Crew Energy Inc. Announces 2020 Financial Results and Provides Operations Update Highlighted by Significant Progress on Asset Development Plan

March 11, 2021

CALGARY, AB, March 11, 2021 /CNW/ - Crew Energy Inc. (TSX: CR) ("Crew" or the "Company") today announced our operating and financial results for the three and twelve month periods ended December 31, 2020. Crew's full audited consolidated Financial Statements, as well as Management's Discussion and Analysis ("MD&A") for the three and twelve month periods ended December 31, 2020 are available on Crew's website and filed on SEDAR at www.sedar.com.

While 2020 proved to be one of the most challenging years in recent memory for commodities and energy companies due to the economic fallout caused by the COVID-19 pandemic, Crew remained focused on the Company's long-term sustainability. In December, we announced a strategic asset development plan for 2021 and 2022 designed to increase the pace of development of our world-class Montney resource, capturing value from stronger commodity pricing while optimizing production and infrastructure utilization, enhancing margins and ultimately improving leverage metrics. As a result, we anticipate generating meaningful Free Adjusted Funds Flow[1] targeting a range of $35 to $65 million[2] in 2022, depending on commodity prices.

2020 OPERATING & FINANCIAL HIGHLIGHTS

- **21,955 boe per day**[3] (131.7 mmcfe per day) average annual production in 2020, 4% lower than 2019 on 24% less capital invested, reflecting the quality of Crew's asset base and low base decline rate. Q4/20 production averaged 21,666 boe per day[3], 7% higher than Q3/20.
- **$41.2 million of Adjusted Funds Flow (AFF")**[1] ($0.27 per fully diluted share) in 2020, with $15.6 million ($0.10 per fully diluted share) generated in Q4/20, 82% higher than Q3/20 due to stronger commodity pricing and lower operating costs.
- **8% lower net operating costs**[1] in Q4/20 over Q3/20, averaging $5.30 per boe, while 2020 net operating costs of $5.61 were 5% lower than 2019. General and administrative ("G&A") costs declined 28% to $1.01 per boe in 2020.
- **$28.1 million** ($86.3 million gross) net capital expenditures[1] in 2020**,** 48% of which was invested during Q4/20, marking the start of Crew's two-year asset development plan.
- **15.0 net wells** were drilled in 2020, including 12.0 net natural gas wells, 2.0 net heavy oil wells and 1.0 net disposal well, while 10.0 net wells were completed (including 7.0 net natural gas wells) at Crew's Septimus and West Septimus areas ("Greater Septimus"), primarily in Q4/20. In Q1/21, Crew drilled and cased the longest well in our history, drilled to a total depth of over 20,000 feet in under 11 days at West Septimus.
- **7.0 net wells** were drilled, completed, equipped and tied-in on our 9-5 pad at Greater Septimus in 2020, with per well costs 12% lower than originally budgeted, averaging an estimated $5 million.
- **Continued positive performance** from the 9-5, seven well pad, with average IP60 production sales rates per well of 1,500 boe per day (21% condensate and ngl's) with flowing metrics of approximately $3,300 per boe[4].
- **Over 50% of forecast 2021 natural gas production is hedged** at an average price of $3.08 per mcf, reflecting the success of our marketing activities in 2020.
- **Record low** Proved Developed Producing ("PDP") F&D costs[5] of $6.83 per boe and FD&A costs[5] of $2.00 per boe in 2020, resulting in recycle ratios[5] of 1.8x and 6.1x, respectively.
- **12.0 MMboe of PDP reserves added** in 2020, prior to accounting for production, bringing the total to 67.1 MMboe at year-end, a 6% increase over 2019.
- **$357.2 million of year-end net debt**[6], with no near-term maturities or repayment requirements on the $300 million of senior notes termed out until 2024, and 24% drawn on our $150 million credit facility which was reconfirmed until June 2021.

[1] Non-IFRS measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented for other entities. See "Advisories - Non-IFRS Measures".

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

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

[4] Amounts exclude a short cleanup period after 20% of load fracturing fluid is recovered. Volumes include 7.1 mmcfd of sales gas, 176 bbl/d of condensate and 140 bbl/d of ngls. See "Advisories - Test Results and Initial Production ("IP") Rates".

[5] "Finding, Development and Acquisitions costs" or "FD&A costs", "Finding and Development costs" or "F&D costs" and "recycle ratio" do not have standardized meanings and therefore may not be comparable to similar measures presented for other entities. See "Advisories - Information Regarding Disclosure on Oil and Gas Reserves and Operational Information".

