Crew Energy Inc. Provides Operations Update Highlighted by Strong Production Gains and Robust Capital Efficiencies

February 1, 2021

CALGARY, AB, Feb. 1, 2021 /CNW/ - Crew Energy Inc. (TSX: CR) ("**Crew**" or the "**Company**") is pleased to provide an update on the progress and achievements realized following the announcement of our innovative 2021 and 2022 asset development plan, released on December 10, 2020. We are also pleased to provide production estimates for Q4/20 and full year 2020, along with current production levels and details on our recent drilling and completion activities.

Crew's pivotal two-year plan is designed to expand margins and significantly improve leverage metrics by efficiently calibrating our production volumes to match ongoing infrastructure and transportation commitments. During 2021, the Company plans to invest $120 to $145 million of capital, which is expected to drive average production of 26,000 to 28,000 boe per day[1] representing a 21% to 30% increase over Q4/20 average production. With the execution of our two-year plan, Crew anticipates increasing average daily production over the next 24 months to a target range of 31,000 to 33,000 boe per day[1] in 2022, which is targeted to generate meaningful free adjusted funds flow ("AFF")[2] of $35 to $65 million[3].

Strong Start to Crew's Two-Year Plan

- **Q4 Production Ahead:** Q4/20 production estimated at 21,500 boe per day[1] was ahead of guidance of 20,000 to 21,000 boe per day[1]. Full year 2020 production is estimated to average 21,900 boe per day[1], at the high end of forecasts. Current production volumes, based on field estimates, are estimated at approximately 26,500 boe per day[1], an increase of 23% over Q4/20, a result of the tie-in of the 9-5 pad in Q4/20. In 2021, Crew plans to drill 19 wells and complete 14 to 21 wells targeting the Montney formation in the Greater Septimus area of northeast British Columbia.
- **Optimizing Commitments:** Crew's firm natural gas transportation utilization has increased to 120 million cubic feet ("mmcf") per day currently from an average of approximately 95 mmcf per day in Q4/20, with commitments declining to approximately 210 mmcf per day in 2021, and to approximately 165 mmcf per day in 2022, from approximately 250 mmcf per day in 2020. Similarly, our processing requirements are expected to range between 120 and 165 mmcf per day in 2021 and between 150 and 200 mmcf per day in 2022, compared to Crew's available processing capacity of 200 mmcf per day, greatly improving alignment between production and processing capacity.
- **Expanded Hedging:** Through a very active hedging program, Crew has locked-in value from stronger commodities futures pricing. For 2021, we currently have approximately 50% of our targeted annual average natural gas volumes hedged with a floor price of $2.48/GJ AECO equivalent and approximately 50% of our anticipated annual average condensate volume hedged at CAD $58.60 per bbl.
- **Crew's 9-5 Pad Most Efficient in Company History:** Seven wells on our 9-5 pad at Greater Septimus have been drilled, completed, equipped and tied-in with estimated per well costs averaging $5 million, 12% lower than the original $5.7 million budgeted. Wells on the pad are performing in-line with expectations, and after a short clean up period[4], the wells have produced an average of 30 days, with an average per well raw gas rate of 8.2 mmcf per day, 170 bbls per day of condensate, and 139 bbls per day of NGLs[5]. This seven-well pad is currently flowing at restricted rates of approximately 50 mmcf per day of natural gas and 1,030 bbls per day of condensate. Crew's 9-5 pad is on track to be the most efficient in our history with an expected payout[6] in 9 to 11 months compared to the 11 to 14 months originally projected, reflecting lower costs and improved liquids pricing.
- **Operational Execution a Prime Focus:** Crew currently has two drilling rigs and one fracturing spread in operation. The first drilling rig is drilling the fourth well on Crew's seven-well 1-8 pad, directly north of our 9-5 pad, on which the Company has just drilled and cased one of the longest wells in our history in under 11 days, with a total length of 20,360 feet and a lateral length of 13,471 feet. The second rig is drilling the first lease retention well at our three-well 4-17 pad at Groundbirch. The six-well 3-32 pad at Greater Septimus is currently being completed with initial production expected to come on-stream in Q2/21.
- **Improving Leverage Metrics and Retaining Strategic Optionality**: Crew has ample liquidity to complete our two-year plan, with leverage metrics expected to continually improve. Crew's net debt[6] to last twelve-month ("LTM") EBITDA[6] ratio is expected to improve from an estimated 5.5 to 6.0 times at the end of 2020 to a targeted 2.0 to 2.5 times at the end of 2022, with Free AFF[6] targeted at $35 million to $65 million in 2022[7]. Additionally, the Company has an option to dispose of an additional 11.43% working interest in our northeast B.C. facilities at Greater Septimus for incremental proceeds of up to $37.5 million. Crew can elect to exercise this option at any time between now and June of 2023 and has not included this amount in our estimates at this time.

