to doing more with less and has significantly improved operating, cost and capital efficiencies. We have continued to look forward and plan for the future, with several strategic initiatives designed to enhance our long-term financial and operational sustainability. We believe a proactive strategy will help "right size" the Company through optimizing processing and transportation capacity leading to margin expansion and improved debt metrics in an improved natural gas price environment.
- As our exposure to AECO 5A prices increases to over 45% in 2021, Crew has successfully protected a meaningful level of our estimated 2021 gas production from the new 9-5 pad at West Septimus, supporting our ability to generate attractive returns. With the continued strength of natural gas prices in 2021 and 2022, Crew is positioned to realize even greater returns on the capital invested.
- Drilling and completion of the seven wells on the 9-5 pad will continue through the fourth quarter of 2020 with production anticipated to begin before year-end 2020.
- Crew forecasts annual 2020 exploration and development expenditures of $85 to $90 million ($27 to $37 million net of dispositions), with Q4/20 capital spending projected to be $40 to $45 million as the Company continues to advance our plan to improve margins by increasing production to match processing and transportation capacity, with the drilling of five wells at the West Septimus 3-32 UCR pad. As a result of our strong underlying production base, we are pleased to be able to increase our forecasted Q4 2020 average production guidance to 20,000 to 21,000 boe per day from 19,500 to 20,500 boe per day, and refine our 2020 annual average production guidance to 21,000 to 22,000 boe per day from 20,000 to 22,000 boe per day.
- The Company's liquidity remains strong with 28% drawn on our $150 million credit facility at quarter-end. We have received an additional net $23 million net cash proceeds in Q4/20 associated with the previously disclosed strategic infrastructure transactions, and have the option to convert another working interest tranche for $37.5 million beginning in January 2021, which, if exercised, would be anticipated to be directed to further debt repayment. Importantly, with $300 million of senior notes termed out until 2024, Crew does not face any near-term maturities or repayment requirements which affords financial flexibility to weather market weaknesses.
- Crew plans on releasing the Company's 2021 capital expenditure budget and production guidance in December 2020.

Crew will continue to adhere to the highest safety standards in the field and ensure the physical and mental health of our employees, contractors and community is supported. From a value creation perspective, we are relentlessly seeking to identify opportunities to generate value for all stakeholders, over the short and longer term. We commend the tireless efforts of Crew's employees and directors whose commitment and dedication are critical to our ongoing success. We thank all of our shareholders and bondholders for your ongoing support and hope you and your families remain safe.

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 deficiency (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 anticipated timing of completions and on-stream dates, Q4 spending plans and Q4 and annual 2020 production and operating cost guidance; capital spending plans and budget estimates; the estimated volumes and product mix of Crew's oil and gas production; commodity price expectations including Crew's estimates of natural gas pricing exposure; Crew's commodity risk management *programs and future hedging opportunities; marketing and transportation plans; estimates of sales points weightings for 2020 and into 2021; future liquidity and financial capacity; future results from operations and operating metrics; potential for lower costs, strong capital efficiencies and enhanced returns going forward; anticipated reductions in transportation costs; estimated annual savings associated with planned operations and streamlining efforts; capital cost recovery targets; anticipated impact of our water disposal well at West Septimus including associated reductions in annual* CO_2 *emissions; plans for the installation of a waste heat recovery system at West Septimus and the potential impact thereof; the potential impact of 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; the amount and timing of capital projects; and the anticipated timing of release of our 2021 capital expenditure budget and associated guidance.*

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 continuing and uncertain 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)
Q3/20	*11%*	*13%*	*76%*	17,119
Q2/20	*11%*	*14%*	*75%*	18,565
Q1/20	*11%*	*17%*	*72%*	19,894
Q4/19	*10%*	*13%*	*77%*	18,720

Q3/19	*11%*	*13%*	*76%*	19,648

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, MMCFE and TCFE Conversions

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.

TCFe of gas is defined as Trillion Cubic Feet Equivalent, and MMCFe of gas is defined as Million Cubic Feet Equivalent. Both terms have been applied using the oil equivalent conversion ratio of six thousand cubic feet of natural gas (6 mcf) to one barrel of oil (1 bbl). TCFe and MMCFe amounts may be misleading, particularly if used in isolation.

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. 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 and nine month periods ended September 30, 2020 and 2019 are filed on SEDAR at www.sedar.com and are available on the Company's website at www.crewenergy.com.

SOURCE Crew Energy Inc.