[6] Non-IFRS measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented for other entities. See "Advisories - Non-IFRS Measures".

FINANCIAL & OPERATING HIGHLIGHTS

FINANCIAL ($ thousands, except per share amounts)	**Three months ended Dec. 31, 2020**	Three months ended Dec. 31, 2019	**Year ended Dec. 31, 2020**	Year ended Dec. 31, 2019
Petroleum and natural gas sales	**42,604**	44,941	**137,931**	193,532
Adjusted funds flow (1)	**15,568**	16,086	**41,150**	81,034
Per share - basic	**0.10**	0.11	**0.27**	0.53
- diluted	**0.10**	0.11	**0.27**	0.53
Net income / (loss)	**34,668**	(6,235)	**(203,180)**	12,071
Per share - basic	**0.23**	(0.04)	**(1.34)**	0.08
- diluted	**0.22**	(0.04)	**(1.34)**	0.08
Exploration and development expenditures	**41,007**	26,390	**86,260**	114,094
Property acquisitions (net of dispositions)	**(23,219)**	82	**(58,150)**	(19,084)
Net capital expenditures	**17,788**	26,472	**28,110**	95,010

Capital structure ($ thousands)	**As at Dec. 31, 2020**	As at Dec. 31, 2019
Working capital deficiency (surplus) (1)	**24,361**	(149)
Bank loan	**35,994**	52,136
	60,355	51,987
Senior Unsecured Notes	**296,851**	295,868
Total net debt (1)	**357,206**	347,855
Common shares outstanding (thousands)	**151,182**	151,534

Notes:

(1) Non-IFRS measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented for other entities. See "Advisories - Non-IFRS Measures".

Operations	**Three months ended Dec. 31, 2020**	Three months ended Dec. 31, 2019	**Year ended Dec. 31, 2020**	Year ended Dec. 31, 2019
Daily production				
Light crude oil (bbl/d)[1]	**182**	251	**187**	216
Heavy crude oil (bbl/d)	**1,281**	1,600	**1,362**	1,639
Natural gas liquids ("ngl")[2] (bbl/d)	**1,953**	2,011	**2,070**	2,056
Condensate (bbl/d)	**2,121**	2,455	**2,583**	2,693
Natural gas (mcf/d)	**96,771**	96,776	**94,519**	97,398
Total (boe/d @ 6:1)	**21,666**	22,446	**21,955**	22,837
Average prices [3]				
Light crude oil ($/bbl)	**47.38**	62.85	**39.97**	63.24
Heavy crude oil ($/bbl)	**38.79**	44.76	**28.86**	50.65
Natural gas liquids ($/bbl)	**13.20**	8.66	**9.01**	6.78
Condensate ($/bbl)	**47.68**	63.29	**42.99**	64.40
Natural gas ($/mcf)	**2.87**	2.36	**2.12**	2.53
Oil equivalent ($/boe)	**21.37**	21.76	**17.17**	23.22

Notes:

(1) The Company does not have any medium crude oil as defined by NI 51-101.

(2) Throughout this news release, natural gas liquids ("ngl") comprise all natural gas liquids as defined in National Instrument 51-101, Standards of Disclosure for Oil and Gas Activities ("NI 51-101"), other than condensate, which is disclosed separately, and natural gas means conventional natural gas by NI 51-101 product type.

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

	Three months ended Dec. 31, 2020	Three months ended Dec. 31, 2019	**Year ended Dec. 31, 2020**	Year ended Dec. 31, 2019

Netback ($/boe)

Petroleum and natural gas sales	**21.37**	21.76	**17.17**	23.22
Royalties	**(0.99)**	(1.97)	**(0.81)**	(1.77)
Realized commodity hedging gain	**1.27**	0.78	**2.06**	0.28
Marketing (loss) income(1)	**(0.04)**	(0.02)	**(0.11)**	0.99
Net operating costs(2)(3)	**(5.30)**	(5.51)	**(5.61)**	(5.93)
Transportation costs	**(4.23)**	(2.88)	**(3.67)**	(2.74)
Operating netback(3)	**12.08**	12.16	**9.03**	14.05
G&A	**(1.30)**	(1.33)	**(1.01)**	(1.40)
Financing costs on long-term debt	**(2.97)**	(3.06)	**(2.90)**	(2.94)
Adjusted funds flow(3)	**7.81**	7.77	**5.12**	9.71
Drilling activity				
Gross wells			**15**	8
Working interest wells			**15**	8
Success rate, net wells (%)			**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 that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented for other entities. See "Advisories - Non-IFRS Measures".