- **Focus on Environment, Social and Governance ("ESG") Initiatives**: In the summer of 2021, Crew anticipates the installation of a waste heat recovery system at our West Septimus facility, the impact of which will be reduced emissions and enhanced recoveries. The system is expected to reduce total greenhouse gas emissions from the facility by approximately 15%. In addition, we are in the process of developing our inaugural ESG report to stakeholders which is anticipated to be finalized and published by mid-2021.

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[1]See table in the Advisories for production breakdown by product type as detailed in NI 51-101.

[2]Non-IFRS Measure. See "Advisories - Non-IFRS Measures".

[3]See table in the Advisories for key budget assumptions related to the two-year plan and associated guidance.

[4]After 20% load fluid recovery.

[5]Natural gas liquids reported here exclude condensate volumes, which are reported separately.

[6]Non-IFRS Measure. See "Advisories - Non-IFRS Measures".

[7]See table in the Advisories for key budget assumptions related to the two-year plan and associated guidance.

The Board, management and our Crew team all remain excited about the Company's two-year asset development plan. We have identified numerous opportunities within our portfolio to expand margins through efficient alignment of our production with infrastructure and transportation commitments. We are actively seeking new ways to reduce leverage metrics to more conservative levels through increased AFF and strategic dispositions which drive enhanced financial flexibility. Underpinning this is Crew's unwavering focus on our commitment to ESG and being a safe and responsible operator and corporate citizen.

Advisories

Information Regarding Disclosure on Operational Information

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". 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 most recent MD&A for applicable definitions, calculations, rationale for use and, where applicable, reconciliations to the most directly comparable measure under IFRS.

Non-IFRS Measures

Certain financial measures referred to in this press release, such as adjusted funds flow or AFF, free adjusted funds flow, EBITDA, net debt and payout are not prescribed by IFRS. Crew uses these measures to help evaluate its financial and operating performance as well as its liquidity and leverage. These non-IFRS financial measures do not have any standardized meaning prescribed by IFRS and therefore may not be comparable to similar measures presented by other issuers.

"Adjusted funds flow" or "AFF" - Forecasted AFF presented herein is equivalent to cash flow provided by operating activities, which is an IFRS measure, adding the change in non-cash working capital, decommissioning obligation expenditures, excluding grants, and accretion of deferred financing costs on the senior unsecured notes. The Company considers this metric as a key measure that demonstrate the ability of the Company's continuing operations to generate the cash flow necessary to maintain production at current levels and fund future growth through capital investment and to service and repay debt. Crew also presents AFF per share in this presentation whereby per share amounts are calculated using fully diluted shares outstanding.

"Free AFF" is calculated by taking adjusted funds flow and subtracting capital expenditures, excluding acquisitions and dispositions. Management believes that free adjusted funds flow provides a useful measure to determine Crew's ability to improve sustainability and to manage the long-term value of the business.

"EBITDA" is calculated as consolidated net income (loss) before interest and financing expenses, income taxes, depletion, depreciation and amortization, adjusted for certain non-cash, extraordinary and non-recurring items primarily relating to unrealized gains and losses on financial instruments and impairment losses. Crew utilizes EBITDA as a measure of operational performance and cash flow generating capability. EBITDA impacts the level and extent of funding for capital projects investments. This measure is consistent with the EBITDA formula prescribed under the Company's Credit Facility and allows Crew and others to assess its ability to fund financing expenses, net debt reductions and other obligations.

"Net debt" is defined as outstanding long-term debt and net working capital.

"Payout" is achieved when revenues, less royalties, production and transportation costs are equal to the total capital costs associated with drilling, completing, equipping and tying in a well. Management considers payout an important measure to evaluate its operational performance and capital allocation processes. It demonstrates the return of cash flow and allows the Company to understand how a capital program is funded under different operating scenarios, which helps assess the Company's ability to generate value.

Please refer to Crew's most recently filed MD&A for additional information relating to Non-IFRS measures including a reconciliation of AFF to its most closely related IFRS measure. The MD&A can be accessed either on Crew's website at www.crewenergy.com or under the Company's profile on www.sedar.com.

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 ability to execute on its two-year plan as described herein; as to our plan to optimize production and infrastructure utilization, enhance margins, increase AFF, free AFF and improve leverage metrics; execution of Crew's strategy to calibrate the Company and generate meaningful free AFF estimated between $35 and $65 million in 2022 based on current assumptions; anticipated improvements in net debt to LTM EBITDA ratio from between 5.5 to 6.0 times at the end of 2020 to a targeted 2.0 to 2.5 times at the end of 2022 based on current assumptions; our 2021 capital budget range and associated drilling and completion plans and guidance; preliminary plans and targets for 2022; production estimates including Q4 and 2020 annual estimates, current production and forecast average and exit production volumes in 2021 and targets for 2022; 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 and processing plans and requirements; estimates of processing capacity and requirements; future liquidity and financial capacity; future results from operations and operating and leverage metrics; anticipated reductions in expenses and associated estimates; strong capital efficiencies and enhanced returns going forward; anticipated reductions in transportation commitments and costs; estimated maintenance capital requirements; capital cost recovery and payout targets; 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, anticipated on-stream dates and associated timing and cost estimates); infrastructure investment plans; the anticipated installation of a waste heat recovery system at the West Septimus facility and expected impact thereof; the anticipated release of Crew's inaugural ESG report in 2021; the amount and timing of capital projects; and anticipated improvement in our long-term sustainability including the expected positive attributes discussed herein attributable to our calibration strategy and all associated estimated and targeted metrics.

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 internal projections, expectations, or beliefs underlying our Board 2021 capital budget and associated guidance, as well as management's preliminary estimates and targets in respect of plans for 2022 and beyond, are subject to change in light of the impact of the COVID-19 pandemic, and any related actions taken by businesses and governments, ongoing results, prevailing economic circumstances, commodity prices, and industry conditions and regulations. Crew's financial outlook and guidance provides shareholders with relevant information on management's expectations for results of operations, excluding any potential acquisitions or dispositions, for such time periods based upon the key assumptions outlined herein. In this press release reference is made to the Company's longer range 2022 and beyond internal plan and associated economic model. Such information reflects internal targets used by management for the purposes of making capital investment decisions and for internal long range planning and budget preparation. Readers are cautioned that events or circumstances could cause capital plans and associated results to differ materially from those predicted and Crew's guidance for 2021 and beyond may not be appropriate for other purposes. Accordingly, undue reliance should not be placed on same.

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 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.

This press release contains future-oriented financial information and financial outlook information (collectively, "FOFI") about Crew's prospective capital expenditures, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. The actual results of operations of Crew and the resulting financial results will likely vary from the amounts set forth in this press release and such variation may be material. Crew and its management believe that the FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments. However, because this information is subjective and subject to numerous risks, it should not be relied on as necessarily indicative of future results. Except as required by applicable securities laws, Crew undertakes no obligation to update such FOFI. FOFI contained in this press release was made as of the date of this press release and was provided for the purpose of providing further information about Crew's anticipated future business operations. Readers are cautioned that the FOFI contained in this press release should not be used for purposes other than for which it is disclosed herein.

Key Budget Assumptions

	2021	**2022**
Capital Expenditures ($MM)	120-145	70-95
Annual Average Production (boe/d)	26,000 – 28,000	31,000 – 33,000
AFF ($MM)	85-105	120-150
Average Hedge Volume (GJ)	70,500	62,200
Average Hedged Price (per GJ | per mcf[1])	$2.48 | $3.08	$2.46 | $3.05
Oil price (WTI)($US per bbl)	$45.20	$44.60
Natural gas price (AECO 5A) ($C per mcf)	$2.60	$2.50
Natural gas price (NYMEX) ($US per mmbtu)	$2.80	$2.70
Natural gas price (Crew est. wellhead) ($C per mcf)	$3.00	$2.90
WCS price ($C per bbl)	$42.00	$40.00
Foreign exchange ($US/$CAD)	$0.77	$0.77
Royalties	5%	5%
Operating costs ($ per boe)	$4.75-$5.25	$4.25-$4.75
Transportation ($ per boe)	$3.00-$3.50	$2.25-$2.75
G&A ($ per boe)	$0.90-$1.10	$0.80-$1.00
Interest rate – bank debt	6.0%	6.0%
Interest rate – high yield	6.5%	6.5%

Notes:

[1] Reflects a pricing premium given Crew's higher heat content gas

Budget Sensitivities

2021 SENSITIVITIES

	AFF ($MM)	***AFF/Share***
100 bbl per day Condensate[1]	$1.9	*$ 0.01*
C$1.00 per bbl WTI	$1.4	*$ 0.01*
US $0.10 NYMEX (per mmbtu)	$3.3	*$ 0.02*
1 mmcf per day natural gas	$1.0	*$ 0.01*
$0.10 AECO 5A (per GJ)	$2.1	*$ 0.01*
$0.01 FX CAD/US	$1.8	*$ 0.01*

2022 SENSITIVITIES

	AFF ($MM)	***AFF/Share***
100 bbl per day Condensate[1]	$1.8	*$ 0.01*
C$1.00 per bbl WTI	$2.0	*$ 0.01*
US $0.10 NYMEX (per mmbtu)	$4.6	*$ 0.03*
1 mmcf per day natural gas	$1.0	*$ 0.01*
$0.10 AECO 5A (per GJ)	$3.2	*$ 0.02*
$0.01 FX CAD/US	$2.7	*$ 0.02*

Notes:

[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.