SUSTAINABILITY AND ESG INITIATIVES

Underpinning Crew's long-term strategy is our unwavering commitment to safely and responsibly operating in the communities in which we work, while focussing on our environmental, social and governance ("ESG") initiatives. The Company expects the release of our inaugural ESG report to stakeholders by mid-2021, meanwhile, we continue to advance our sustainability goals:

- In the summer of 2021, Crew plans to install a waste heat recovery system at our West Septimus facility, which is expected to reduce emissions and increase condensate stabilization capacity. The system is expected to reduce total greenhouse gas emissions from the facility by approximately 10-15% and increase condensate stabilization capacity by 20% to around 5,000 bbls per day. Crew gratefully acknowledges assistance from the Province of British Columbia for their support of this project.
- Crew is the first Canadian energy producer to receive regulatory approval from the B.C. Oil and Gas Commission for the installation and operation of a next-generation, spoolable surface pipeline for produced water transfer, confirming Crew's commitment to improving efficiencies and reducing emissions. The pipeline allows for the safe and environmentally responsible transportation of produced water, dramatically reducing the trucking of water in Crew's area of operations while significantly reducing emissions. As a result of this pipeline, 5,940 two-way truckloads were removed from the road during the completion of the 3-32 pad in Q1 2021, which is the equivalent distance of three trips around the globe. In addition to

the CO_2 emission reductions, removing vehicles from the road also significantly reduces the risk of accidents and spills, further contributing to improved safety and environmental performance.

- We are proud of Crew's safety record, which in 2020 featured no lost time injuries for a second consecutive year. In 2020, the Company had only two recordable injuries across our employee and contractor workforce.
- Crew successfully participated in the provincially funded dormant well programs and initiated abandonment and reclamation activities on 79 wells in 2020.
- Through 2020, Crew's regulatory compliance remained on par with 2019 as we achieved a 95% compliance rating, with 220 regulatory inspections across the three provinces in which we operate.
- Crew has established a new committee, constituted with members of our Board of Directors, which has a specific focus on our ESG initiatives.

OPERATIONS & AREA Overview

NE BC Montney - Greater Septimus

Production & Drilling	**Q4 2020**	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Average daily production (boe/d)[1]	**18,089**	17,119	18,565	19,894	18,720
Wells drilled (gross / net)	**6 / 6.0**	6 / 6.0	0	1 / 1.0	0
Wells completed (gross / net)	**7 / 7.0**	0	1 / 1.0	0	4 / 4.0

Note:

(1) See table in the Advisories for production breakdown by product type as defined in NI 51-101.

Operating Netback ($ per boe)	**Q4 2020**	Q3 2020	Q2 2020	Q1 2020	Q4 2019
Petroleum and natural gas sales	**20.41**	15.73	11.97	17.61	20.13
Royalties	**(0.89)**	(0.42)	(0.36)	(0.86)	(1.76)
Realized commodity hedge gain	**1.45**	2.18	3.06	1.44	0.90
Marketing income[1]	**(0.05)**	(0.33)	(0.31)	0.13	(0.02)
Net operating costs[2][3]	**(4.33)**	(4.71)	(4.81)	(4.52)	(3.99)
Transportation costs	**(4.33)**	(3.86)	(3.37)	(2.99)	(2.61)
Operating netback[3]	**12.26**	8.59	6.18	10.81	12.65

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 that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented for other entities. See "Advisories - Non-IFRS Measures".

- The seven wells on Crew's 9-5 pad at Greater Septimus were drilled, completed, equipped and tied-in with all wells currently flowing through permanent facilities. The estimated per well costs at this pad averaged $5 million, 12% lower than the original $5.7 million budgeted. Average per well sales production over the first 60 days was approximately 1,500 boe per day (21% condensate and ngl's) with a flowing IP60 efficiency of approximately $3,300 per boe[7].
- From the 9-5 pad, over 120,000 m^3 of produced water has been transferred through above ground lines, saving approximately $550,000 while reducing emissions by removing trucks from the road.
- At Crew's 3-32 pad, five wells were drilled in Q4/20 and six wells were completed in Q1/21, with encouraging initial condensate rates. Production from the 3-32 pad is expected to start in Q2/21.
- Drilling of our seven-well, 1-8 pad began in Q4 and has incorporated the longest wells drilled in the Company's history. As part of our drive to improve returns, and our ongoing ESG strategy, these ultra-extended reach horizontal wells will reduce future development capital and minimize surface footprint by eliminating the number of wells required to effectively deplete the reservoir while reducing the need for additional pipelines. Following the finalization of the 1-8 pad, the associated drilling rig is scheduled to move to our 4-14 pad, targeting gas and condensate in our ultra-condensate rich area at Greater Septimus.

Other NE BC Montney

- During Q4/20 we initiated the drilling of a three well tenure retention pad in Groundbirch which has recently been rig released. The drilling rig has since moved to Attachie to drill the final lease retention well in that area, which was originally planned to be drilled in Q3/21 and will conclude the Company's tenure retention program at Attachie.

[7] Amounts exclude a short cleanup period after 20% of load fracturing fluid is recovered. Volumes include 7.1 mmcfd of sales gas, 176 bbl/d of condensate and 140 bbl/d of ngls. See "Advisories - Test Results and Initial Production ("IP") Rates".

OUTLOOK

Crew continues to look forward and plan for the future, which we believe to be bright for natural gas. Despite the last six years being challenging for natural gas producers, we have learned to do more with less which has also led to a period of cost cutting and under-investment. We strongly believe that natural gas is and will continue to be an important source of energy as the world transitions to more socially responsible and cleaner energy. With society requiring more environmentally-friendly energy sources, the underlying fundamentals are constructive for natural gas with demand projected to grow by 33% from 2019 to 2050, rivalling the growth of renewables as reported by the Energy Information Administration[8]. With this important backdrop as support, and as previously announced, Crew developed our strategic asset development plan to enhance long-term sustainability and create meaningful value.

Progress on our Two-Year Plan

Crew's pivotal two-year plan, designed to expand margins and significantly improve leverage metrics by efficiently matching production volumes with infrastructure and transportation commitments, has been successfully initiated.

- **Production Growth** – Q1/21 production is expected to average between 25,500 and 26,500 boe per day[9], representing a 20% increase at the midpoint over Q4/20 production while also accounting for wells shut-in for offsetting completion operations as the Company ramps up activity.
- **Optimizing Commitments** - Increasing Q1/21 natural gas production has resulted in Crew increasing the utilization of our committed transportation by over 30% as compared to Q4/20. Further improvements are anticipated as production increases throughout the year and the Company's committed transportation decreases by over 20% in Q4/21 which is expected to reduce transportation expenses by over $9 million annually.
- **Enhanced Hedging Program** – Crew currently has over 50% of forecast 2021 natural gas production is hedged at an average price of $2.48 per Gigajoule ("GJ") (or $3.08 per thousand cubic feet ("mcf") calculated using Crew's heat content factor). In addition, approximately 35% of targeted natural gas production for 2022 is hedged at an average price of $2.46 per GJ (or $3.05 per mcf using Crew's heat content factor).

- **Reduced Costs -** Crew's plan to reduce unit costs by over 25% is largely based on increasing production volumes into existing infrastructure, as over 50% of the Company's expenses are fixed. As production increases, per unit costs associated with operating, transportation, general and administrative and interest expenses are expected to decline from $13.19 per boe in 2020 to approximately $10.00 per boe in 2022.
- **Q1 2021 Capital Expenditures** are expected to range between $50 and $53 million, a slight increase over initial projections as the Company was able to access and drill a lease expiry well in Q1/21 that was originally planned for Q3/21.
- **Full Year 2021 Guidance** remains unchanged, with plans to invest between $120 and $145 million of capital over the year, resulting in average annual production of 26,000 to 28,000 boe per day[9] and an exit rate of over 30,000 boe per day[9].

[8] Source: U.S. Energy Information Administration: Annual Energy Outlook 2020

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

The Board, management and our Crew team all remain excited and focussed on the efficient execution of the Company's business plan. We have identified numerous opportunities within our portfolio to further expand margins, develop additional value and foster profitable growth while participating in the energy transition. With low average costs to find reserves leading to robust recycle ratios, and excellent market access, we are poised to capture additional value from our world-class Montney resource. Crew retains the financial flexibility and expertise to execute on our plans, with ample liquidity and the optionality to raise funds through asset transactions as needed. We commend the hard work of Crew's employees, contractors and directors whose commitment and dedication are critical to our ongoing success and thank all shareholders and bondholders for your ongoing support.