Supplemental Information Regarding Product Types

References to gas or natural gas and NGLs in this press release refer to conventional natural gas and natural gas liquids product types, respectively, as defined in National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities ("NI 51-101"), except where specifically noted otherwise.

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:

	Crude Oil[1]	**Natural Gas Liquids[3]**	**Condensate**	**Conventional Natural Gas**	**Total**
2020 Q4 Average	1,450 bbls/d	1,900 bbls/d	2,100 bbls/d	96,300 mcf/d	21,500 boe/d
2020 Annual Average	1,550 bbls/d	2,100 bbls/d	2,500 bbls/d	94,500 mcf/d	21,900 boe/d
Current Volumes	1,400 bbls/d	2,500 bbls/d	2,600 bbls/d	120,000 mcf/d	26,500 boe/d
2021 Annual Average[2]	4%	10%	11%	75%	26,000-28,000 boe/d

2022 Annual Average[2]	3%	10%	12%	75%	31,000-33,000 boe/d

Notes:

[1] *Crude oil is comprised primarily of Heavy crude oil, with an immaterial portion of Light and Medium crude oil.*

[2] *With respect to forward looking production guidance, given the potential for variability in actual product type results, the issuer approximates percentages for budget planning purposes based on management's reasonable assumptions including, without limitation, historical well results.*

[3] *Excludes condensate volumes which have been reported separately.*

Type Curves / Wells

The 9-5 pad type curve referenced herein reflects the estimated average per well proved plus probable undeveloped raw gas assignments (EUR) for the associated wells, as derived from internal forecasts prepared by a qualified reserves evaluator, and incorporates the most recent data from actual well results and would only be representative of the specific drilled locations; such a type curve does not reflect the type curves used by our independent qualified reserves evaluator in estimating our reserves volumes. There is no guarantee that Crew will achieve the estimated or similar results derived therefrom. The type curve presented is that which Management feels best represents the expected average drilling results based upon Crew producing wells on the 9-5 pad as well as non-Crew wells determined by Management to be analogous for the purpose of the type curve assignments. There is no guarantee that Crew will achieve the estimates or similar results and therefore undue reliance should not be placed on them. Such information has been prepared by Management, where noted, for purposes of making capital investment decisions and for internal budget preparation only.

Test Results and Initial Production Rates

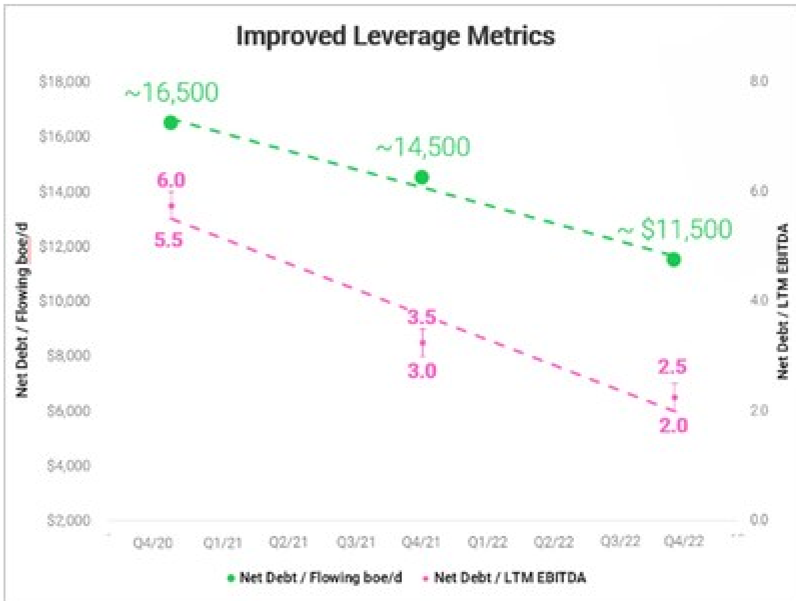
A pressure transient analysis or well-test interpretation has not been carried out and thus certain of the test results provided herein should be considered to be preliminary until such analysis or interpretation has been completed. Test results and initial production rates disclosed herein, particularly those short in duration, may not necessarily be indicative of long term performance or of ultimate recovery.

BOE 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.

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".

1) Internal forecast proved + probable type curve prepared by a qualified reserve evaluator, effective August 5, 2020.
2) Lateral length of 3,000 metres.
3) Payout is a non-IFRS Measure. See "Advisories - Non-IFRS Measures".
4) Based on AECO forward strip pricing as at Nov 4th, 2020.
5) Based on AECO forward strip pricing as at Jan 14th, 2021.



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