Advisories

Information Regarding Disclosure on Oil and Gas Reserves and Operational Information

All amounts in this news release are stated in Canadian dollars unless otherwise specified. All reserves information in this press release is derived from our independent reserves evaluation effective December 31, 2020, the details of which were announced in our February 8, 2021 press release (the "Reserves Press Release"). Our oil and gas reserves statement for the year ended December 31, 2020, which will include complete disclosure of our oil and gas reserves and other oil and gas information in accordance with NI 51-101, will be contained within our Annual Information Form which will be available on our SEDAR profile at www.sedar.com on or before March 31, 2021. The recovery and reserve estimates contained herein are estimates only and there is no guarantee that the estimated reserves will be recovered. In relation to the disclosure of estimates for individual properties or subsets thereof, such estimates may not reflect the same confidence level as estimates of reserves and future net revenue for all properties, due to the effects of aggregation.

This press release contains metrics commonly used in the oil and natural gas industry, such as "recycle ratio", "finding and development costs" and "finding, development and acquisition costs". Each of these metrics are determined by Crew as specifically set forth in the Capital Program Efficiency tables contained in our Reserves Press Release. These terms do not have standardized meanings or standardized methods of calculation and therefore may not be comparable to similar measures presented by other companies, and therefore should not be used to make such comparisons. Such metrics have been included to provide readers with additional information to evaluate the Company's performance however, such metrics are not reliable indicators of future performance and therefore should not be unduly relied upon for investment or other purposes. Recycle Ratio is calculated as operating netback per boe divided by F&D costs on a per boe basis. Management uses these metrics for its own performance measurements and to provide readers with measures to compare Crew's performance over time.

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

Non-IFRS Measures

Certain financial measures referred to in this press release, such as adjusted funds flow or AFF, free adjusted funds flow, EBITDA, operating netback, net capital expenditures, net debt, net operating costs and working capital deficiency and 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", 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.

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

"Net Capital Expenditures" equals exploration and development expenditures plus property acquisitions or less property dispositions.

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

"Net Operating Costs" equals gross operating costs less processing revenue.

"Working Capital Surplus (Deficiency)" equals current assets less current liabilities and derivative financial instruments.

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 development plan as described herein; as to our plan to optimize production and infrastructure utilization, enhance margins, increase AFF, free AFF and improve leverage metrics; our 2021 capital budget range and associated drilling and completion plans and guidance; preliminary capital plans and targets for 2022; production estimates including forecast Q1 and 2021 annual average and exit production volumes 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 including forecast unit costs in 2022; strong capital efficiencies and enhanced returns going forward; anticipated reductions in transportation commitments and costs; estimated maintenance capital requirements; the potential impact of COVID-19 as well as 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 successful implementation of our ESG initiatives including 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 two-year development plan.

The internal projections, expectations, or beliefs underlying our Board approved 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.

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).

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.

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.

Key Budget and Underlying Material Assumptions

	2021	**2022**
Capital Expenditures ($MM)	120-145	70-95
Annual Average Production (boe/d)	26,000 – 28,000	31,000 – 33,000
Adjusted Funds Flow ($MM)	85-105	120-150
EBITDA ($MM)	111-130	144-173
Oil price (WTI)($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	$0.77
Royalties	4-6%	4-6%
Net operating costs ($ 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

Supplemental Information Regarding Product Types

The following is intended to provide the product type composition for each of the boe/d production figures provided herein, where not already disclosed within tables above:

Corporate Production Volume Breakdown

	Crude Oil[1]	**Natural gas liquids[3]**	**Condensate**	**Conventional Natural gas**	**Total (boe/d)**
2020 Q4 Average	1,463	1,953	2,121	96,771	21,666
2020 Annual Average	1,549	2,070	2,583	94,519	21,955
2021 Q1 Average[2]	5%	9%	9%	77%	25,500-26,500
2021 Annual Average[2]	4%	10%	11%	75%	26,000-28,000
2021 Exit Average[2]	3%	9%	16%	72%	>30,000
2022 Annual Average[2]	3%	10%	12%	75%	31,000-33,000

Greater Septimus Production Volume Breakdown

	Crude Oil[1]	**Natural gas liquids[3]**	**Condensate**	**Conventional Natural gas**	**Total (boe/d)**
Q4/20	0%	10%	12%	78%	18,089
Q3/20	0%	11%	13%	76%	17,119
Q2/20	0%	11%	14%	75%	18,565
Q1/20	0%	11%	17%	72%	19,894
Q4/19	0%	10%	13%	77%	18,720

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.

Test Results and Initial Production ("IP") 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. Sales gas used herein reflects natural gas sales based on historical gas processing shrinkage and condensate and ngl yields.

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 twelve month periods ended December 31, 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.